

OMNIBRIDGE HOLDINGS LIMITED 橋英控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8462

SHARE OFFER

Sole Sponsor

CLC CLC INTERNATIONAL LIMITED
創 僑 國 際 有 限 公 司

Sole Bookrunner and Sole Lead Manager

 Pacific
Foundation

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Omnibridge Holdings Limited

橋英控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Number of Offer Shares	: 150,000,000 Shares (subject to the Offer Size Adjustment Option)
Number of Placing Shares	: 135,000,000 Shares (subject to reallocation and the Offer Size Adjustment Option)
Number of Public Offer Shares	: 15,000,000 Shares (subject to reallocation)
Offer Price	: Not more than HK\$0.55 per Offer Share and expected to be not less than HK\$0.45 per Offer Share (payable in full upon application, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund)
Nominal value	: HK\$0.01 per Share
Stock code	: 8462

Sole Sponsor



Sole Bookrunner and Sole Lead Manager



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified under the paragraph headed "Documents Delivered to the Registrar of Companies" in Appendix V to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

Prior to making an investment decision, prospective investors should carefully consider all the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The Offer Price is currently expected to be fixed by an agreement between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or around Tuesday, 4 July 2017, or such later date as may be agreed by the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company. The Offer Price is currently expected to be not more than HK\$0.55 per Offer Share and not less than HK\$0.45 per Offer Share. The Sole Bookrunner (for itself and on behalf of the Underwriters) may reduce the indicative Offer Price range stated in this prospectus at any time prior to the Price Determination Date. In such a case, a notice of the reduction of the indicative Offer Price range will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at bgc-group.com. If, for any reason, the Offer Price is not agreed between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse.

Prospective investors of the Offer Shares should note that the Sole Bookrunner (for itself and on behalf of the Underwriters) is entitled to terminate the obligations of the Underwriters under the Underwriting Agreements by notice in writing to our Company given by the Sole Bookrunner (for itself and on behalf of the Underwriters) upon the occurrence of any of the events set out under the paragraph headed "Grounds for termination of the Public Offer Underwriting Agreement" under the section headed "Underwriting" in this prospectus, at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Sole Bookrunner (for itself and on behalf of the Underwriters) terminate the obligations of the Underwriters under the Underwriting Agreements in accordance with the terms of the Underwriting Agreements, the Share Offer will not proceed and will lapse.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of any U.S. persons.

28 June 2017

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. Accordingly, prospective investors should note that they need to have access to the Stock Exchange's website at www.hkexnews.hk in order to obtain up-to-date information on GEM-listed issuers.

EXPECTED TIMETABLE

(Note 1)

Latest time for completing electronic applications under HK eIPO White Form services through the designated website at www.hkeipo.hk (<i>Notes 2, 4</i>)	11:30 a.m. on Monday, 3 July 2017
Application lists for Public Offer open (<i>Note 2</i>)	11:45 a.m. on Monday, 3 July 2017
Latest time for lodging WHITE and YELLOW Application Forms and giving electronic application instructions to HKSCC (<i>Note 3</i>)	12:00 noon on Monday, 3 July 2017
Latest time for completing payment of HK eIPO White Form applications by effecting internet banking transfer(s) or PPS payment transfer(s) (<i>Notes 2, 4</i>)	12:00 noon on Monday, 3 July 2017
Application lists for Public Offer close (<i>Note 2</i>)	12:00 noon on Monday, 3 July 2017
Expected Price Determination Date (<i>Note 5</i>) on or around	Tuesday, 4 July 2017
Announcement of the final Offer Price, the level of indication of interest in the Placing, the level of applications of the Public Offer, the basis of allotment and the results of applications in the Public Offer to be published (i) on the Stock Exchange’s website at www.hkexnews.hk and (ii) on the Company’s website at bgc-group.com on or before	Friday, 14 July 2017
Results of allocations in the Public Offer (with successful Applicants’ identification document numbers, where applicable) to be available through a variety of channels as described in the section headed “How to Apply for Public Offer Shares — 11. Publication of Results” in this prospectus	Friday, 14 July 2017
Results of allocations in the Public Offer will be available at www.tricor.com.hk/ipo/result with a “search by ID Number/Business Registration Number” function from	Friday, 14 July 2017
Despatch/collection of share certificates or deposit of the share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Public Offer on or before (<i>Notes 6, 7</i>)	Friday, 14 July 2017

EXPECTED TIMETABLE

Despatch/collection of refund cheques or **HK eIPO**

White Form e-Auto Refund payment instructions

in respect of wholly or partially successful applications

(if applicable) or wholly or partially unsuccessful applications

pursuant to the Public Offer on or before (*Note 6*)..... Friday, 14 July 2017

Dealings in the Shares on GEM expected to commence at 9:00 a.m. on Monday, 17 July 2017

Notes:

1. In this prospectus, unless otherwise stated, all times and dates refer to Hong Kong local times and dates. Details of the structure of the Share Offer, including its conditions, are set out in the section headed “Structure and Conditions of the Share Offer” in this prospectus.
2. If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning in force in Hong Kong at any time between 9:00 a.m. to 12:00 noon on Monday, 3 July 2017, the application lists will not open or close on that day. Further information is set out in the section headed “How to Apply for Public Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus.
3. Applicants who apply for Public Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed “How to Apply for Public Offer Shares — 6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS” in this prospectus.
4. You will not be permitted to submit your application through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website at or before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
5. The Price Determination Date is expected to be on or around Tuesday, 4 July 2017, or such later date as may be agreed by the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company. If, for any reason, the final Offer Price is not agreed between the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company by the Price Determination Date, the Share Offer will not proceed and will lapse.
6. Refund cheques or e-Auto Refund payment instruction will be used in respect of wholly or partially unsuccessful applications pursuant to the Public Offer and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant’s Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.

Applicants who have applied on **WHITE** Application Forms or **HK eIPO White Form** for 1,000,000 or more Public Offer Shares and have provided all information required by their Application Forms may collect any refund cheques and/or Share certificates in person from our Company’s Hong Kong Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 14 July 2017. Applicant being individuals who is eligible for personal collection may not authorise any other person to collect on their behalf. Applicants being corporations which are eligible for personal collection must attend through their authorised representatives bearing letters of authorisation from their corporations stamped with the corporation’s chop. Both individuals and authorised representatives of corporations must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied on **YELLOW** Application Forms for 1,000,000 or more Public Offer Shares may collect their refund cheques, if any, in person but may not elect to collect their Share certificates as such Share certificates will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit to their designated CCASS Participants’

EXPECTED TIMETABLE

stock accounts or CCASS Investor Participant stock accounts as stated in their Application Forms. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who have applied for Public Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the paragraph section headed “How to Apply for Public Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies” in this prospectus for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Applicants who have applied for less than 1,000,000 Public Offer Shares and any uncollected share certificates and/or refund cheques will be despatched by ordinary post, at the applicants’ own risk, to the addresses specified in the relevant Application Forms.

Further information is set out in the section headed “How to Apply for Public Offer Shares — 13. Refund of Application Monies” and “How to Apply for Public Offer Shares — 14. Despatch/Collection of Shares Certificates and Refund Monies” in this prospectus.

7. All Share certificates will only become valid certificates of title of the Shares to which they relate provided that the Share Offer has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

In the event of any change to the above expected timetable after the date of this prospectus, an announcement will be made on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at bgc-group.com accordingly. Further details of the structure of the Share Offer, including its conditions and grounds for termination thereto, are set out in the section headed “Structure and Conditions of the Share Offer” in this prospectus.

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer in Hong Kong and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares offered by this prospectus pursuant to the Share Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction other than Hong Kong or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters, and any of their respective directors, officers, employees, agents or representatives or any other party involved in the Share Offer.

The contents on the website at bgc-group.com which is the official website of our Company do not form part of this prospectus.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

BUSINESS OVERVIEW

We are a Singapore-based human resources service provider principally offering human resources outsourcing services and human resources recruitment services. According to the Ipsos Report, we accounted for approximately 1.3% of the total revenue of the human resources outsourcing and recruitment services industry in Singapore in 2015. In addition, according to the Ipsos Report, we were the largest service provider in providing human resources outsourcing and recruitment services to Singapore Government Agencies and NPOs in terms of revenue generated from the public sector in 2015, accounting for approximately 18.1% of the total industry revenue from the public sector in 2015.

We have been in the human resources market in Singapore for around 11 years. Leveraging on our industry experience in Singapore, we started providing human resources services in Hong Kong in 2009, with a primary focus on recruitment services. Our revenue generated from human resources services in Singapore accounted for approximately 99.0%, 99.1% and 98.7% of our total revenue for the years ended 31 December 2014, 2015 and 2016, respectively.

Human resources outsourcing services

For human resources outsourcing services, we recruit, employ and remunerate outsourced staff who are seconded to work for our clients at the clients’ premises. We source and employ suitable candidates that match the job descriptions specified by our clients through a number of sources, such as searching on the database maintained by us or database on the recruitment websites, advertising on recruitment websites and social media networks, holding a recruitment day at our offices, or attending and participating career fairs or through referral. Our human resources outsourcing services help our clients match their staffing levels to business demand in a timely and cost effective manner, and allow our clients to free up management time and resources to focus on their core business activities. For the years ended 31 December 2014, 2015 and 2016, the revenue generated from our human resources outsourcing services accounted for approximately 89.6%, 93.2% and 93.3% of our total revenue, respectively.

In general, during the provision of our human resources outsourcing services, we are responsible for the recruitment process and the entire employment cycle, which includes recruitment advertising, conducting interview and assessment, preparing employment contract, briefing the outsourced staff on their job duties and responsibilities, handling routine payroll, employee benefits and relevant insurance as required by applicable laws and regulations, and providing other human resources support services. Please refer to the section headed “Business — Our Business and Operations — Human resources outsourcing services” on pages 95 to 100 of this prospectus for further details.

SUMMARY

Our outsourced staff

During the years ended 31 December 2014, 2015 and 2016, we had seconded approximately 7,184, 6,789 and 6,222 outsourced staff to our clients, respectively. The outsourced staff provided by us are mainly responsible for (i) general administration services such as clerical and administrative work; (ii) customer services such as call centre and help desk support; (iii) marketing support and sales services such as telemarketing sales and merchant promoters; (iv) general operation support such as surveyors to meet our clients' seasonal operational needs; and (v) nursing care to patients as well as patient care to provide healthcare related customer services.

The following table sets forth the range of charge-out rate of our outsourced staff during the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Monthly rated outsourced staff	S\$800 to S\$8,732 per month per outsourced staff	S\$550 to S\$11,800 per month per outsourced staff	S\$578.02 to S\$11,800 per month per outsourced staff
Daily rated outsourced staff	S\$55 to S\$167.88 per day per outsourced staff	S\$77.18 to S\$182.65 per day per outsourced staff	S\$59.50 to S\$622.32 per day per outsourced staff
Hourly rated outsourced staff	S\$6.50 to S\$31.80 per hour per outsourced staff	S\$6.50 to S\$35.13 per hour per outsourced staff	S\$7 to S\$80 per hour per outsourced staff

The following table sets forth the range of our pay-out rate to outsourced staff during the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Monthly rated outsourced staff	S\$800 to S\$6,000 per month per outsourced staff	S\$500 to S\$11,000 per month per outsourced staff	S\$440 to S\$11,400 per month per outsourced staff
Daily rated outsourced staff	S\$50 to S\$110.50 per day per outsourced staff	S\$59.50 to S\$127.50 per day per outsourced staff	S\$50 to S\$480 per day per outsourced staff
Hourly rated outsourced staff	S\$6 to S\$22.90 per hour per outsourced staff	S\$6 to S\$26 per hour per outsourced staff	S\$6 to S\$50 per hour per outsourced staff

SUMMARY

Human resources recruitment services

In addition to human resources outsourcing services, we also provide human resources recruitment services to employers seeking appropriate candidates generally for positions at all levels, including administrative, executive, managerial and professional, to fulfill their needs. We generally identify and source potential candidates from the database of candidates maintained by us. We may also post advertisements on recruitment websites and social media to recruit potential candidates. For the years ended 31 December 2014, 2015 and 2016, approximately 10.3%, 6.5% and 6.4% of our total revenue was generated from our human resources recruitment services. Please refer to the section headed “Business — Our Business and Operations — Human resources recruitment services” on page 100 of this prospectus for further details.

The following table sets forth our revenue by business segment and client sector during the Track Record Period:

	For the year ended 31 December								
	2014			2015			2016		
	<i>(Equivalent</i>			<i>(Equivalent</i>			<i>(Equivalent</i>		
	<i>S\$'000</i>	<i>to HK\$'000)⁽¹⁾</i>	<i>%</i>	<i>S\$'000</i>	<i>to HK\$'000)⁽¹⁾</i>	<i>%</i>	<i>S\$'000</i>	<i>to HK\$'000)⁽¹⁾</i>	<i>%</i>
Revenue									
Human resources outsourcing services	32,475	183,786	89.6	42,150	238,540	93.2	40,766	230,707	93.3
• <i>Public sector</i>	17,819	100,843	49.2	28,059	158,795	62.1	29,777	168,517	68.1
• <i>Private sector</i>	14,656	82,943	40.4	14,091	79,745	31.1	10,989	62,190	25.2
Human resources recruitment services	3,739	21,160	10.3	2,919	16,520	6.5	2,810	15,903	6.4
• <i>Public sector</i>	80	453	0.2	203	1,149	0.5	124	702	0.3
• <i>Private sector</i>	3,659	20,707	10.1	2,716	15,371	6.0	2,686	15,201	6.1
Other human resources support services ⁽²⁾	26	147	0.1	126	713	0.3	123	696	0.3
Total revenue	36,240	205,093	100	45,195	255,773	100	43,699	247,306	100

Notes:

- (1) The conversion of S\$ into HK\$ in the above table is calculated at the exchange rate of S\$0.1767 to HK\$1 for the purpose of illustration only.
- (2) Other human resources support services comprise referral services and parking services. For details, please refer to the section headed “Financial Information — Principal Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue” in this prospectus.

SUMMARY

The table below sets forth a breakdown of our gross profit and gross profit margin by business segment for the years indicated:

	For the year ended 31 December								
	2014			2015			2016		
	<i>S\$'000</i>	<i>(Equivalent to HK\$'000)⁽¹⁾</i>	<i>Gross profit Margin %</i>	<i>S\$'000</i>	<i>(Equivalent to HK\$'000)⁽¹⁾</i>	<i>Gross profit Margin %</i>	<i>S\$'000</i>	<i>(Equivalent to HK\$'000)⁽¹⁾</i>	<i>Gross profit Margin %</i>
Gross Profit									
Human resources outsourcing services	4,652	26,327	14.3	6,288	35,586	14.9	6,773	38,330	16.6
• <i>Public sector</i>	2,195	12,422	12.3	3,748	21,211	13.4	4,587	25,959	15.4
• <i>Private sector</i>	2,457	13,905	16.8	2,540	14,375	18.0	2,186	12,371	19.9
Human resources recruitment services ⁽²⁾	3,739	21,160	100	2,919	16,520	100	2,810	15,903	100
Other human resources support services	<u>23</u>	<u>130</u>	88.5	<u>121</u>	<u>685</u>	96.0	<u>123</u>	<u>696</u>	100
Total	<u><u>8,414</u></u>	<u><u>47,617</u></u>	23.2	<u><u>9,328</u></u>	<u><u>52,791</u></u>	20.6	<u><u>9,706</u></u>	<u><u>54,929</u></u>	22.2

Notes:

- (1) The conversion of S\$ into HK\$ in the above table is calculated at the exchange rate of S\$0.1767 to HK\$1 for the purpose of illustration only.
- (2) Differing from human resources outsourcing services, there is no direct labour and related cost incurred for our human resources recruitment services, and the expenses relating to our internal staff who take part in the provision of recruitment services were recorded as our administrative expenses. Therefore, the gross profit equals the revenue for human resources recruitment services, and the respective gross profit margin of this business segment was 100% throughout the Track Record Period.

CONTRACTS

Contracts from clients in public sector are generally awarded through tender process, whereas contracts from clients in private sector can be secured either by tender or direct negotiation. In general, we evaluate and determine whether to submit a tender, after considering (i) the availability of our outsourced staff, (ii) our capacity for meeting the service requirements of our clients, (iii) profitability of such new business opportunity, (iv) the nature of work, and (v) the duration and scale of a project.

SUMMARY

The following table sets forth our tender success rates during the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Tender success rate			
<i>Public sector</i>			
Number of tenders submitted	13	8	15
Number of contracts awarded	9	4	7
Success rate	69.2%	50.0%	46.7%
<i>Private sector</i>			
Number of tenders submitted	3	2	4
Number of contracts awarded	2	1	4
Success rate	66.7%	50.0%	100%

We were awarded nine, four and seven contracts out of the tenders submitted in public sector for the years ended 31 December 2014, 2015 and 2016, respectively, which included one extended contract awarded by an existing client in each of the years ended 31 December 2014, 2015 and 2016. Our revenue derived from the contracts awarded was approximately S\$10.6 million, S\$3.0 million and S\$23.6 million for the years ended 31 December 2014, 2015 and 2016, respectively, among which approximately S\$9.7 million, S\$1.0 million and S\$22.5 million was derived from the extended contracts for the corresponding period. On the other hand, we had nil, five and 17 contracts terminated for the years ended 31 December 2014, 2015 and 2016, respectively, with revenue contribution of nil, approximately S\$1.3 million and S\$3.6 million for the years ended 31 December 2014, 2015 and 2016, respectively. All of the five and 17 contracts for the years ended 31 December 2015 and 2016, respectively, were terminated at the expiry of contract. Other than one client of expired contract in 2015 and three clients of expired contracts in 2016 did not enter into any new contract with us after expiry of contracts, the clients of the remaining expired contracts either did award new contracts to us or continued to procure human resources services from us under our contract with Vital.

Despite we were only awarded nine, four and seven contracts out of the tenders submitted in public sector for the years ended 31 December 2014, 2015 and 2016, respectively (which included the contract awarded by Vital in 2014 and 2016), we had approximately 64, 73 and 72 clients in public sector for the corresponding period, as a significant number of clients in public sector approached us directly given we were one of the selected service providers engaged by Vital. As a result, notwithstanding the decline in our tender success rate during the Track Record Period, our revenue generated from the public sector indeed increased from approximately S\$17.9 million for the year ended 31 December 2014 to approximately S\$28.3 million for the year ended 31 December 2015, and further to approximately S\$29.9 million for the year ended 31 December 2016. In view of the above, we believe the decline in tender success rate in the public sector during the Track Record Period did not, and is expected not to, have any material adverse effect on our business and results of operations. Moreover, during the Track Record Period, a substantial portion of our revenue from the private sector was derived from contracts secured by direct negotiation. As such, the tender success rate in private sector during the Track Record Period did not, and is expected not to, have any material effect on our business and results of operations. Going forward, we intend to strengthen our market position in the private sector in Singapore, where contracts are generally awarded through direct negotiation.

SUMMARY

In general, our contracts awarded by clients in public sector are typically for a term of one to three years, with an option to extend for up to one more year, and subject to termination by our clients, inter alia, with one-month notice if our service level is below satisfaction, or with immediate effect if our license to operate as an employment agency is revoked by MOM. With regard to clients in private sector, some of our service agreements have a fixed term (i.e. ranging from one year to three years for master outsourcing service agreements and 12 months for master recruitment service agreements), while some of our service agreements do not have a fixed term and will continue to be in effect until terminated pursuant to the terms thereunder. Our service agreements are generally subject to termination by either party with one-month notice. Depending on the relevant service agreements, our clients in private sector may also be entitled to terminate the service agreement with immediate effect if we materially breach the service agreement and fail to remedy the breach.

Tender contract awarded by Vital

One of our subsisting contracts is the tender contract awarded by Vital. The tender contract awarded by Vital would entitle the selected service provider to offer services to a pool of Singapore Government Agencies and NPOs upon their request. A pool of Singapore Government Agencies and NPOs having staffing needs can usually send their job orders directly to the selected service providers for human resources services. Therefore, Vital serves as an alternative means for Singapore Government Agencies and NPOs to look for service providers. As at the Latest Practicable Date, there were six selected service providers (including our Group) engaged by Vital to provide the human resources services to the public sector in Singapore. Please refer to the section headed “Business — Our Business and Operations — Tender/Direct negotiation process — Public sector — Tender contract awarded by Vital” in this prospectus for further details.

CLIENTS

With our proven track record, we have developed an established client base in both the public and private sectors. Our clients in the public sector comprise Singapore Government Agencies and NPOs, such as ministries and statutory boards governing social workforce, environment and community development. We also serve clients in private sector, including multi-national corporations, in diverse industries across Singapore and Hong Kong, such as information and communication technology industry, retail and food & beverage industry, healthcare industry, and banking, insurance and financial services industry. We had approximately 476, 381 and 305 clients for the years ended 31 December 2014, 2015 and 2016, respectively.

For the years ended 31 December 2014, 2015 and 2016, revenue from our five largest clients amounted to approximately S\$9.0 million, S\$16.5 million and S\$18.8 million, and accounted for approximately 24.8%, 36.3% and 43.2% of our total revenue, respectively. Revenue from our largest client for the same period amounted to approximately S\$2.3 million, S\$5.3 million and S\$5.5 million, and accounted for approximately 6.4%, 11.8% and 12.6% of our total revenue, respectively. During the Track Record Period, we did not have any material disagreement nor dispute with any of our clients. There was also no significant complaint from our clients during the Track Record Period. None of our five largest clients during the Track Record Period is also our supplier. None of our Directors, their respective close associates or any Shareholders, which to the knowledge of our Directors own more than

SUMMARY

5% of the issued share capital of our Company, had any interest in any of our five largest clients during the Track Record Period. Please refer to the section headed “Business — Clients” on pages 115 to 119 of this prospectus for further details.

SUPPLIERS

Due to the nature of our business, we have no major suppliers. During the Track Record Period, our direct costs comprised labour and related costs.

COMPETITIVE LANDSCAPE

According to the Ipsos Report, there were around 2,744 human resources agencies registered in the MOM in Singapore in September 2016. The human resources outsourcing and recruitment services industry in Singapore is fragmented, with the top five players shared approximately 19.3% of the industry revenue in 2015. Our Group accounted for approximately 1.3% of the total revenue of the human resources outsourcing and recruitment services industry in Singapore in 2015. On the other hand, the human resources outsourcing and recruitment services industry in the public sector in Singapore is relatively concentrated, with top five players accounting for approximately 64.5% of the total industry revenue in the public sector in 2015. Our Group accounted for approximately 18.1% of the total revenue generated by the human resources outsourcing and recruitment services industry in the public sector in Singapore in 2015.

Please refer to the section headed “Industry Overview” on pages 48 to 61 of this prospectus for further details.

PRICING

We generally negotiate the pricing with our clients on a case-by-case basis. Our pricing basis and payment terms are determined based on various factors such as the organisational size, job nature and other specifications of our clients, the allocation of our time and human resources to provide the required services, the financial strength and the length of our relationship with our clients, as well as government policies related to labour costs including but not limited to the Wage Credit Scheme in Singapore. Our pricing for the provision of human resources outsourcing services is generally determined on a “cost-plus” basis, whereas the pricing for the provision of human resources recruitment services is generally based on a specified percentage of the successfully placed candidate’s monthly or annual gross remuneration package. Our management team consider that our service fees charged are in the mid-range compared to that of our competitors in the human resources industry.

COMPETITIVE STRENGTHS

We believe we possess the following competitive strengths:

- We have solid track record of providing human resources services to public sector in Singapore
- We have a vast pool of candidates registered within our database
- We have long-term and stable relationship with our major clients
- We have a stable and experienced management team

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Please refer to the section headed “Business — Competitive Strengths” on pages 90 to 91 of this prospectus for further details.

BUSINESS STRATEGIES

Our principal business objective is to further strengthen our position in the human resources services industry in Singapore. To achieve this objective, we plan to implement the following business strategies:

- Strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore
- Enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong
- Enhance our brand awareness
- Enhance our IT system to support our business operations

Please refer to the section headed “Business — Business Objective and Strategies” on pages 91 to 94 of this prospectus for further details.

SUMMARY OF FINANCIAL INFORMATION

The tables below summarise our consolidated financial information for the years ended 31 December 2014, 2015 and 2016, and should be read in conjunction with our financial information included in the Accountants’ Report set forth in Appendix I to this prospectus, including the notes thereto.

Highlight of consolidated statements of profit or loss and other comprehensive income

	For the year ended 31 December					
	2014		2015		2016	
	<i>(Equivalent to HK\$’000)</i>	<i>(Equivalent to HK\$’000)</i>	<i>(Equivalent to HK\$’000)</i>	<i>(Equivalent to HK\$’000)</i>	<i>(Equivalent to HK\$’000)</i>	<i>(Equivalent to HK\$’000)</i>
	<i>S\$’000</i>	<i>(Note)</i>	<i>S\$’000</i>	<i>(Note)</i>	<i>S\$’000</i>	<i>(Note)</i>
Revenue	36,240	205,093	45,195	255,772	43,699	247,306
Gross profit	8,414	47,617	9,328	52,791	9,706	54,929
Profit before tax	2,117	11,981	2,302	13,028	1,778	10,062
Profit for the year	1,918	10,855	2,018	11,420	1,423	8,053
Total comprehensive income for the year	1,910	10,809	2,016	11,409	1,445	8,178

Note: The conversion of S\$ into HK\$ in the above table is calculated at the exchange rate of S\$0.1767 to HK\$1 for the purpose of illustration only.

Our revenue increased from approximately S\$36.2 million for the year ended 31 December 2014 to approximately S\$45.2 million for the year ended 31 December 2015. The increase was principally due to increase in demand for our outsourcing services from clients in the public sector, partially offset by the decrease in demand on new recruits from our clients in private sector in Singapore.

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Our revenue decreased slightly from approximately S\$45.2 million for the year ended 31 December 2015 to approximately S\$43.7 million for the year ended 31 December 2016. The slight decrease was primarily attributable to the combined effect of (i) decrease in number of outsourced staff required by some of our existing private clients, and (ii) the expiry of a service agreement with a major private client in April 2016, partially offset by the effect of increase in service fees we charged our clients in public sector (a) pursuant to our contract entered into with Vital in 2016, which entitled us to charge higher rate of service fees as compared with the previous contract entered into with Vital in 2014, and (b) due to different job nature of outsourced staff procured by our clients in public sector.

Highlight of consolidated statements of financial position

	As at 31 December					
	2014		2015		2016	
	S\$'000	<i>(Equivalent to HK\$'000)</i> <i>(Note)</i>	S\$'000	<i>(Equivalent to HK\$'000)</i> <i>(Note)</i>	S\$'000	<i>(Equivalent to HK\$'000)</i> <i>(Note)</i>
Non-current asset	573	3,243	309	1,749	284	1,607
Current assets	13,181	74,595	15,581	88,177	15,939	90,204
Current liabilities	4,699	26,593	5,338	30,209	5,365	30,362
Net current assets	8,482	48,002	10,243	57,968	10,574	59,842
Non-current liability	43	243	24	136	45	255
Net assets	9,012	51,002	10,528	59,581	10,813	61,194

Note: The conversion of S\$ into HK\$ in the above table is calculated at the exchange rate of S\$0.1767 to HK\$1 for the purpose of illustration only.

Highlight of consolidated statements of cash flows

	For the year ended 31 December					
	2014		2015		2016	
	S\$'000	<i>(Equivalent to HK\$'000)</i> <i>(Note)</i>	S\$'000	<i>(Equivalent to HK\$'000)</i> <i>(Note)</i>	S\$'000	<i>(Equivalent to HK\$'000)</i> <i>(Note)</i>
Operating cash flows before movements in working capital	2,417	13,679	2,610	14,771	1,235	6,989
Net cash generated from/ (used in) operating activities	3,452	19,536	1,040	5,886	(818)	(4,629)
Net cash used in investing activities	(715)	(4,046)	(51)	(289)	(275)	(1,556)
Net cash (used in)/generated from financing activities	(743)	(4,205)	(772)	(4,369)	1,390	7,866
Cash and cash equivalents at the beginning of the year	3,249	18,387	5,238	29,643	5,453	30,860
Effect of foreign exchange rate changes	(5)	(28)	(2)	(11)	22	125
Cash and cash equivalents at the end of the year	5,238	29,643	5,453	30,860	5,772	32,666

Note: The conversion of S\$ into HK\$ in the above table is calculated at the exchange rate of S\$0.1767 to HK\$1 for the purpose of illustration only.

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Our operating cash flows before movements in working capital remained relatively stable at approximately S\$2.4 million and S\$2.6 million for the years ended 31 December 2014 and 2015, respectively. Our operating cash flows before movements in working capital decreased from approximately S\$2.6 million for the year ended 31 December 2015 to approximately S\$1.2 million for the year ended 31 December 2016, primarily attributable to decrease in our profit before tax as a result of the listing expenses incurred for the year ended 31 December 2016.

We recorded net cash generated from operating activities of approximately S\$1.0 million for the year ended 31 December 2015 and net cash used in operating activities of approximately S\$0.8 million for the year ended 31 December 2016. Such change was mainly attributable to decrease in our profit before tax as a result of the listing expenses incurred for the year ended 31 December 2016.

We have a working capital mismatch in our operation. In general, we do not receive any upfront payments or deposits from our clients prior to the commencement of services, and will issue invoices and receive payments only after the performance of our services, for which we would have incurred costs, particularly labour costs associated with deployment of outsourced staff. In addition, we generally grant our clients credit period of 30 to 60 days from the date of invoice. As a result, in our business operation cycle, the time taken to receive payments from our clients is longer than the time to pay our outsourced staff. Please refer to the section headed “Risk Factors — Risks Relating to our Business — The working capital mismatch in our operation may result in insufficient cash flow if there is a fall in our internally generated funds and banking facilities from banks” in this prospectus for details.

FINANCIAL RATIOS

The following table sets forth the key financial ratios of our Group during the Track Record Period:

	As at 31 December		
	2014	2015	2016
Current ratio ⁽¹⁾	2.8	2.9	3.0
Gearing ratio ⁽²⁾	7.9%	—	—
	For the year ended 31 December		
	2014	2015	2016
Return on total assets ⁽³⁾	13.9%	12.7%	8.8%
Return on equity ⁽⁴⁾	21.3%	19.2%	13.2%
Gross profit margin	23.2%	20.6%	22.2%
Net profit margin	5.3%	4.5%	3.3%

Notes:

- (1) Current ratio is calculated by dividing current assets by current liabilities as at the respective year end.
- (2) Gearing ratio is calculated by dividing total borrowings (including bank borrowing, amount due to a related company and a Director) by total equity as at the respective year end.
- (3) Return on total assets is calculated by dividing profit for the year by the total assets as at the respective year end.

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(4) Return on equity is calculated by dividing profit for the year by the total equity as at the respective year end.

Our overall gross profit margin decreased from approximately 23.2% for the year ended 31 December 2014 to approximately 20.6% for the year ended 31 December 2015, mainly due to decrease in gross profit contribution from human resources recruitment services with margin of 100%.

Our overall gross profit margin increased to approximately 22.2% for the year ended 31 December 2016 as compared with approximately 20.6% for the year ended 31 December 2015, mainly attributable to increase in gross profit margin of human resources outsourcing services as a result of (i) the increase in service fees we charged our clients in public sector (a) pursuant to our contract entered into with Vital in 2016, which entitled us to charge higher rate of service fees as compared with the previous contract entered into with Vital in 2014 and (b) due to different job nature of outsourced staff procured by our clients in public sector; (ii) an increase in government subsidies received; and (iii) more new service agreements with higher profit margin in the private sector secured by us.

Differing from human resources outsourcing services, there is no direct labour and related cost incurred for our human resources recruitment services, and the expenses relating to our internal staff who take part in the provision of recruitment services were recorded as our administrative expenses, as these internal staff are also responsible for overall operations, administration and business development of our business. As a result, the gross profit equals the revenue for human resources recruitment services, and the respective gross profit margin of this business segment was 100% throughout the Track Record Period.

Our net profit margin decreased from approximately 5.3% for the year ended 31 December 2014 to approximately 4.5% for the year ended 31 December 2015, mainly due to decrease in gross profit margin from approximately 23.2% for the year ended 31 December 2014 to 20.6% for the year ended 31 December 2015, coupled with increase in the administrative expenses due to our business expansion.

Our net profit margin decreased to approximately 3.3% for the year ended 31 December 2016 as compared with approximately 4.5% for the year ended 31 December 2015, mainly due to the increase in our administrative expenses and listing expenses, partially offset by the increase in our gross profit margin for the period.

GOVERNMENT SUBSIDIES

We had received government subsidies under the Singapore Credit Schemes and other similar government subsidies prior to the Track Record Period. For the years ended 31 December 2011, 2012 and 2013, based on the audited statutory financial statements of our subsidiaries, we received government subsidies under the Singapore Credit Schemes of approximately S\$4,000, S\$55,000 and S\$0.2 million respectively, which represented approximately 0.02%, 0.2% and 0.8% of our gross cost of services respectively. During the Track Record Period, we received government subsidies under the Singapore Credit Schemes from the Singapore Government in aggregate amount of approximately S\$0.9 million, S\$1.5 million and S\$2.5 million for the years ended 31 December 2014, 2015 and 2016, respectively, representing approximately 3.1%, 4.0% and 6.7% of our gross cost of services, approximately 10.7%, 16.0% and 25.4% of our gross profit and approximately 46.8%, 74.0% and 173.4% of our net profit for the years ended 31 December 2014, 2015 and 2016, respectively, which had significant positive impact on our gross profit and, in turn, our net profit during the Track Record Period.

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For 2011 to 2013, our gross profit margin for human resources outsourcing services (including the government subsidies) was in the range of approximately 12.8% to 14.3%. During the Track Record Period, our gross profit margin for human resources outsourcing services (including the government subsidies) was approximately 14.3%, 14.9% and 16.6% for the years ended 31 December 2014, 2015 and 2016, respectively. Taking into account the benefits of the government subsidies, our Group recorded an increasing trend in our gross profit margin for human resources outsourcing services (including the government subsidies), which increased from approximately 12.8% in 2011 to approximately 16.6% in 2016.

For 2011 to 2013, our gross profit margin for human resources outsourcing services after excluding the government subsidies was in the range of approximately 12.5% to 13.5%. Our gross profit margin for human resources outsourcing services after excluding the government subsidies was approximately 11.6%, 11.4% and 10.6% for the years ended 31 December 2014, 2015 and 2016, respectively. While our gross profit margin for human resources outsourcing services, after excluding the government subsidies, could be maintained in the range of approximately 10.6% to 13.5% for the years 2011 to 2016, it demonstrated a general declining trend from approximately 12.8% in 2011 to approximately 10.6% in 2016. The declining trend in gross profit margin for human resources outsourcing services after excluding the government subsidies was mainly attributable to our adjustments to the service fees charged to our clients and/or the wages paid to our outsourced staff accordingly to maintain our competitiveness in the market in response to the Singapore Government's introduction of the Singapore Credit Schemes, which are automatically available to Singapore companies which meet the respective qualifying criteria.

The Singapore Credit Schemes are governed by regulations and guidelines published by Inland Revenue Authority of Singapore or MOM (as the case may be), which set out, among others, the qualifying criteria and the basis and computation of subsidies of the relevant schemes. The Singapore Credit Schemes are automatically available to Singapore companies which meet the respective qualifying criteria. For details on the qualifying criteria, please refer to the section headed "Regulatory Overview — Laws and Regulations relating to our Business in Singapore — Singapore Credit Schemes" in this prospectus.

The subsidies under the Singapore Credit Schemes received by us during the Track Record Period included mainly the subsidies under the Wage Credit Scheme. Pursuant to the Wage Credit Scheme, the Singapore Government co-funded 40% of wage increases given to Singapore citizen employees in 2013 to 2015; and the co-fund rate has been decreased to 20% of wage increases given to Singaporean employees over the period of 2016 to 2017. The subsidies under the Wage Credit Scheme are paid to the employers in the following year. As such, the impact of decrease in co-fund rate under the Wage Credit Scheme had not yet been reflected in our financial results during the Track Record Period. The Wage Credit Scheme will expire in December 2017, with last payout for 2017 to be made to eligible employers in March 2018, unless extended by the Singapore Government.

Reduction or termination of any government subsidies related to labour costs would adversely affect our profitability. For details, please refer to the sections headed "Risk Factors — Risks Relating to our Business — Any loss of or significant reduction in the government subsidies on relief on wages and related costs from the Singapore Government we currently enjoy may negatively affect our profitability" and "Financial Information — Principal Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Cost of services" in this prospectus. Nonetheless, with our

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measures in place to enhance our profitability, such as (i) adopting a pricing policy which takes into consideration various factors including, inter alia, government policies related to labour costs in determining the pricing of our services; (ii) endeavouring to secure new service agreements with higher profit margin in the private sector; and (iii) making adjustment to wages of our outsourced staff as and when appropriate, we consider that the reduction of the co-fund rate and the expiration of the Wage Credit Scheme as aforementioned are not expected to have material adverse impact on our profitability.

CONTROLLING SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the Share Offer and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme, our Company will be owned as to approximately 65.25% by Omnipartners, which is owned as to 80% by Mr. Chew and 20% by Ms. Yong, who is acting in concert with Mr. Chew. As Omnipartners, Mr. Chew and Ms. Yong are directly or indirectly entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of our Company immediately following the Listing, each of Omnipartners, Mr. Chew and Ms. Yong will be regarded as a group of Controlling Shareholders under the GEM Listing Rules.

Save as disclosed above, there is no other person who, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which fall to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme), will be directly or indirectly interested in 30% or more of the Shares then in issue. Please refer to the section headed “Relationship with the Controlling Shareholders” on pages 131 to 137 of this prospectus for further details.

PRE-IPO INVESTOR

On 12 August 2016, our Company entered into a subscription agreement with Lotus Investments, pursuant to which, our Company agreed to allot and issue and Lotus Investments agreed to subscribe 130 Shares representing 13% of the total issued share capital of our Company as enlarged by the issue of such Shares upon completion of the subscription at an aggregate subscription price of HK\$8,000,000. Lotus Investments had not been granted any special rights pursuant to the subscription agreement or any other agreement in relation to its investment in our Group. As at the Latest Practicable Date, the proceeds from Pre-IPO Investment have been fully utilised to fund expenses in relation to the Listing and general working capital. Lotus Investments will hold 9.75% of the enlarged issued share capital of our Company after completion of the Share Offer (assuming that the Offer Size Adjustment Option is not exercised). As Lotus Investments is not a substantial shareholder or core connected person of our Company under the GEM Listing Rules, the Shares held by Lotus Investments will be considered as part of the public float for the purposes of Rule 11.23(7) of the GEM Listing Rules. Please refer to the section headed “Reorganisation — Pre-IPO Investment” on pages 85 to 87 of this prospectus for further details.

LISTING EXPENSES

Our estimated listing expenses include underwriting commissions, professional fees and other fees and expenses in connection with the Share Offer. Assuming an Offer Price of HK\$0.50 per Share, being the mid-point of our indicative Offer Price range, the total listing expenses will be approximately

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HK\$23.0 million (equivalent to approximately S\$4.1 million), of which approximately HK\$6.9 million (equivalent to approximately S\$1.3 million) is directly attributable to the Share Offer and is expected to be capitalised after the Share Offer. The remaining amount of approximately HK\$16.1 million (equivalent to approximately S\$2.8 million) has been or is to be charged to our consolidated statements of profit or loss and other comprehensive income, of which (i) approximately HK\$8.5 million (equivalent to approximately S\$1.5 million) was incurred and charged for the year ended 31 December 2016; and (ii) approximately HK\$7.6 million (equivalent to approximately S\$1.3 million) is expected to be charged and incurred for the year ending 31 December 2017. The estimated listing expenses are subject to adjustments based on the actual amount incurred or to be incurred. Our Directors expect that our financial results for the year ending 31 December 2017 will be negatively affected by the non-recurring listing expenses to be charged to our consolidated statements of profit or loss and other comprehensive income. Please refer to the section headed “Financial Information — Listing Expenses” on page 206 of this prospectus for further details.

DIVIDENDS

For the years ended 31 December 2014, 2015 and 2016, we declared dividends of S\$1.0 million, S\$0.5 million and S\$2.6 million, respectively. Save for part of the dividend declared in August 2016 amounting to approximately S\$0.2 million which is expected to be settled before Listing, all the above dividends had been settled as at the Latest Practicable Date. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following Listing. We currently do not have any pre-determined dividend distribution ratio. Our Board may declare dividends in the future after taking into account our operations, earnings, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Law, including the approval of our Shareholders. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board. Please refer to the section headed “Financial Information — Dividends” on page 205 of this prospectus for further details.

NON-COMPLIANCE INCIDENTS

During the Track Record Period, we failed to file certain notices regarding the commencement and cessation of employment within the prescribed time limit under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong). Please refer to the section headed “Business — Non-Compliance Incidents” on pages 127 to 129 of this prospectus for details. Our Directors confirm that save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with all applicable laws and regulations in the jurisdictions where we conduct our business.

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FUTURE PLANS AND USE OF PROCEEDS

The net proceeds from the Share Offer, after deducting underwriting fees and commission and other estimated expenses in connection with the Share Offer, are estimated to amount to approximately HK\$52.0 million (assuming an Offer Price of HK\$0.50 per Share, being the mid-point of the indicative Offer Price range and assuming the Offer Size Adjustment Option is not exercised). We intend to use the proceeds for the following purposes:

- approximately HK\$27.5 million (approximately 52.9% of the net proceeds) will be used for expanding our human resources outsourcing and recruitment services in Singapore;
- approximately HK\$6.0 million (approximately 11.5% of the net proceeds) will be used for expanding our human resources recruitment services in Hong Kong;
- approximately HK\$7.0 million (approximately 13.5% of the net proceeds) will be used for enhancing our brand awareness;
- approximately HK\$6.5 million (approximately 12.5% of the net proceeds) will be used for enhancing our IT system to support our business operations; and
- the remaining amount of approximately HK\$5.0 million (approximately 9.6% of the net proceeds) will be used for our working capital and other general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range or if the Offer Size Adjustment Option is exercised. For further details, please refer to the section headed “Future Plans and Use of Proceeds” on pages 141 to 152 of this prospectus.

RISK FACTORS

We believe that there are certain risks involved in our operations, which are beyond our control. The following highlights some of the risks which our Directors consider to be material:

- A considerable portion of our revenue was generated from the public sector in Singapore during the Track Record Period and any significant reduction in the public sector’s staffing needs and/or level of spending on service providers for staffing solutions may materially and adversely affect our business, results of operations and prospect
- Failure to obtain new tender contracts could materially affect our financial performance
- Our contracts generally do not provide any obligation and/or commitment on the part of our clients to use our human resources services and the loss of or substantial decline in job orders from any major clients could have a material adverse effect on our business, financial conditions and results of operations
- Any loss of or significant reduction in the government subsidies on relief on wages and related costs from the Singapore Government we currently enjoy may negatively affect our profitability

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- Any decrease in revenue generated from our five largest clients would materially and adversely affect our business, results of operations and financial condition
- The working capital mismatch in our operation may result in insufficient cash flow if there is a fall in our internally generated funds and banking facilities from banks
- Our software, computer and network systems may not perform as anticipated and are vulnerable to damage and interruption
- Our success depends on key management personnel and competent employees

Please refer to the section headed “Risk Factors” on pages 29 to 38 of this prospectus for further details.

OFFER STATISTICS

	Based on the Offer Price of HK\$0.45 per Share	Based on the Offer Price of HK\$0.55 per Share
Market capitalisation of the Shares ⁽¹⁾	HK\$270 million	HK\$330 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽²⁾	S\$0.0323 (equivalent to approximately HK\$0.1828)	S\$0.0365 (equivalent to approximately HK\$0.2066)

Notes:

- (1) The calculation of the market capitalisation of our Shares is based on 600,000,000 Shares expected to be in issue immediately after completion of the Capitalisation Issue and the Share Offer, but does not take into account any Shares which may be allotted or issued pursuant to the exercise of the Offer Size Adjustment Option or any option which may be granted under the Share Option Scheme.
- (2) For calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share, please refer to “Appendix II — Unaudited Pro Forma Financial Information” starting on page II-1 in this prospectus.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

During the period from 1 January 2017 up to the Latest Practicable Date, we have submitted five tenders to Singapore Government agencies in respect of provision of human resources outsourcing services, among which one tender had been cancelled by the relevant Singapore Government agency subsequently and the results of three other tenders were available as at the Latest Practicable Date. Among these three tenders, we have been awarded two tenders, the results of which have been confirmed but the contracts have not yet been entered into as at the Latest Practicable Date. In addition, during the period from 1 January 2017 up to the Latest Practicable Date, we have entered into 19 contracts with clients in private sector in respect of provision of human resources outsourcing and recruitment services. As at the Latest Practicable Date, we had not less than 200 and 800 subsisting contracts with clients in public and private sectors, respectively.

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Subsequent to the Track Record Period, based on the unaudited financial information of our Group, our revenue increased slightly from approximately S\$10.1 million for the three months ended 31 March 2016 to approximately S\$10.9 million for the three months ended 31 March 2017.

The financial information disclosed above is extracted from the unaudited consolidated financial statements for the three months ended 31 March 2016 and 2017 prepared by our Directors in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board, which are unaudited but have been reviewed by our reporting accountants in accordance with the Hong Kong Standards on Review Engagements 2410 “Review on Interim Financial Information performed by the Independent Auditor of the Entity”.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, save for (a) the listing expenses to be incurred as stated in the paragraph headed “Listing expenses” in this section; (b) the anticipated significant increase in our administrative expenses including staff costs to cope with our business expansion, professional fees and Directors’ remuneration after the Listing; (c) the absence of the reversal of provision for doubtful debt; and (d) the decrease in the subsidies under the Wage Credit Scheme received by our Group as disclosed in the paragraph headed “Government Subsidies” in this section, (i) there were no material adverse changes in the market conditions or the industry and environment in which we operate that materially and adversely affect our financial or operating position since 31 December 2016 and up to the date of this prospectus; (ii) there was no material adverse change in the trading and financial position or prospects of our Group since 31 December 2016 and up to the date of this prospectus; and (iii) no event had occurred since 31 December 2016 and up to the date of this prospectus that would materially and adversely affect the information shown in the Accountants’ Report set out in Appendix I to this prospectus.

REASONS FOR LISTING IN HONG KONG

We believe that the Listing represents an important step to implement our business strategies. We are applying for listing in Hong Kong because it has a high level of internationalisation, maturity in the global financial market, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, we believe that there will be higher liquidity and valuation, and greater exposure to a broader analyst and investment community, which would facilitate our future fund raising should such need arise. We have not applied for listing of the Shares on any other stock exchange. Our Directors believe that the Listing would help to raise our Group’s brand awareness and publicity on an international level, making our services known to new potential clients. In addition, our Directors also believe that clients may prefer to do business with a listed company given its reputation, listing status, public financial disclosures and general regulatory supervision by relevant regulatory bodies. We are also of the view that our Listing in Hong Kong will help us attract more talented staff to join us.

With the proceeds from our Listing, we will be able to execute our plan in expanding and strengthening our human resources services in Singapore and Hong Kong. We are also able to enhance our IT systems to support our business expansion and increase operational efficiency. The proceeds from Listing also allow us to enhance our brand awareness by conducting an array of marketing activities and engaging a public relations firm with an aim to enhance our company awareness and attract new clients as well as potential candidates. For further details on our future plans, please refer to the section headed “Future Plans and Use of Proceeds” on pages 141 to 152 of this prospectus.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s) or, where the context so requires, any of them to be used in connection with the Public Offer
“Articles” or “Articles of Association”	the articles of association of our Company conditionally adopted with effect from the Listing Date on 21 June 2017 and as amended from time to time, a summary of which is set out in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Audit Committee”	the audit committee of the Board
“BGC Group”	BGC Group Pte. Ltd., a company incorporated in Singapore on 18 March 2005 with limited liability, which is an indirect wholly-owned subsidiary of our Company
“BGC HK”	BGC Group (HK) Limited, a company incorporated in Hong Kong on 10 December 2008 with limited liability, which is an indirect wholly-owned subsidiary of our Company
“BGC Indonesia”	PT Bridging Growing Careers in Indonesia, a company incorporated in Indonesia on 22 January 2014 with limited liability, which is owned as to 49% by Mr. Chew and 51% by an Independent Third Party
“BGC Malaysia”	Agensi Pekerjaan BGC Group (Malaysia) SDN. BHD., a company incorporated in Malaysia on 6 July 2011 with limited liability, which is owned as to 49.5% by Mr. Chew and 50.5% by an Independent Third Party
“BGC Search”	BGC Search Pte. Ltd. (previously known as BGC Group Holdings Pte. Ltd. and BGC Consulting Pte. Ltd.), a company incorporated in Singapore on 29 July 2009 with limited liability, which is an indirect wholly-owned subsidiary of our Company
“Board”	the board of Directors
“business day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands

DEFINITIONS

“Capitalisation Issue”	the allotment and issue of 449,999,000 Shares upon capitalisation of an amount of HK\$4,499,990 standing to the credit of the share premium account of the Company as referred to under the paragraph headed “3. Resolutions in writing of all Shareholders passed on 21 June 2017” in Appendix IV to this prospectus
“Cayman Companies Law” or “Companies Law”	the Companies Law, Cap 22 (law 3 of 1961) as consolidated and revised from time to time of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“CCASS Participants”	collectively, a CCASS Clearing Participant, a CCASS Custodian or a CCASS Investor Participant
“China” or “PRC”	the Peoples’ Republic of China, but for the purpose of this prospectus only and except where the context requires otherwise, references in this prospectus to “China” or “PRC” do not include Hong Kong, the Macau Special Administrative Region and Taiwan
“CLC International” or “Sole Sponsor”	CLC International Limited, a licensed corporation under the SFO and permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activity as defined under the SFO, acting as the sole sponsor to the Listing
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Commissioner for Labour”	the Commissioner for Labour of Hong Kong Labour Department
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified and supplemented from time to time

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“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Company” or “our Company”	Omnibridge Holdings Limited (橋英控股有限公司), an exempted company incorporated in the Cayman Islands on 8 August 2016 with limited liability
“Connected Person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the GEM Listing Rules, and, in the context of our Company, means Omnipartners and its beneficial shareholders being Mr. Chew and Ms. Yong
“CPF”	the Central Provident Fund in Singapore
“CPFA”	the Central Provident Fund Act (Cap 36) of Singapore, as amended, modified and supplemented from time to time
“Deed of Indemnity”	the deed of indemnity dated 21 June 2017 entered into by the Controlling Shareholders in favour of our Company (for itself and as trustee for its subsidiaries stated therein)
“Deed of Non-competition”	the deed of non-competition dated 21 June 2017 entered into by the Controlling Shareholders in favour of our Company
“Director(s)”	the director(s) of our Company
“EA”	the Employment Act (Cap 91) of Singapore, as amended, modified and supplemented from time to time
“EAA”	the Employment Agencies Act (Cap 92) of Singapore, as amended, modified and supplemented from time to time
“EFMA”	the Employment of Foreign Manpower Act (Cap 91A) of Singapore, as amended, modified and supplemented from time to time
“EO”	the Employment Ordinance (Cap 57 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented and/or otherwise modified from time to time

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“GREEN Application Form”	the application form(s) to be completed by HK eIPO White Form Services Provider designated by our Company
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries or, where the context otherwise requires, in respect of the period before our Company becoming the holding company of our present subsidiaries, the present subsidiaries of our Company and the businesses carried on by them or their predecessors (as the case may be)
“Happy Benefits”	Happy Benefits Pte. Ltd., a company incorporated in Singapore on 27 August 2010 with limited liability, which is owned as to 80% by Mr. Chew and 20% by Mr. Lee Soo Hong, who is the brother-in-law of Ms. Yong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HK\$” or “HK dollar(s)” or “HKD” and “cent(s)”	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong
“ HK eIPO White Form ”	the application of Public Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at www.hkeipo.hk
“ HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company, as specified on the designated website at www.hkeipo.hk
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Legal Counsel”	Ms. Grace Y.C. Tam, Hong Kong barrister-at-law
“Hong Kong Share Registrar”	Tricor Investor Services Limited
“IFRSs”	International Financial Reporting Standards, which include standards, amendments and interpretations issued by the International Accounting Standards Board
“Independent Third Party(ies)”	individual(s) or company(ies) who is(are) not a connected person(s) of our Company within the meaning ascribed under the GEM Listing Rules

DEFINITIONS

“Ipsos”	Ipsos Limited, an Independent Third Party and an independent market research expert
“Ipsos Report”	the industry report prepared by Ipsos and commissioned by our Company, the content of which is quoted in this prospectus
“IT”	information technology
“Latest Practicable Date”	19 June 2017, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information referred to in this prospectus
“Listing”	listing of the Shares on GEM
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date on which dealings in the Shares first commences on GEM, which is expected to be on or about 17 July 2017
“Listing Division”	the listing division of the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with GEM
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of the Company adopted on 21 June 2017, a summary of which is set out in Appendix III to this prospectus, and as amended from time to time
“MOM”	Ministry of Manpower of Singapore
“MPF”	Mandatory Provident Fund
“MPFSO”	the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Mr. Chew”	Mr. Chew Chee Kian (周志堅), our founder, an executive Director, chief executive officer, chairman of our Board, one of the Controlling Shareholders and the spouse of Ms. Yong
“Ms. Yong”	Ms. Yong Yuet Han (熊悦涵), an executive Director, one of our Controlling Shareholders and the spouse of Mr. Chew
“Nomination Committee”	the nomination committee of the Board
“Non-listed Group”	Happy Benefits, Ohana, BGC Indonesia and BGC Malaysia

DEFINITIONS

“Offer Price”	the final offer price for each Offer Share (exclusive of any brokerage fee, SFC transaction levy and Stock Exchange trading fee), which is currently expected to be not more than HK\$0.55 per Share and not less than HK\$0.45 per Share, such price to be determined on or before the Price Determination Date
“Offer Share(s)”	collectively, the Placing Shares and the Public Offer Shares
“Offer Size Adjustment Option”	the option expected to be granted by our Company to the Sole Bookrunner (for itself and on behalf of the Placing Underwriter(s)) under the Placing Underwriting Agreement, pursuant to which the Sole Bookrunner may require our Company to allot and issue up to an aggregate of 22,500,000 additional new Shares (representing approximately 15% of the total number of the Offer Shares initially available under the Share Offer), if any, as further described in the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Ohana”	Ohana Pte. Ltd. (previously known as BGC Outsourcing Pte. Ltd.), a company incorporated in Singapore on 17 February 2015 with limited liability, which is wholly-owned by Mr. Chew
“Omniconnect”	Omniconnect Holdings Limited, a company incorporated in the BVI on 8 August 2016 with limited liability, which is a direct wholly-owned subsidiary of our Company
“Omnipartners”	Omnipartners Holdings Limited, a company incorporated in the BVI on 5 August 2016 with limited liability, which is owned as to 80% by Mr. Chew and 20% by Ms. Yong, and one of our Controlling Shareholders
“PDPA”	the Personal Data Protection Act 2012 (No. 26 of Singapore, as amended, modified and supplemented from time to time
“PDPO”	the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Placing”	the conditional placing by the Placing Underwriter(s) on behalf of our Company of the Placing Shares to professional, institutional and other investors at the Offer Price, as further described in the section headed “Structure and Conditions of the Share Offer” of this prospectus

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“Placing Shares”	the 135,000,000 Shares being initially offered by our Company for subscription under the Placing subject to reallocation and the Offer Size Adjustment Option, as described under the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Placing Underwriter(s)”	the underwriter(s) that is/are expected to enter into the Placing Underwriting Agreement to underwrite the Placing Shares
“Placing Underwriting Agreement”	the underwriting agreement expected to be entered into on or around the Price Determination Date by, among others, our Company and the Placing Underwriter(s) relating to the Placing
“Pre-IPO Investment”	the investment made by the Pre-IPO Investor, please refer to the section headed “Reorganisation” to this prospectus for details
“Pre-IPO Investor” or “Lotus Investments”	Lotus Global Investments Ltd, a company incorporated in Mauritius on 12 July 1999 with limited liability, which is wholly owned by an Independent Third Party. Please refer to the section headed “Reorganisation” to this prospectus for details
“Price Determination Agreement”	the agreement to be entered into between the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date to fix and record the Offer Price
“Price Determination Date”	the date, expected to be on or around 4 July 2017 or such later date as the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company may agree, on which the Offer Price is fixed for the purpose of the Share Offer
“Public Offer”	the offer of the Public Offer Shares for subscription in Hong Kong at the Offer Price on and subject to the terms and conditions described in this prospectus and the Application Forms
“Public Offer Shares”	the 15,000,000 Shares (subject to reallocation) initially offered by our Company for subscription in the Public Offer, as described under the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Public Offer Underwriter”	the underwriter of the Public Offer, whose name is set out under the section headed “Underwriting — Public Offer Underwriter” in this prospectus
“Public Offer Underwriting Agreement”	the conditional underwriting agreement dated 27 June 2017 entered into among, inter alia, our Company and the Public Offer Underwriter relating to the Public Offer
“Regulation S”	Regulation S under the U.S. Securities Act

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.01 each in the share capital of our Company
“Share Offer”	the Public Offer and the Placing
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 21 June 2017, a summary of the principal terms of which is set out in the paragraph headed “15. Share Option Scheme” in Appendix IV to this prospectus
“Singapore”	the Republic of Singapore
“Singapore Credit Schemes”	the Wage Credit Scheme, the Temporary Employment Credit and the Special Employment Credit, as further described in the section headed “Regulatory Overview — Laws and Regulations relating to our Business in Singapore — Singapore Credit Schemes” in this prospectus
“Singapore Government”	the government of Singapore
“Singapore Government Agencies and NPOs”	the agencies of the Singapore Government, including ministries, statutory boards, organs of state and public services agencies, and the non-profit organisation in public sector with a geographic presence in Singapore, which collectively referred to as the “public sector” in this prospectus
“Singapore Legal Advisers”	Colin Ng & Partners LLP, the legal adviser to our Company as to Singapore laws
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs, as amended, modified and supplemented from time to time
“Track Record Period”	the years ended 31 December 2014, 2015 and 2016

DEFINITIONS

“Underwriters”	the Public Offer Underwriter and the Placing Underwriter(s)
“Underwriting Agreements”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“United States” or “U.S.”	the United States of America
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933 (as amended from time to time)
“Vital”	the Singapore Government department that aggregates common services within the public sector and bring together selected human resources and finance processing activities in order to provide corporate shared services to Singapore Government agencies
“ WHITE Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be issued in the applicant’s/applicants’ own name(s)
“WICA”	Work Injury Compensation Act (Cap 354) of Singapore, as amended, modified and supplemented from time to time
“WSHA”	Work Safety and Health Act of Singapore, as amended, modified and supplemented from time to time
“ YELLOW Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be deposited directly into CCASS
“%”	per cent

Unless otherwise specified, for the purpose of this prospectus, amounts denominated in S\$ are translated into HK\$ at the rate of S\$0.1767 to HK\$1.

The exchange rate is for the purpose of illustration only and no representation is made that any amounts in S\$ have been, would have been or may be converted, at the above rate or any other rates or at all.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms used in this prospectus in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“CAGR”	compound annual growth rate
“consultant(s)”	consultant(s) are internal staff employed by us with main roles and responsibilities including pitching to clients, contract negotiation, following up on tenders, closing the deal and clients’ relationship management
“GDP”	gross domestic product
“GeBIZ”	the Singapore Government’s one-stop e-procurement portal where public sector’s invitations for tenders are posted
“internal staff”	internal staff are employees employed by us with main roles and responsibilities for the business operations and business development in the provision of human resource services
“outsourced staff”	outsourced staff are candidates employed by us according to clients’ requirements and seconded to clients

FORWARD-LOOKING STATEMENTS

Our Company has included in this prospectus forward-looking statements that are not historical facts, but relate to our intentions, beliefs, expectations or predictions for future event. These forward-looking statements are contained principally in the sections headed “Summary”, “Risk Factors”, “Industry Overview”, “Business”, and “Financial Information”, which are, by their nature, subject to risks and uncertainties.

In some cases, our Company uses the words “aim”, “anticipate”, “believe”, “continue”, “could”, “expect”, “intend”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “propose”, “seek”, “should”, “will”, “would”, “consider”, “estimate”, “going forward” and similar expressions or statements and the negative of these words to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business strategies, plans of operations and our operation and business prospect;
- our capital expenditure and funding plans;
- projects under planning;
- general economic conditions;
- capital market development;
- the future developments, trends and competitive environment in our industry;
- our financial condition;
- certain statements in the section headed “Financial Information” in this prospectus with respect to trends in prices, volumes and operations;
- margins, overall market trends, risk management and exchange rates;
- the regulatory environment for our industry in general; and
- other statements in this prospectus that are not historical fact.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond the control of our Company. In addition, these forward-looking statements reflect the current views of our Company with respect to future events and are not a guarantee of future performance.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under the section headed “Risk Factors” and elsewhere in this prospectus.

RISK FACTORS

Potential investors should carefully consider all of the information set out in this prospectus and, in particular, the risks and uncertainties described below, before making any investment decision in relation to our Company. If any of the possible events described below occur, our business operation, financial condition or results of operations could be materially and adversely affected and the market price of the Shares could fall significantly, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

A considerable portion of our revenue was generated from the public sector in Singapore during the Track Record Period and any significant reduction in the public sector's staffing needs and/or level of spending on service providers for staffing solutions may materially and adversely affect our business, results of operations and prospect

During the Track Record Period, approximately 49.4%, 62.6% and 68.4% of our total revenue for the years ended 31 December 2014, 2015 and 2016 was generated from the public sector in Singapore, respectively. Contracts from the public sector in Singapore are normally awarded through tendering processes. There is no guarantee that we will continue to obtain contracts from the public sector in Singapore or maintain our tender success rate in the future. Please refer to the section headed "Risk Factors — Risks Relating to our Business — Failure to obtain new tender contracts could materially affect our financial performance" below.

In addition, there is no guarantee that there will not be any significant reduction in the public sector's staffing needs and/or level of spending on service providers for staffing solutions, which may be affected by various factors such as the general economic conditions in Singapore, the financial conditions of the Singapore Government and its policy on staffing solutions. If there is any significant reduction and/or delay in the staffing needs and/or the level of spending on staffing solutions by the public sector in Singapore, and we are unable to obtain sufficient businesses from other clients, our business, results of operations and prospect will be materially and adversely affected.

Failure to obtain new tender contracts could materially affect our financial performance

During the Track Record Period, approximately 53.5%, 66.1% and 74.6% of our total revenue for the years ended 31 December 2014, 2015 and 2016 was generated from contracts awarded to us through tendering processes, respectively. Our tender success rate for the years ended 31 December 2014, 2015 and 2016 was approximately 69.2%, 50.0% and 46.7% for tenders in public sector, and approximately 66.7%, 50.0% and 100% for tenders in private sector, respectively. Our tender success rate is affected by a range of factors, such as our pricing and tender strategy, clients' tender evaluation standards, our competitors' pricing and tender strategy, and the level of competition. There is no guarantee that we will be able to achieve a tender success rate in the future that is similar to those during the Track Record Period. There is also no guarantee that we will not have to lower our pricing and/or otherwise change our tender strategy due to competition.

RISK FACTORS

In addition, so far as our Directors are aware, clients in public sector have maintained an evaluation system for tender assessment to ensure that service providers meet certain quality and service standards. If a service provider receives a poor performance evaluation, its opportunity to take part in the future tenders and accordingly the success rate for future tenders will be affected.

One of our tender contracts in the public sector was awarded by Vital, pursuant to which we can offer our human resources services to a pool of Singapore Government Agencies and NPOs upon their request. During the Track Record Period, approximately 26.8%, 41.5% and 51.5% of our total revenue for the years ended 31 December 2014, 2015 and 2016 was derived from the contracts with Vital, respectively. The subsisting contract with Vital is for a term of two years ending in July 2018, with an option to extend up to one more year. In the event that upon expiry of the contract, the contract is not extended or we are not awarded a new tender contract by Vital under the forthcoming tender, we can no longer provide services to Singapore Government Agencies and NPOs which source the human resources services from selected service providers engaged by Vital. This in turn may materially and adversely affect our results of operations and prospect.

Our contracts generally do not provide any obligation and/or commitment on the part of our clients to use our human resources services and the loss of or substantial decline in job orders from any major clients could have a material adverse effect on our business, financial condition and results of operations

Although we have been awarded tender contracts by or entered into master service agreements with our clients, the tender contracts and master service agreements generally do not provide any obligation and/or commitment on the part of our clients to utilise our human resources services. Similarly, while our tender contract awarded by Vital renders our services to be more accessible to a pool of Singapore Government Agencies and NPOs, there is no obligation and/or commitment on the part of Vital to procure the Singapore Government Agencies and NPOs to place job orders with us. As the revenue from our human resources services is mainly dependent on the number of outsourced staff seconded and the number of candidates successfully placed by us, any loss of or substantial decline in job orders from any major clients could have a material adverse effect on our business, financial condition and results of operations. Besides, the duration of the tender contracts and master service agreements with our clients is generally for one to three years with an option to extend for a period of up to one more year. In the event that we are unable to secure new contracts or similar number of contracts on a continual basis, our business, financial performance and prospect will be materially and adversely affected.

Any loss of or significant reduction in the government subsidies on relief on wages and related costs from the Singapore Government we currently enjoy may negatively affect our profitability

During the Track Record Period, we received government subsidies under the Singapore Credit Schemes from the Singapore Government in aggregate amount of approximately S\$0.9 million, S\$1.5 million and S\$2.5 million for the years ended 31 December 2014, 2015 and 2016, respectively, representing approximately 3.1%, 4.0% and 6.7% of our gross cost of services and approximately 10.7%, 16.0% and 25.4% of our gross profit for the years ended 31 December 2014, 2015 and 2016, respectively, which had significant positive impact on our gross profit and, in turn, our net profit during the Track Record Period. In particular, the subsidies under the Singapore Credit Schemes received by us included mainly the subsidies under the Wage Credit Scheme. Pursuant to the Wage Credit Scheme, the Singapore Government co-funded 40% of wage increases given to Singapore citizen employees in 2013

RISK FACTORS

to 2015; and the co-fund rate has been decreased to 20% of wage increases given to Singaporean employees over the period of 2016 to 2017. The subsidies under the Wage Credit Scheme are paid to the employers in the following year. As such, the impact of decrease in co-fund rate under the Wage Credit Scheme had not yet been reflected in our financial results during the Track Record Period. The Wage Credit Scheme will expire in December 2017, with last payout for 2017 to be made to eligible employers in March 2018, unless extended by the Singapore Government. For details, please refer to the section headed “Financial Information — Principal Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Cost of services” in this prospectus.

The government subsidies vary from year to year, depending on government policy and whether we in a particular year are eligible for such available subsidies. Therefore, they are non-recurring in nature. We cannot assure you that we will be eligible to continue to receive such government subsidies or that the amount of any such subsidies will not be reduced in the future. Any loss of or significant reduction in the government subsidies related to labour costs would increase our cost of services, which would in turn negatively affect our profitability.

Any decrease in revenue generated from our five largest clients would materially and adversely affect our business, results of operations and financial condition

Revenue from our five largest clients accounted for approximately 24.8%, 36.3% and 43.2% of our total revenue for the years ended 31 December 2014, 2015 and 2016, respectively, with revenue from our largest client accounted for approximately 6.4%, 11.8% and 12.6% of our total revenue for the same periods, respectively. Our five largest clients during the Track Record Period comprised clients in public sector in Singapore and private clients in information and communication technology industry and food & beverage industry. As demand for our services depends on the staffing needs of these largest clients, there is no assurance that the demand for our human resources services can be maintained or will continue to grow. Any increase in competition from other human resources service providers, significant reduction in the level of spending of the public sector in Singapore, or deterioration in the industry in which these largest clients operate may significantly reduce the volume and/or price of our services, which may in turn materially and adversely affect our business, results of operations and financial condition.

The working capital mismatch in our operation may result in insufficient cash flow if there is a fall in our internally generated funds and banking facilities from banks

In general, we do not receive any upfront payments or deposits from our clients prior to the commencement of services. Throughout the provision of our services, we issue invoices and receive payments after the performance of our services, for which we would have incurred costs, particularly labour costs associated with deployment of outsourced staff. In addition, we generally grant our clients credit period of 30 to 60 days from the date of invoice. However, due to the time taken for the checking of the invoices and processing of the payment, some of our clients may have to settle their invoices beyond the credit period granted by us. As a result, in our business operation cycle, the time taken to receive payments from our clients is longer than the time to pay our outsourced staff. Therefore, we have a working capital mismatch in our operation. As at 31 December 2014, 2015 and 2016, the working capital mismatch as mentioned above were generally represented by the difference between our trade receivables and accrued labour costs, which were approximately S\$4.4 million, S\$4.7 million and S\$5.7 million, respectively.

RISK FACTORS

We generally finance our business operation through our internally generated funds and banking facilities. However, there is no guarantee that the amount of our internally generated funds as well as banking facilities will be sufficient to cover the working capital mismatch in our operation in the future. Any economic downturn in Singapore will affect the demand for our services and may result in a fall in revenue and therefore internally generated funds of our Group. The amount of our banking facilities may also be reduced if our credit rating is lowered due to any adverse changes to our business, financial condition and results of operations. The working capital mismatch in our operation may result in insufficient cash flow of our Group and hence may adversely affect our business operation.

Our software, computer and network systems may not perform as anticipated and are vulnerable to damage and interruption

The efficient operation of our business is dependent on our software, computer and network systems, which are directly related to the stability and performance of our human resources services and assist us in managing our database.

Our database contained approximately 169,916 registered candidates as at 31 December 2016. It is stored in our server that is hosted by our service provider. We also use a software to assist in selecting list of manpower supply based on our client's requirement. Our software may experience functional problems. The failure of our software to perform could disrupt our business and could result in decreased revenue and increased overhead costs, causing our business and results of operations to suffer materially. In addition, our software, computer and network systems are vulnerable to damage or interruption from power outages, computer and telecommunications failures, hacker attacks, computer viruses, security breaches, and errors in usage by our internal staff. Failure of our software, computer and network systems to perform may require significant additional capital and management resources to resolve, causing material harm to our business. Any unexpected problems in the software, computer and network systems may have material adverse effects on our business and operations as well as reputation.

Our success depends on key management personnel and competent employees

Our success is largely attributable to the continued commitment and contribution of our executive Directors and other senior management team members. Their extensive knowledge and experience in the human resources industry, as well as their established relationships with our clients have played a major role in our attainments. There are no assurances that we will be able to retain these key personnel, and the loss of any of them without suitable and timely replacements, or the inability to attract and retain qualified personnel may adversely affect our business, results of operations, financial position and prospects.

In addition, we have to hire and retain internal staff, particularly consultants, with the necessary level of competence and knowledge of the human resources industry so as to maintain and develop our operations. In the future, we may encounter shortages of appropriately skilled personnel, which may hamper our ability to implement our strategies and materially and adversely affect our business and results of operations.

RISK FACTORS

Our revenue and profit sustainability depend on our ability to maintain our competitiveness and to provide quality services

We have been conducting business in the human resources industry for around 11 years. Although we recorded revenue of approximately S\$36.2 million, S\$45.2 million and S\$43.7 million and net profit of approximately S\$1.9 million, S\$2.0 million and S\$1.4 million for the years ended 31 December 2014, 2015 and 2016, respectively, the sustainability of our revenue and net profit will depend upon our ability to maintain competitiveness in the human resources industry and to provide high quality services.

The competition within the human resources industry is intense. According to the Ipsos Report, there were around 2,744 human resources agencies registered in the MOM in Singapore in September 2016 and around 2,579 licensed employment agencies on the list of licensed employment agencies under the EO in Hong Kong in June 2016. The number of companies in Singapore and Hong Kong providing human resources services may increase in the future resulting in increasing price competition, which could in turn adversely affect our results of operations and prospect. Our market position may be hampered by increasing competition in the form of better services and/or price reductions by our competitors. Increasing competition may come from current competitors or new market entrants who offer similar services. The failure of us to maintain our competitiveness could have a material adverse effect on our business, operating results and financial condition.

We may be vicariously liable for the acts or omissions of our outsourced staff

For the years ended 31 December 2014, 2015 and 2016, we had 7,184, 6,789 and 6,222 outsourced staff, respectively. Despite these outsourced staff are working for and under the supervision of our clients under secondment, they remain as our employees and we may be vicariously liable for their acts or omissions while they carry out or purport to carry out the respective responsibilities entrusted to them by our clients. For instance, if our clients suffer any losses arising from their reliance on false or misleading information provided by our outsourced staff during the provision of services, we could be exposed to claims or legal actions brought by our clients and/or their customers. In such event, we may need to incur additional costs to settle or defend these claims or legal actions and our business, results of operations and financial condition may be adversely affected.

Possible impact of leaking the personal data collected related to individual candidates

We, acting as a human resources service provider, have obtained and have in our possession in the form of a consolidated database a substantial amount of personal data related to individual candidates. Pursuant to the PDPA and PDPO, we are obliged to keep all such data confidential. If there is any breach of confidentiality by us or a failure to comply with the protection, collection, use and disclosure of personal data as prescribed under the PDPA and PDPO, resulting in personal data related to individual candidates being leaked to or obtained by third parties as a result of our breach of confidentiality, individual candidates may take legal action against us for damages and/or compensation for the loss that may have arisen or been incurred therefrom, in addition and being subject to the penalties prescribed under the PDPA and/or PDPO.

Although we have implemented internal control procedures to safeguard the security and confidentiality of our database, there is no assurance that there will not be any leakage of personal data or unauthorised access to our database, which, if happened, may adversely affect our business, operation and reputation.

RISK FACTORS

Our human resources services are subject to seasonal fluctuations

During the Track Record Period, our human resources recruitment services tended to generate relatively lower sales during the period from December to February due to the festive holiday seasons where many of our clients would be on holiday and the recruitment needs decrease. On the other hand, the demand of our human resources outsourcing services fluctuates, but generally generates relatively lower sales during the Chinese New Year due to fewer working days/hours of outsourced staff required by clients. For further details, please refer to the section headed “Business — Seasonality” in this prospectus. As such, our results of operations may fluctuate from period to period and a comparison of different periods may not be meaningful. In addition, our results for a given fiscal period are not necessarily indicative of results to be expected for any other fiscal period.

We recorded net cash used in operating activities of approximately S\$0.8 million for the year ended 31 December 2016. If we record net cash outflow from operating activities in the future, our liquidity and financial condition may be materially and adversely affected

We recorded net cash used in operating activities of approximately S\$0.8 million for the year ended 31 December 2016. For details, please refer to the section headed “Financial Information — Liquidity and Capital Resources — Cash flows” in this prospectus. In the event that we are unable to generate sufficient cash flow for our operations or otherwise unable to obtain sufficient funds to finance our business, our liquidity and financial condition may be materially and adversely affected. We cannot give any assurance that we will have sufficient cash from other sources to fund our operations. If we seek other financing activities to obtain additional cash, we will incur additional finance costs, and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all.

We may not be able to implement all or any of our business plans successfully

We have set out our future plans in order to achieve business objectives under the section headed “Future Plans and Use of Proceeds” in this prospectus. The future plans are developed based on a number of assumptions, forecasts, and commitments of our Group. Due to circumstances beyond our control, including many of the other risks as set out in this section headed “Risk Factors” in this prospectus, or for reasons that may render the assumptions and forecasts inoperable, there is no assurance that all or any of the future plans may be successfully implemented.

Our human resources costs are subject to market condition and government policies which may adversely affect our profitability

We provide human resources related services to our clients. The major cost of our business is labour cost directly related to the outsourced staff whom we hire and second to our clients. The increase in labour cost is subject to different factors such as delay or inefficiency in human resources deployment, unsatisfactory services that requires replacement and higher staffing cost due to tight labour market and any changes in government policies, such as the termination or reduction of any government subsidies related to labour costs. For details of the government subsidies related to labour costs received by us, please refer to the section headed “Financial Information — Principal Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Cost of services” in this prospectus. All these factors that affect our direct labour cost may adversely affect our business, financial condition and results of operations.

RISK FACTORS

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

There may be changes in the regulatory environment

For the provision of recruitment services in Singapore and Hong Kong, we are required to obtain a licence from the MOM and Labour Department of Hong Kong, respectively. Please refer to the section headed “Regulatory Overview” in this prospectus for the licensing requirements of employment agencies in Singapore and Hong Kong. If the Singapore Government and Hong Kong government impose any further licensing requirements of employment agencies in Singapore and Hong Kong, respectively, extra costs may be incurred as a result of changes to our operational model in complying with such laws and/or regulations and our business may be materially affected. There can be no assurance that there will not be any changes in the regulatory environment in respect of the human resources services industry in Singapore and Hong Kong.

We have to keep up with rapid changes in the human resources services industry

We operate in the human resources services industry and the industry is subject to rapid changes in both the labour market and the relevant regulations. There is no assurance that we can offer, or develop the expertise, experience and resources to offer human resources services to our clients on a timely and competitive basis. We may incur significant costs in developing our business, adapting to the changes in the labour market and providing training to our staff in order to maintain our competitiveness.

If we cannot keep up with the rapid changes in the human resources services industry and provide our services to our clients with the latest information and skills, the demand for our human resources services may be adversely affected.

RISKS RELATING TO THE SHARE OFFER

There has been no prior public market for our Shares and an active trading market for our Shares may not develop or be sustained

Prior to the Share Offer, no public market for our Shares existed. Following the completion of the Share Offer, the Stock Exchange will be the only market on which the Shares are publicly traded. We cannot assure you that an active trading market for our Shares will be developed or be sustained after the Share Offer. In addition, we cannot assure you that our Shares will trade in the public market subsequent to the Share Offer at or above the Offer Price. The Offer Price is expected to be fixed by agreement between the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company, and may not be indicative of the market price of the Shares following the completion of the Share Offer. If an active trading market for our Shares does not develop or is not sustained after the Share Offer, the market price and liquidity of Shares could be materially and adversely affected.

The trading prices and volume of our Shares may be volatile, which could result in substantial losses to you

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including variations in the level of liquidity of our Shares; changes in securities analysts’ (if any) estimates of our financial performance; investors’ perceptions of our Group and the general investment environment; changes in laws, regulations and taxation systems which affect our

RISK FACTORS

operations; general market conditions of the securities markets in Hong Kong. In particular, the trading price performance of our competitors which securities are listed on the Stock Exchange may affect trading price of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenue, net income and cash flow, success or failure of our efforts in implementing business and growth strategies; involvement in material litigation as well as recruitment or departure of key personnel, could cause the market price of our Shares to change unexpectedly. Any of these factors may result in large and sudden changes in the volume and trading price of our Shares.

There can be no assurance that we will declare dividends in the future

For the years ended 31 December 2014, 2015 and 2016, we declared dividends of approximately S\$1.0 million, S\$0.5 million and S\$2.6 million, respectively. Save for past of the dividend of S\$0.2 million declared in August 2016 which is expected to be settled before Listing, all the above dividends had been settled as at the Latest Practicable Date. Dividends declared and paid in previous years should not be indicative of future dividend payments. There is no assurance that dividends will be declared or paid in the future, at a similar level or at all. After Listing, any future dividend declaration and distribution by us will be at the discretion of our Directors and will depend upon our financial results, Shareholders' interest, general business conditions, strategies and future expansion needs, our capital requirements, possible effects on liquidity and financial position of our Company and such other factors as our Board may consider relevant. For further details, please refer to the paragraph headed "Financial Information — Dividends" of this prospectus. We currently do not have any pre-determined dividend distribution ratio. No assurance can be given that dividends will be paid in the future.

Shareholders' equity interests may be diluted

We may need to raise additional funds in the future to finance, inter alia, expansion or new developments relating to our existing operations or new acquisitions. If additional funds are raised through the issue of new equity and equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of the Shareholders in our Company may be reduced and Shareholders may experience dilution in their percentage shareholdings in our Company. In addition, any such new securities may have preferred rights, options or pre-emptive rights that make them more valuable than or senior to the Shares.

Future sales of Shares by Controlling Shareholders could materially and adversely affect the prevailing market price of the Shares

The Shares beneficially owned by the Controlling Shareholders are subject to certain lock-up periods. There are no assurances that the Controlling Shareholders will not dispose of the Shares held by them following the expiration of the lock-up periods, or any Shares they may come to own in the future. We cannot predict the effect, if any, of any future sales of the Shares by the Controlling Shareholders on the market price of the Shares. Sale of a substantial amount of Shares by any of them or the issue of a substantial amount of new Shares, or the market perception that such sale or issue may occur, could materially and adversely affect the prevailing market price of the Shares.

RISK FACTORS

The exercise of options granted under the Share Option Scheme would result in the reduction in the percentage of ownership of the Shareholders and may result in a dilution in the earnings per Share and net asset value per Share

Our Company has conditionally adopted the Share Option Scheme although no options had been granted hereunder as at the Latest Practicable Date. Issue of Shares pursuant to the exercise of the options to be granted under the Share Option Scheme in the future would result in the reduction in the percentage of ownership of the Shareholders and may result in a dilution in the earnings per Share and net asset value per Share, as a result of the increase in the number of Shares outstanding after such issue. Under the IFRS, the costs of the options to be granted to staff under the Share Option Scheme will be charged to our consolidated income statement over the vesting period by reference to the fair value at the date on which the options are granted under the Share Option Scheme. As a result, our profitability and financial results may be adversely affected.

The interests of our Controlling Shareholders may differ from those of other Shareholders

The interests of our Controlling Shareholders may differ from the interests of other Shareholders. If the interests of our Controlling Shareholders conflict with the interests of other Shareholders, or if our Controlling Shareholders cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, you could be disadvantaged by the actions that our Controlling Shareholders choose to cause us to pursue. Our Controlling Shareholders could have significant influence in determining the outcome of any corporate transaction or other matters submitted to the Shareholders for approval, such as mergers, acquisitions and disposal of all of our assets, election of directors, and other significant corporate actions. Our Controlling Shareholders have no obligation to consider the interests of our Company or the interests of other Shareholders.

RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS

Certain statistics and facts in this prospectus are derived from various sources and may not be reliable

This prospectus includes certain statistics and facts extracted in whole or in part from various government official sources and publications or from the Ipsos Report or other sources. We believe that the sources of these statistics and facts are appropriate and we have taken reasonable care in extracting and reproducing such statistics and facts from their respective sources. We have no reason to believe that such statistics and facts are false or misleading in any material respect or that any fact has been omitted that would render such statistics and facts false or misleading in any material respect. These statistics and facts have not yet been independently verified by our Company, the Sole Sponsor, the Underwriters, any of their respective directors or any other party involved in the Share Offer. In addition, the information contained in the Ipsos Report was derived by means of, inter alia, desk research, client consultation and interviewing with key stakeholders and industry experts, which includes information that is not publicly available. Therefore, we make no representation as to the accuracy or completeness of these statistics and facts, as such these statistics and facts should not be unduly relied upon.

RISK FACTORS

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements and information that are “forward-looking” and uses forward-looking terminologies such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “may”, “ought to”, “should” or “will” or similar terms. Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed “Forward-looking Statements” in this prospectus for further details.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the laws of Hong Kong) and the GEM Listing Rules for the purpose of giving information with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus or this prospectus misleading.

INFORMATION ON THE SHARE OFFER

The Offer Shares are offered for subscription solely on the basis of the information contained and the representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised in connection with the Share Offer to give any information, or to make any representation, not contained in this prospectus. Any information or representation not contained herein shall not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters, any of their respective directors, officers, agents, employees, affiliates and/or representatives or any other person or parties involved in the Share Offer.

Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus, and the procedures for applying for the Public Offer Shares are set out in the section headed "How to Apply for Public Offer Shares" in this prospectus and in the relevant Application Forms.

OFFER SHARES ARE FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Public Offer, which forms part of the Share Offer. For applicants in the Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Public Offer. The listing of, and permission to deal in, the Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Share Offer is managed by the Sole Bookrunner and the Sole Lead Manager. The Public Offer is fully underwritten by the Public Offer Underwriter pursuant to the Public Offer Underwriting Agreement. The Placing is expected to be fully underwritten by Placing Underwriter(s) pursuant to Placing Underwriting Agreement and is subject to our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters) agreeing on the Offer Price. Further details about the Underwriters and the underwriting arrangements are contained in the section headed "Underwriting" in this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date, which is expected to be on or around Tuesday, 4 July 2017, or such later date as may be agreed by the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company. The Offer Price is currently expected to be not more than HK\$0.55 per Share and not less than HK\$0.45 per Share. The Sole Bookrunner (for itself and on behalf of the Underwriters) may reduce the indicative Offer Price

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such a case, a notice of the reduction of the indicative Offer Price range will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at bgc-group.com.

If the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on the Price Determination Date, the Share Offer will not proceed and will lapse.

OFFER SHARES TO BE OFFERED IN HONG KONG ONLY

Each person acquiring the Offer Shares will be required to confirm or be deemed by his acquisition of Offer Shares to confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus and the relevant Application Forms.

No action has been taken in any jurisdiction other than Hong Kong to permit the offering of the Offer Shares or the distribution of this prospectus and/or the Application Forms. Accordingly, this prospectus and/or the Application Forms may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction other than Hong Kong or in any circumstance in which such offer or invitation is not authorised or to any person to whom it is unlawful to make an unauthorised offer or invitation.

The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws or any applicable rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities as an exemption therefrom.

The Offer Shares are offered for subscription solely on the basis of the information contained and the representations made in this prospectus and the Application Forms. No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters, any of their respective directors, officers, agents, employees affiliates and/or any representatives or any other persons involved in the Share Offer.

APPLICATION FOR LISTING ON GEM

Application has been made to the Listing Division for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Share Offer (including the Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option, the Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme and any Shares to be issued under the Capitalisation Issue).

No part of the share or loan capital of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to deal in is being or is proposed to be sought in the near future.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

Under Section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be void if permission for the listing of, and dealing in, the Shares on GEM has been refused before the expiration of three weeks from the date of closing of the application lists or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

Only securities registered on the branch register of members of our Company kept in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of listing and at all times thereafter, our Company must maintain the “minimum prescribed percentage” of 25% of the issued share capital of our Company in the hands of the public.

Accordingly, a total of 150,000,000 Offer Shares representing 25% of our enlarged issued share capital immediately after completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares that may be allotted and issued upon the exercise of the Offer Size Adjustment Option) will be made available under the Share Offer.

OFFER SIZE ADJUSTMENT OPTION

Details of the arrangements relating to the Offer Size Adjustment Option are set out in the section headed “Structure and Conditions of the Share Offer” in this prospectus.

PROFESSIONAL TAX ADVICE RECOMMENDED

Investors for the Offer Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of the subscription for, holding, purchase, disposal of or dealing in, the Shares or exercising their rights thereunder. It is emphasised that none of our Company, our Directors, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters and their respective directors, advisers, officers, agents, employees or any other persons involved in the Share Offer accepts responsibility for any tax effects on, or liability of, any person resulting from the subscription for, holding, purchase, disposal of or dealing in, the Shares.

REGISTRATION AND STAMP DUTY

All issued Shares upon completion of the Share Offer are freely transferable and will be registered on the principal share register or the branch share register of our Company.

The principal share register of our Company will be maintained in the Cayman Islands by Conyers Trust Company (Cayman) Limited, and a branch share register of our Company will be maintained in Hong Kong. Unless our Directors otherwise agreed, all transfer and other documents of title of Shares must be lodged for registration with, and registered by Tricor Investors Services Limited, our Company’s Hong Kong branch share registrar and transfer office.

All the Offer Shares will be registered on the branch register of members of the Company in Hong Kong. Only Shares registered on our Company’s branch register of members maintained in Hong Kong may be traded on GEM. Dealings in the Shares registered on our Company’s branch register of members maintained in Hong Kong will be subject to Hong Kong stamp duty.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or on any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect their rights and interests.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

COMMENCEMENT OF DEALING IN THE SHARES

Dealing in the Shares on GEM is expected to commence on Monday, 17 July 2017 under the GEM stock code 8462. Shares will be traded in board lots of 5,000 Shares each.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Details of the structure and conditions of the Share Offer are set out in the section headed “Structure and Conditions of the Share Offer” in this prospectus.

EXCHANGE RATE CONVERSION

Unless otherwise specified and for the purpose of this prospectus, amounts denominated in S\$ are translated into HK\$ at the rate of S\$0.1767 to HK\$1. No representation is made that any amounts in S\$ have been, would have been or may be converted at the above rate or any other rates or at all.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Mr. Chew Chee Kian (周志堅)	43 Dunbar Walk Frankel Estate Singapore 459342	Singaporean
Ms. Yong Yuet Han (熊悦涵)	43 Dunbar Walk Frankel Estate Singapore 459342	Singaporean
Ms. Lo Wing Yan Emmy (盧詠欣)	Flat D, 4/F Kam Fung Building 171 Aberdeen Main Road Hong Kong	Chinese
<i>Independent Non-executive Directors</i>		
Mr. Fan Chun Wah Andrew (范駿華), J.P.	Flat A, 5/F Lowrise 12 23 Fo Chun Road Mayfair by the Sea I Tai Po New Territories Hong Kong	Chinese
Mr. Koh Shian Wei (許峴璋)	16 Stirling Road #38-19 Queens, Singapore 148957	Singaporean
Ms. Lam Shun Ka (林汛珈) (formerly known as Lam Yuk Shan (林玉珊))	Flat A, 5/F, Tower 3 9 Fung Yuen Road Mont Vert Tai Po New Territories Hong Kong	Chinese

For further information regarding our Directors and senior management, please refer to the section headed “Directors, Senior Management and Employees” of this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor

CLC International Limited
13th Floor, Nan Fung Tower
88 Connaught Road Central
Central
Hong Kong
(a corporation licensed under the SFO and permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities as defined in the SFO)

**Sole Bookrunner, Sole Lead Manager
and Public Offer Underwriter**

Pacific Foundation Securities Limited
11/F, New World Tower II
16–18 Queen’s Road Central
Hong Kong

Legal advisors to the Company

Co-legal advisors as to Hong Kong law:
Locke Lord
21/F Bank of China Tower
1 Garden Road
Central
Hong Kong

Loeb & Loeb LLP
21st Floor
CCB Tower
3 Connaught Road Central
Hong Kong

As to Hong Kong law:
Grace Y.C. Tam
Barrister-at-law
Andrew Liao SC’s Chambers
Room 28, New Henry House
10 Ice House Street, Central
Hong Kong

As to Singapore law:
Colin Ng & Partners LLP
600 North Bridge Road #13-01
Parkview Square (Parkview 2)
Singapore 188778

As to Cayman Islands law:
Conyers Dill & Pearman
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Legal advisors to the Sole Sponsor and the Underwriters	<i>As to Hong Kong law:</i> Sidley Austin 39/F, Two Int'l Finance Centre Central Hong Kong
Auditor and reporting accountant	HLB Hodgson Impey Cheng Limited <i>Certified Public Accountants</i> 31/F, Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
Industry consultant	Ipsos Limited 22/F, Leighton Centre 77 Leighton Road Causeway Bay Hong Kong
Compliance adviser	CLC International Limited 13th Floor, Nan Fung Tower 88 Connaught Road Central Hong Kong
Receiving Bank	DBS Bank (Hong Kong) Limited 11/F, The Center 99 Queen's Road Central Hong Kong

CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and Principal Place of Business in Singapore	10 Collyer Quay Centre #06-07/08/09/10 Ocean Financial Centre Singapore, 049315
Principal Place of Business in Hong Kong	3rd Floor, Three Pacific Place 1 Queen's Road East Hong Kong
Company secretary	Ms. Lo Wing Yan Emmy (盧詠欣), CPA Flat D, 4/F Kam Fung Building 171 Aberdeen Main Road Hong Kong
Compliance officer	Mr. Chew Chee Kian (周志堅) 43 Dunbar Walk Frankel Estate Singapore 459342
Authorised representatives	Mr. Chew Chee Kian (周志堅) 43 Dunbar Walk Frankel Estate Singapore 459342 Ms. Lo Wing Yan Emmy (盧詠欣) Flat D, 4/F Kam Fung Building 171 Aberdeen Main Road Hong Kong
Audit committee	Mr. Fan Chun Wah Andrew (范駿華), J.P. (Chairman) Mr. Koh Shian Wei (許峴瑋) Ms. Lam Shun Ka (林汛珈)
Remuneration committee	Mr. Koh Shian Wei (許峴瑋) (Chairman) Mr. Fan Chun Wah Andrew (范駿華), J.P. Ms. Lam Shun Ka (林汛珈)
Nomination committee	Ms. Lam Shun Ka (林汛珈) (Chairlady) Mr. Fan Chun Wah Andrew (范駿華), J.P. Mr. Koh Shian Wei (許峴瑋)

CORPORATE INFORMATION

Principal share registrar and transfer office in Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal banker	DBS Bank Ltd 12 Marina Boulevard DBS Asia Centre @ Marina Bay Financial Centre Tower 3 Singapore 018982
Company's website	bgc-group.com <i>(information of this website does not form part of this prospectus)</i>

INDUSTRY OVERVIEW

The information contained in this section and elsewhere in this prospectus have been derived from various official government or publicly available sources and from the market research report prepared by Ipsos which was commissioned by us, unless otherwise indicated. We believe that the sources of such information are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. While we have exercised reasonable care in compiling and reproducing such information, it has not been independently verified by us, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, any other party involved in the Listing or their respective directors, officers, employees, advisers, agents and no representation is given as to the accuracy or completeness of such information. Accordingly, such information should not be unduly relied upon.

Our Directors have further confirmed that, after taking reasonable care, there is no adverse change in the market information since the date of the Ipsos Report, which may qualify, contradict or have an impact on the information as disclosed in this section.

IPSOS REPORT

We commissioned Ipsos, an Independent Third Party, to conduct an analysis of the human resources outsourcing and recruitment services industry in Singapore and Hong Kong and produce the Ipsos Report. A fee of approximately HK\$428,000 is payable to Ipsos for the preparation of the Ipsos Report, which we believe is in line with the market rate for similar reports. The information and statistics set forth in this section have been extracted from the Ipsos Report and are based on information available as at the Latest Practicable Date.

Ipsos is an independent market research company and is one of the largest research companies in the world, employing over 16,000 personnel worldwide across 87 countries. Ipsos conducts research on market profiles, market size, share and segmentation analyses, distribution and value analyses, competitor tracking and corporate intelligence.

Sources of information in the Ipsos Report

Ipsos conducted research and data gathering based on (i) primary research, including interviews with key stakeholders, industry experts and people active in the industry; and (ii) secondary desk research. Information gathered by Ipsos has been analysed, assessed and validated using Ipsos' in-house analysis models and techniques. According to Ipsos, this methodology ensures a full circle and multi-level information sourcing process, where information gathered can be cross-referenced to ensure accuracy.

While preparing the Ipsos Report, Ipsos has relied on the assumption that there is no external shock such as financial crisis or natural disasters that would affect the demand and supply of human resources outsourcing and recruitment services industry over the forecast period.

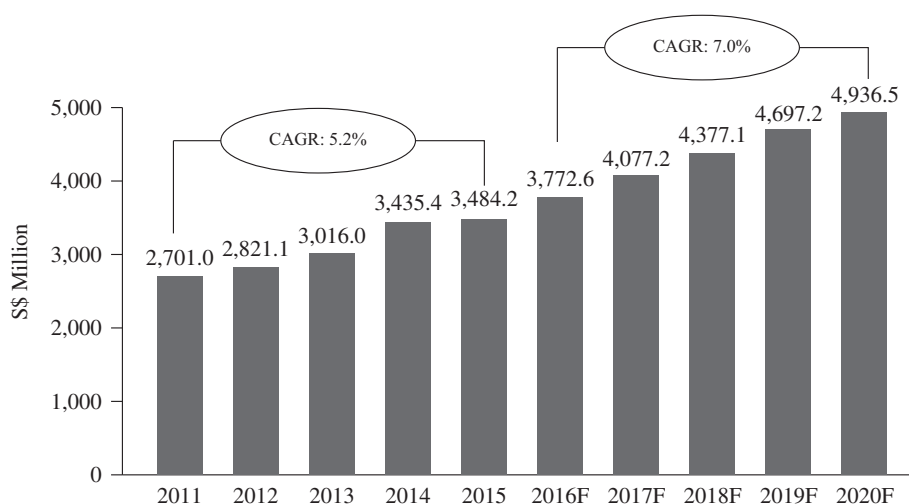
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Reliability of information from the Ipsos Report

Our Directors are of the view that the sources of information used in this section are reliable as the information was extracted from the Ipsos Report. Our Directors believe that the Ipsos Report is reliable and not misleading as Ipsos is an independent market research company with extensive experience in its profession.

OVERVIEW OF THE HUMAN RESOURCES OUTSOURCING AND RECRUITMENT SERVICES INDUSTRY IN SINGAPORE

Revenue generated by the human resources outsourcing and recruitment services industry in Singapore



Sources: Ministry of Manpower Statistics, Singapore, Economic Strategies Committee Growth Projection, Ministry of Trade and Industry of Singapore, Department of Statistics Singapore, Survey on Annual Wage Changes 2014–2015, Ministry of Manpower, Ipsos Research and Analysis

The revenue generated by the human resources outsourcing and recruitment services industry in Singapore increased from approximately S\$2.7 billion in 2011 to approximately S\$3.5 billion in 2015, at a CAGR of 5.2%. The growth can be attributed to the increasing demand for human resources outsourcing and recruitment services in industries such as information and communication technology, food & beverage services, construction, wholesale & retail trade, and healthcare. In view of the increasing demand for human resources in the above industries, the revenue generated by the human resources outsourcing and recruitment services industry in Singapore is expected to continuously increase.

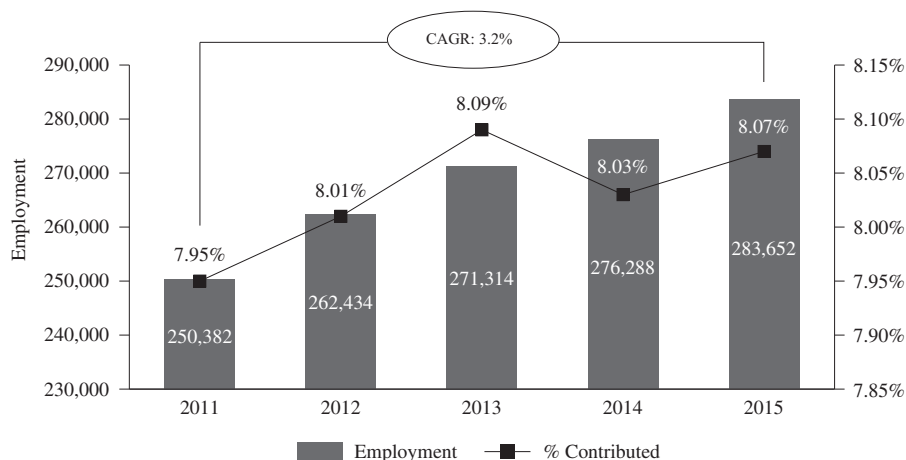
Analysis of the market demand for human resources outsourcing and recruitment services in Singapore

Our human resources outsourcing and recruitment services are provided to (a) public sector comprising the Singapore Government Agencies and NPOs; and (b) private sector mainly in the following industries in Singapore: (i) information and communication technology (“ICT”); (ii) retail and food & beverage; (iii) healthcare; and (iv) banking, insurance and financial services.

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Public sector

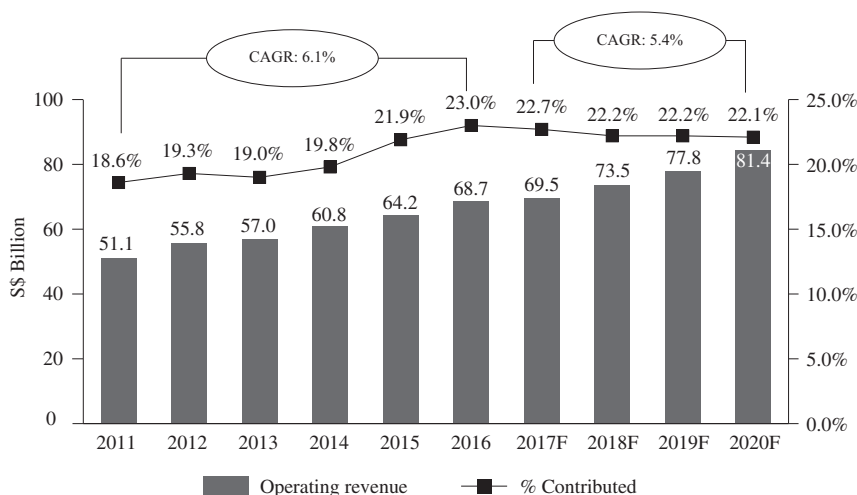
Employment in the public sector and its percentage contribution to the total employment in Singapore



Sources: Department of Statistics, Singapore; MOM; Ministry of Finance, Singapore

The number of employment in the public sector in Singapore increased from approximately 250,382 in 2011 to approximately 283,652 in 2015, with a CAGR of 3.2%. Its percentage contribution to the total employment in Singapore increased from approximately 7.95% in 2011 to approximately 8.09% in 2013 and decreased to approximately 8.07% in 2015. The employment in the public sector increased gradually from 2011 to 2015, primarily due to (i) the additional manpower and new units required from time to time in order to implement new programmes or deliver enhanced services by the Singapore Government; and (ii) the provision of capital funding by the Singapore Government to non-profit organisations for infrastructural development in the education, health and social service sectors.

Operating revenue of the Singapore Government and its percentage contribution to GDP of Singapore



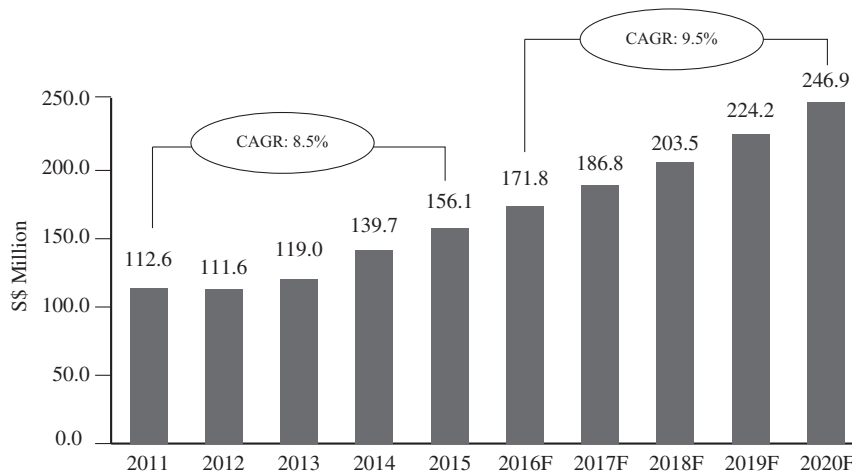
Sources: Department of Statistics, Singapore

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The operating revenue of the Singapore Government increased from approximately S\$51.1 billion in 2011 to approximately S\$68.7 billion in 2016, at a CAGR of around 6.1%, and is expected to continue increasing until 2020 at a slightly lower CAGR of 5.4%. Its contribution to GDP has risen from approximately 18.6% in 2011 to approximately 23.0% in 2016. The expenditure of the Singapore Government is expected to remain high, driven by announcement of several public initiatives and investments such as the broadening of the safety net for the aging population, small and medium-sized enterprises (SME) support schemes, and infrastructure projects.

The non-profit organisation sector has also experienced growth in recent years in terms of number of non-profit organisations. The number of registered charities in Singapore increased from approximately 2,093 in 2011 to approximately 2,217 in 2015, at a CAGR of approximately 1.4%. The number of Institutions of a Public Character, which are non-profit organisations approved to receive tax-deductible donations in Singapore, grew from approximately 568 in 2011 to approximately 633 in 2015, at a CAGR of approximately 2.7%. The demand for services provided by non-profit organisations in Singapore are driven by an aging population, income inequality, and improved awareness among people about volunteering and donation.

Revenue generated by the human resources outsourcing and recruitment services industry in the public sector in Singapore



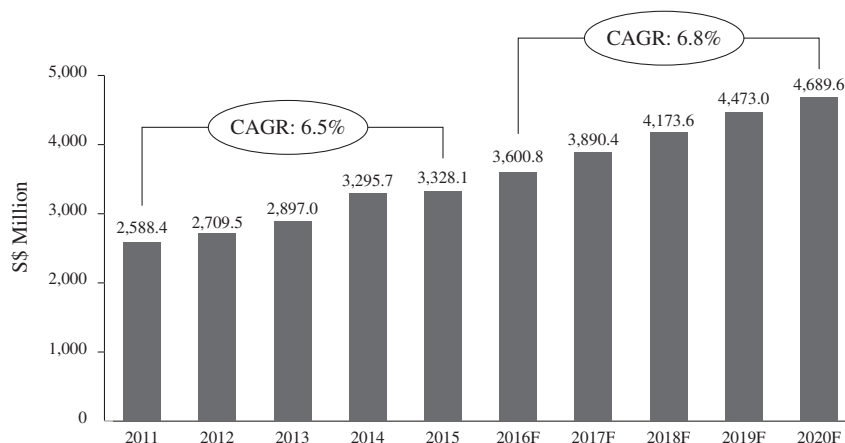
Sources: Ministry of Manpower Statistics, Singapore, Economic Strategies Committee Growth Projection, Ministry of Trade and Industry of Singapore, Department of Statistics Singapore, Survey on Annual Wage Changes 2014–2015, Ministry of Manpower, Ipsos Research and Analysis

The revenue generated by the human resources outsourcing and recruitment services industry in the public sector in Singapore has increased from approximately S\$112.6 million in 2011 to approximately S\$156.1 million in 2015, at a CAGR of 8.5%. The growth can be attributed to the increasing number of employees in the public sector in Singapore as well as the increasing number of non-profit organisations in Singapore.

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Private sector

Revenue generated by the human resources outsourcing and recruitment services industry in the private sector in Singapore



Sources: Ministry of Manpower Statistics, Singapore, Economic Strategies Committee Growth Projection, Ministry of Trade and Industry of Singapore, Department of Statistics Singapore, Survey on Annual Wage Changes 2014–2015, Ministry of Manpower, Ipsos Research and Analysis

The revenue generated by the human resources outsourcing and recruitment services industry in the private sector in Singapore increased from approximately S\$2.6 billion in 2011 to approximately S\$3.3 billion in 2015, at a CAGR of 6.5%, represented around 95% of the industry revenue in 2015.

(i) The ICT industry

The increasing importance of information and communication technology products in recent years leads to an increased demand for human resources in the ICT industry. The number of employees in the ICT industry in Singapore has been increasing since 2011 from approximately 104,500 in 2011 to approximately 127,500 in 2016, with a CAGR of approximately 4.1%. The percentage of employment from the ICT industry contributed to the total employment in Singapore dropped from approximately 3.2% in 2011 to approximately 3.1% in 2012, and subsequently rose to approximately 3.5% in 2016. According to the Infocomm Development Authority of Singapore Annual Survey on Infocomm Manpower 2015, companies indicated that there will be an additional of 53,000 new ICT positions required across the Singapore by 2018. As Singapore has been established to be a hub for start-ups in the Asia-Pacific region, the number of employment in the ICT industry is expected to continue rising as the majority of start-ups are technology-related.

Revenue from the ICT industry in Singapore increased from approximately S\$94.5 billion in 2011 to approximately S\$189.6 billion in 2015, at a CAGR of approximately 19.0%. It is expected that the revenue from the ICT industry in Singapore will continue growing steadily with the emergence of new technologies and its establishment as a start-up hub in Asia-Pacific. Moreover, in April 2016, the Singapore Ministry of Communications and Information announced that it will invest S\$120 million in ICT labor needs, focusing its efforts in high demand areas such as software development, data analytics,

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cyber security, network and infrastructure. It is expected that the investment will support the training for both current and future professionals in ICT industry and may attract more people to join the ICT industry in the coming future.

(ii) Retail and food & beverage industry

Retail: The employment level in the Singapore retail industry increased from approximately 152,100 in 2011 to approximately 166,500 in 2016, representing a CAGR of 1.8%. The percentage contribution of the employment level in the retail industry to the total employment in Singapore throughout 2011 and 2016 was relatively stable, ranging between 4.5% to 4.8%. The employment level of the Singapore retail industry is expected to grow modestly, as the growth in the retail industry is expected to be primarily contributed by the online retail segment, which is relatively less labour-intensive. The operating expenditure of the retail industry in Singapore has been increasing from approximately S\$38.1 billion in 2011 to approximately S\$43.9 billion in 2015, representing a CAGR of 3.6%. Although the retail sales index has dropped in August 2016, the revenue of the retail industry in Singapore is expected to grow steadily at around 2.5% per annum over the next few years, with demand for consumer goods backed up by the real wage growth and the continued popularity of Singapore as a tourist destination. Meanwhile, as front line retail staff continue to be in high demand in Singapore, hiring in retail industry is expected to modestly grow in the future.

Food & Beverage: As the food & beverage industry is predominantly labour-intensive, the employment level has been relatively stable. The number of employees involved in the food & beverage industry in Singapore has grown steadily from approximately 175,400 in 2011 to approximately 212,500 in 2016, representing a CAGR of 3.9%. The percentage contribution of the employment level in the food & beverage industry to the total employment in Singapore throughout 2011 and 2016 was relatively stable, ranging between 5.4% to 5.8%. As the food & beverage industry in Singapore is a mature industry with less room for growth, the employment level in the food & beverage industry is expected to grow modestly, owing to the modest growth in number of establishments in the industry. The operating expenditure of the food & beverage industry in Singapore has been rising from approximately S\$6.9 billion in 2011 to approximately S\$8.7 billion in 2015, representing a CAGR of 5.8%. Despite the positive growth of the operating expenditure from 2011 to 2014, it is estimated that the overall revenue in the food & beverage industry declined in 2015 due to the weak performance of the sales volume in the industry as the food & beverage services index fell by 5% in 2015. The food & beverage industry is however not expected to further contract, as initiatives have been launched to revive the industry. For instance, 'skills future Singapore' offers financial awards for staff in the food & beverage industry to enhance their skills and boost efficiency and attract more customers. The establishment of integrated resorts and shopping, which pushed the substantial growth of the food & beverage industry in the past few years, will continue to be increased driven by the rising demand in the coming years. It is expected that both number of job vacancies and employment in the food & beverage industry will keep rising in the future.

(iii) Healthcare industry

Singapore is expanding the development of the healthcare industry in recent years. The city-state has set up strong fundamentals to ensure healthcare excellence and has established the world's top 10 best healthcare infrastructure. Its medical practice standards also rank among the best in the world. Thus, the healthcare industry in Singapore seeks qualified manpower in large numbers in order to fulfill

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the industry demand. This has gradually increased the employment in the healthcare industry and its percentage contributed to total employment in Singapore every year. Employment in the healthcare industry in Singapore increased from approximately 61,786 in 2011 to approximately 80,044 in 2015 at a CAGR of 6.7%. Its percentage contribution to total employment in Singapore increased from approximately 2.0% in 2011 to approximately 2.3% in 2015 at a CAGR of 3.8%. The employment level of healthcare industry is expected to continue growing as there is an increase in recruitment needs relating to medical services to meet the demand of the aging population.

Health expenditure by Singapore Government increased from approximately S\$4.1 billion in 2011 to approximately S\$8.7 billion in 2015, at a CAGR of 20.8%. Healthcare expenditure is expected to increase as the Singapore Government has projected its healthcare spending to increase to over S\$12 billion by 2020 due to the aging population.

(iv) Banking, insurance and financial services industry

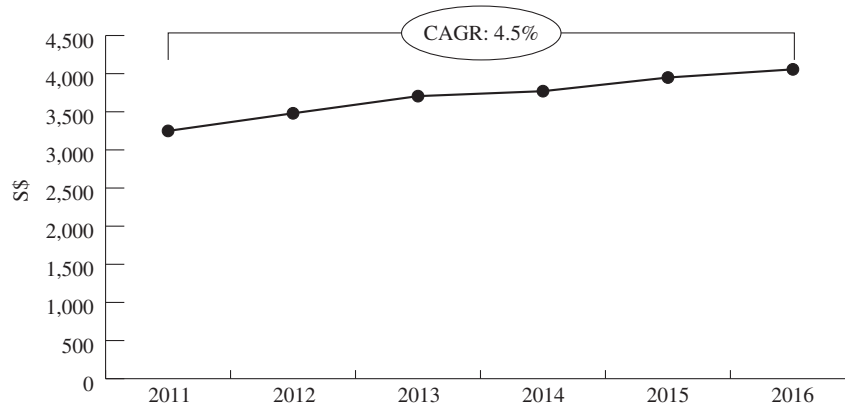
Total employment of the banking, insurance and financial services industry in Singapore increased from approximately 176,700 in 2011 to approximately 207,300 in 2016, with a CAGR of approximately 3.2%. Its percentage contribution to the total employment in Singapore between 2011 and 2016 has been relatively stable, around 5.5%. The employment level in the banking, insurance and financial services industry is expected to increase moderately as despite some major European banks have been scaling down bank and offshoring operations to reduce costs, this will be offset by the performance of local and US banks, which are continuing to expand. According to the Ipsos Report, the demand for local finance professionals will continue following the implementation of the Fair Consideration Framework, which is part of the Singapore government's overall effort to strengthen the Singaporean core in the workforce. Besides, financial companies will continue to attract talent, especially those high quality and skilled roles in financial related area such as accounting, corporate governance and risk audit, etc.

The revenue of the banking, insurance and financial services industry in Singapore increased from approximately S\$34.9 billion in 2011 to approximately S\$47.8 billion in 2015, at a CAGR of 8.1%. This strong growth can be attributed to the quality of Singapore as a hub for multinational companies, the city's location, stable political regime, tax incentives, and a highly educated population. Despite some European banks significantly changed their Asia strategy and others announced heavy redundancies or restructuring, the revenue from the banking, insurance and financial services industry in Singapore is expected to continue to grow modestly due to the growth of private banking and robust performances of local and US banks.

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Labour costs

Gross monthly median salary in Singapore



Sources: Singapore Statistics; trading economics; Ipsos research and analysis

The gross monthly median salary of Singaporean residents (full time employed) grew between 2011 and 2016 at a CAGR of around 4.5%, from approximately S\$3,249 to S\$4,056. It is expected to grow at a CAGR of around 3% until 2020.

Competitive landscape

According to the Ipsos Report, there were around 2,744 human resources agencies registered in the MOM in Singapore in September 2016. The human resources outsourcing and recruitment services industry in Singapore is fragmented, with the top five players shared approximately 19.3% of the industry revenue in 2015. Our Group accounted for approximately 1.3% of the total revenue of the human resources outsourcing and recruitment services industry in Singapore in 2015. The human resources outsourcing and recruitment services industry in the private sector in Singapore is also fragmented, with the five major players accounting for less than approximately 19.6% of the total industry revenue in the private sector in 2015. On the other hand, the human resources outsourcing and recruitment services industry in the public sector in Singapore is relatively concentrated, with top five players accounting for approximately 64.5% of the total industry revenue in the public sector in 2015. Our Group accounted for approximately 18.1% of the total revenue of the human resources outsourcing and recruitment services industry in the public sector in Singapore in 2015.

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The following table sets forth the rankings and market shares of the top five service providers in the human resources outsourcing and recruitment services industry for the public sector in Singapore in 2015:

Rank	Name of company	Share of total revenue from public sector in the industry
1	Our Group	18.1%
2	Company A	13.4%
3	Company B	12.4%
4	Company C	11.5%
5	Company D	9.1%
	Others	35.5%
	Total	100%

Key factors of competition

According to the Ipsos Report, key success factors in competition in the human resources outsourcing and recruitment services industry in Singapore are:

- (i) Human resources database: Having its own human resources database is one of the crucial factors that makes a company involved in human resources outsourcing and recruitment industry competitive. It enables a market player to identify qualified and suitable candidates. With a comprehensive human resources database, a market player is also able to source candidates with requisite credentials in different industries.
- (ii) Long-term and stable relationship with the clients: A long-term and stable relationship with clients increases the probability of a market player to gain more business opportunities. Additionally, it will also enable the market player to better understand clients' needs which may help strengthen its position in the industry.

Market Drivers

According to the Ipsos Report, the human resources outsourcing and recruitment services industry in Singapore is driven by the growth of large companies and the competition for talent and staff. As a hub for multinational companies, Singapore's recruitment services market is driven by high turnover rates and the competition for talent. As a small nation-state with limited, aging population and a public aversion towards increasing immigration rates, the human resources outsourcing market in Singapore is

INDUSTRY OVERVIEW

driven by the need to find Singapore residents for working on a wide range of segments of the service industry. In particular, the demand from the following industries is pumping the market:

- Industries with seasonal need for staff: (i) the food & beverage services industry caters to the Singapore's population, which has enjoyed increasing expenditure until 2015, as well as to tourists who increasingly visit the city; and (ii) the wholesale and retail trade industry, where employment increased by 7.5% between 2011 and 2015;
- Industries catering to a growing proportion of the population: the healthcare industry, which is expected to grow considerably owing to the aging population of Singapore;
- Industries catering to companies in Singapore for its strategic location: (i) legal, accounting and management services industry and (ii) banking, insurance and financial services industry, which are subject to staff turnover when salaries rise, making them likely to request the services of human resources services agencies to ensure they hire enough employees.

Entry barriers

According to the Ipsos Report, the entry barriers of the human resources outsourcing and recruitment services industry in Singapore are as follows:

- (i) Data base and connections: Human resources outsourcing and recruitment services companies invest in building a pool of potential candidates and relationship with potential clients. Such database and network connection put such company at a competitive advantage, and could be one of the entry barriers to the industry as building such database and relationship takes time and may be a hindrance for new companies willing to expand in the market.
- (ii) Client relationship: Clients tend to engage the same service provider for the hiring processes once a long-term and strong relationship is built. For new entrants in this industry, it may be difficult to build a long-term and strong relationship with clients in short time.
- (iii) Experience and reputation: Long established reputable brands tend to have a higher chance to be chosen by the clients. For new entrants to the industry without reputable brand names, they may struggle to attract both candidates as well as clients.

Opportunities

The labour shortage, aging population and the long term strategy of the government of not to increase immigration rates present opportunities for human resources outsourcing and recruitment services companies in Singapore. As it becomes more challenging to hire manpower and talent, companies working as intermediaries will find opportunities to work with clients from more industries. The upward pressure on salaries have a double, opposite pressure on the revenue of human resources outsourcing and recruitment services companies. While upward pressure on salaries may have positive implication on recruitment services companies as their fee is based on the salary of hired recommendations, higher salaries may lead to more conservative hiring by companies, thus reducing the demand for these companies. However, as salaries increase, employees are more likely to look for opportunities with higher wages, leading to companies needing to replace workers.

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Threats

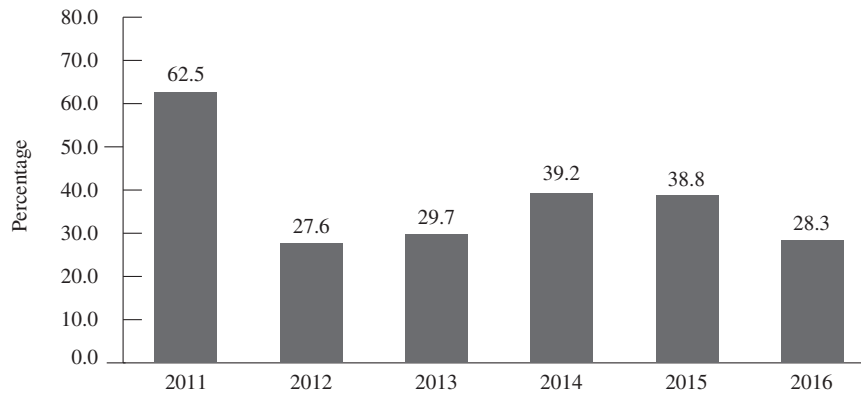
According to the Ipsos Report, the threats of the human resources outsourcing and recruitment services industry in Singapore are as follows:

- (i) Online channels: Candidates can find job posting online and have access to hiring companies without the need for involvement of intermediaries.
- (ii) No minimum wage: The fee for recruitment services is based on salary of hired recommendations. Without a minimum wage under the applicable regulatory requirement in Singapore, downward pressure on wages would result in lower revenue.
- (iii) Labour shortage: The labour shortage may be seen as a threat to some players in the human resources outsourcing industry, as it is more challenging to retain the outsourced staff.

OVERVIEW OF THE HUMAN RESOURCES OUTSOURCING AND RECRUITMENT SERVICES INDUSTRY IN HONG KONG

Outlook on Hong Kong's employment market

Net hiring intention in Hong Kong



Sources: The Hudson Report 2016, Hong Kong, Ipsos research and analysis

Note: The net hiring intention is a percentage calculated by taking the percentage of employers who expect to increase headcount in the next six months subtracted by those who intend to decrease. The survey was conducted every half year and the data was based on a face-to-face or telephone interview with the hiring managers and line managers at an average of approximately 430 companies across a sample of industries comprising ICT, banking, insurance and financial services, professional services (including legal), consumer and retail industries.

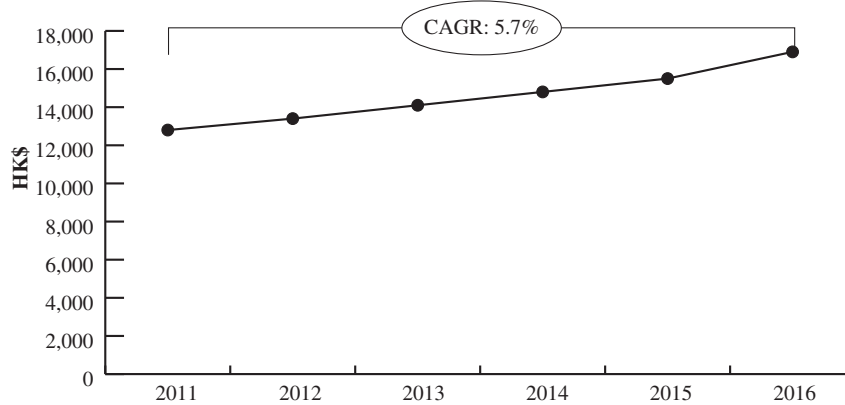
Net hiring intentions of employers in Hong Kong fluctuated from 2010 to 2015. The year 2015 started off with net hiring intention of 52.1% in the first half of the year and plummeted to 25.5% towards the year end due to the slowdown of the Chinese economy. In 2016, the net hiring intention decreased to 28.3%. However, in the second half of 2016, 47% of employers in the ICT industry were planning to increase headcount, while in the banking, insurance and financial services industry, 26% of employers were planning to increase headcount. This is driven by Hong Kong's emerging fintech industry. The outlook of Hong Kong's employment market is optimistic, and is expected to become more competitive as well as growing steadily.

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Moreover, according to the Ipsos Report, 75% of Hong Kong employees consider changing to a new job in 2016, among which 32% of them (i.e. about one fourth of Hong Kong's workforce) are actively seeking new opportunities and 43% (i.e. about one third of Hong Kong's workforce) passively doing so. Furthermore, almost 50% of Hong Kong professionals plan to move jobs within a year. The above demonstrated optimism and confidence in the employment market in Hong Kong.

Labour costs

Gross monthly median salary in Hong Kong



Sources: Census and Statistics Department, HK; trading economics; Ipsos research and analysis

The gross monthly median salary of Hong Kong residents (full time employed) grew between 2011 and 2016 at a CAGR of around 5.7%, from approximately HK\$12,800 to HK\$16,900. It is expected to grow at a CAGR of around 1.1% until 2020.

Competitive landscape

The human resources outsourcing and recruitment services industry in Hong Kong is fragmented. As of February 2017, there were around 2,986 licensed employment agencies on the list of licensed employment agencies under the EO. These licensed employment agencies include international and local recruitment services agencies, as well as human resources outsourcing companies catering to corporations or individuals (e.g. foreign domestic helpers agencies).

As Hong Kong is one of the largest hubs in Asia, the human resources outsourcing and recruitment services industry is expected to steadily increase in the future. According to the Ipsos Report, the total employment in the private sector in Hong Kong was 2,829,770 persons in December 2016, an increase of 21,754 from December 2015, which represents an increase of 0.8%. As the demand for persons with professional expertise is expected to increase, the usage of employment agencies to hire skilled workers is likely to grow.

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Market Drivers

According to the Ipsos Report, market drivers for human resources services market in Hong Kong include:

- (i) Economic growth in Hong Kong with the support from the PRC government would secure Hong Kong's gateway position and attract more foreign investments, which will drive growth for human resources outsourcing and recruitment services resulting from the increasing business setups in Hong Kong. Additionally, increasing number of multinational and small-and-medium enterprises in Hong Kong also fuel demand for human resources outsourcing and recruitment services.
- (ii) More Chinese enterprises are setting up business overseas to explore other business opportunities. The lack of overseas experience coupled with huge cultural and language barriers are driving the demand for professional corporate services, including human resources outsourcing and recruitment services in Hong Kong.
- (iii) As operation cost including rental and wage continue rising, enterprises tend to outsource their internal human resources services to external service providers to cut cost, which gives rise to the demand for human resources outsourcing services in Hong Kong.
- (iv) As the global business environment fluctuates from time to time, it is necessary for enterprises to remain flexible by engaging temporary or contract staff to cope with sudden changes in the market.

Entry barriers

According to the Ipsos Report, the entry barriers of the human resources outsourcing and recruitment services industry in Hong Kong are similar to those in Singapore.

Opportunities

Hong Kong has been among the favourite choices for global companies to establish or expand their businesses due to its strategic location. The number of non-local companies in Hong Kong has increased from about 798 in 2011 to about 894 in 2015, representing a CAGR of about 2.9%. Increasing number of local and multinational companies setting up offices in Hong Kong, as a gateway to enter the China market, will give rise to opportunities for human resource outsourcing and recruitment services in Hong Kong. As such, we intend to expand our recruitment services in Hong Kong, targeting particularly in the banking, insurance and financial services industry and the ICT industry.

Banking, insurance and financial services industry: the number of establishments engaged in the banking, insurance and financial services industry increased from approximately 20,610 in 2011 to approximately 24,379 in 2016, at a CAGR of approximately 3.4%, while the number of persons engaged in the industry was up from approximately 207,324 in 2011 to approximately 222,720 in 2016. Following the upward trend of establishments and persons engaged, the vacancies in the banking, insurance and financial services industry increased consistently from approximately 4,168 in 2011 to approximately 4,969 in 2016, at a CAGR of approximately 3.6%. The crucial role of the banking, insurance and financial services industry in contribution to economic growth has driven up the number

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of establishments and persons engaged in the banking, insurance and financial services industry in Hong Kong. Stricter governance requirements are the key drivers for both permanent and contracting roles as financial services institutions will be pressured to tighten risk management and improve their governance framework. Therefore, there is increasing demands for compliance, risk and audit-related roles. The shortage of qualified local candidates for compliance, risk and audit-related roles increases the demand for assistance from recruitment service providers as well as competition. Many companies in the banking, insurance and finance services industry still believe that Hong Kong is important and their target market to enter. In November 2016, approximately 57% of the companies would like to recruit more people in 2016, rising from approximately 46% in 2014. However, sub-sectors such as auditing are still suffering from labor shortage. As such, the job vacancy and employment of people engaged in the banking, insurance and finance services industry are expected to increase steadily in the coming years.

ICT industry: the number of establishments engaged in the ICT industry increased from approximately 10,756 in 2011 to approximately 13,155 in 2016, at a CAGR of approximately 4.1%, while the number of persons engaged in the industry was up from approximately 93,268 in 2011 to approximately 107,342 in 2016. Driven by the rising trend on the number of new establishment of ICT companies and the size of existing ICT companies, together with the government support and growing demand for IT services in the future, the establishments, persons and vacancies in the ICT industry in Hong Kong are estimated to grow in the coming years. It is expected that recruitment activity in the ICT industry will continue to grow as individuals with relevant skillsets are high in demand and difficult to find. In the meantime, many companies in the ICT industry are looking to hire IT professionals from overseas and local market in order to increase their competitiveness. Due to the lack of IT workers, many IT companies in Hong Kong have to choose outsourcing services from other IT outsourcing service providers. Therefore, it is expected that both the number of job vacancies and employment of people engaged in the ICT industry will increase in the coming five years.

Threats

High rental and wage cost in Hong Kong increases difficulty for business operations in Hong Kong and reduce profit margin of human resources outsourcing and recruitment service providers in Hong Kong. Hong Kong faces challenges in losing its competitive edge to countries with lower operation cost, such as China. This poses a threat to the future development of human resources outsourcing and recruitment services in Hong Kong. The human resources outsourcing and recruitment services market in Hong Kong is highly sensitive to economic factors. The global economic instability caused by the Europe debt crisis in 2011 created market uncertainty and hampered investors' confidence in setting up new business or expanding existing business, as a result of which the proportion of companies with high intention to hire dropped dramatically in 2012.

REGULATORY OVERVIEW

Our operations are subject to various laws, rules, regulations and policies in each of the jurisdictions in which we operate. This section sets forth a summary of the major laws, rules and regulations and requirements, which are relevant to our operations and business in Hong Kong and Singapore.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN HONG KONG

We engage in human resources services in Hong Kong, with a primary focus on recruitment services.

The EO and the Employment Agency Regulations (Cap 57A of the Laws of Hong Kong) stipulate that a person must obtain a licence or certificate of exemption in order to operate business as an employment agency in Hong Kong. No person shall operate, manage or assist in the management of an employment agency at any place other than the place of business specified in the licence or certificate of exemption issued in respect of the employment agency.

Employment Agency

An employment agency is an establishment or person who aims at obtaining employment for another person or supplying personnel to an employer.

The EO applies to all employment agencies in Hong Kong except those which are:

- carried on or subvented by the Government of Hong Kong;
- carried on under the Merchant Shipping (Seafarers) Ordinance;
- carried on by employers solely for employing persons for themselves;
- carried on by contractors or sub-contractors who employ people on work for others;
- non-profit making and carried on by the proprietors of publications;
- non-profit making and carried on by a recognised educational institution solely for the employment of the students or graduates of that educational institution.

Licence

The operator of an employment agency must obtain a licence or certificate of exemption from the Commissioner for Labour. Any person operating as an employment agent without a licence or certificate of exemption shall be guilty of an offence and shall be liable on conviction to a fine of HK\$50,000.

A duplicate licence is required for each branch office of an employment agency. Any person contravening such requirement shall be guilty of an offence and shall be liable on conviction to a fine of HK\$10,000.

REGULATORY OVERVIEW

The licence (including main and duplicate licences) must be displayed in a conspicuous position at the place of business of the employment agency. Any person contravening such requirement shall be guilty of an offence and shall be liable on conviction to a fine of HK\$10,000.

A licence is valid for 12 months from the date of issue and a fee of HK\$2,000 is payable on each application for issue or renewal of the licence. A fee of HK\$385 is payable on each application for the issue of a duplicate licence for each branch office. A fee of HK\$155 is payable on each application for any alteration to a licence due to change of place of business, addition or cessation of business of branch office.

Application of Licence

An application for the issue of a licence must be made to the Commissioner for Labour in the prescribed form not later than one month before the applicant intends to commence business. An application for the renewal of a licence must be made in the prescribed form at least two months before the licence expires. Where the applicant is a limited company, the application shall be submitted by a director of the company on its behalf.

The penalty for furnishing false information in connection with any licence or renewal application is a fine of HK\$50,000.

The Commissioner for Labour may refuse to issue or renew a licence, or may revoke a licence in the following circumstances:

- the name of the employment agency is identical with or closely resembles the name of another employment agency; or
- the employment agency is being or likely to be used for unlawful or immoral purposes; or the person operating, or intending to operate, the employment agency
 - (a) is an undischarged bankrupt; or
 - (b) has, within the preceding 5 years, been convicted of an offence against the person of a child, young person or woman or of an offence involving membership of a triad society, fraud, dishonesty or extortion; or
 - (c) has knowingly furnished to the Commissioner for Labour any false or misleading information in connection with his application for the issue or renewal of the licence; or
 - (d) has contravened any provision of Part XII of the EO or Employment Agency Regulations; or
 - (e) is not, for any other reason, a fit and proper person to operate an employment agency.
 - (f) Any person may, within 28 days of notice of refusal or revocation, appeal to the Administrative Appeals Board in such form and manner as the board may determine.

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The licensee shall deliver the licence to the Commissioner for Labour:

- (a) within 28 days after he is notified of the decision of refusal or revocation;
- (b) if he has appealed against the decision of refusal or revocation, within 14 days after he withdraws or abandons the appeal or he is notified of the Administrative Appeals Board's dismissal of the appeal.

Failure for any person to return the licence after refusal or revocation is a fine of HK\$10,000.

Certificate of Exemption

The Commissioner for Labour may exempt an employment agency from obtaining a licence under the EO if he is satisfied that the employment agency is non-profit making and should, in the public interest, be so exempted.

The Commissioner for Labour may withdraw an exemption granted if he is satisfied that the employment agency has ceased to be non-profit making or should not be so exempted in the public interest.

No appeal shall lie against the decision of the Commissioner for Labour to withdraw an exemption granted to an employment agency.

The holder of a certificate of exemption shall, within 14 days after he is notified of the withdrawal of the exemption, deliver the certificate to the Commissioner for Labour, failing which he shall be guilty of an offence and shall be liable on conviction to a fine of HK\$10,000.

Notifications to the Commissioner for Labour

The Commissioner for Labour must be notified in writing:

- (a) within 14 days of any change in the management of an employment agency;
- (b) at least 14 days before any change of place of business of an employment agency;
- (c) within 7 days after the cessation of operation of an employment agency and the licence must be delivered to the Commissioner for Labour.

Any person failing to notify the Commissioner for Labour in the above manner shall be guilty of an offence and shall be liable on conviction to a fine of HK\$10,000.

Maintenance of Records

A licensee has to maintain a record showing particulars of every person who registers with his/her employment agency for employment. This record:

- (a) should contain the person's name, address, Hong Kong Identity Card Number (in the case of a non-resident, passport number and citizenship), fee and commission received, date of employment and name and address of employer;

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- (b) must be retained for a period of not less than 12 months after the expiration of each accounting year of the employment agency;
- (c) must be made available for inspection by the Commissioner for Labour or any public officer authorised by him at all times at the place of business of his/her employment agency.

Any person failing to maintain records in the above manner shall be guilty of an offence and shall be liable on conviction to a fine of HK\$10,000.

Prohibited acts in respect of employment agencies

A licensee must not by any means:

- (a) receive from a job applicant, in connection with obtaining employment for him/her, any fees or reward (except the prescribed commission);
- (b) share with any person, other than another licensee or a partner or shareholder in his/her employment agency, the prescribed commission;
- (c) enter, except with the written permission of the Commissioner for Labour, into an agreement, express or implied, with an employer whereby
 - the employer undertakes to employ only persons who seek employment through the licensee's employment agency; and
 - the licensee agrees to pay or give to the employer some form of material benefit.

Any person failing to comply with the above requirements shall be guilty of an offence and shall be liable on conviction to a fine of HK\$50,000.

A licensee shall not lend, transfer or assign his/her licence to another person. Any person in contravention with this requirement shall be guilty of an offence and shall be liable on conviction to a fine of HK\$10,000.

Authority of the Commissioner for Labour

The Commissioner for Labour, and any public officer authorised by him, may:

- (a) enter and inspect or search without a warrant at any reasonable time the place of business of an employment agency;
- (b) require any person associated with an employment agency to furnish information relating to the employment agency;
- (c) seize, detain or remove any article, register, record or other document which may be evidence of an offence under this part of the Ordinance.

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In connection with any inquiry or inspection, no person shall furnish to the Commissioner for Labour or any public officer any information which he/she knows or reasonably ought to know to be false or misleading in any material particular. Any person failing to comply with this requirement shall be guilty of an offence and shall be liable on conviction to a fine of HK\$50,000.

Maximum commission receivable by an employment agency

The maximum commission which may be received by an employment agency from each job-seeker is an amount not exceeding 10% of his/her first month's wages received after he/she has been successfully placed. Any person failing to comply with this requirement shall be guilty of an offence and shall be liable on conviction to a fine of HK\$50,000.

The Second Schedule of the Employment Agency Regulations showing the maximum commission which may be received by an employment agency must be displayed at all times in a conspicuous position at the place of business of the employment agency. Any person failing to comply with this requirement shall be guilty of an offence and shall be liable on conviction to a fine of HK\$10,000.

Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong)

The nature of our business inevitably requires that we collect, keep, and make use of our customers', and candidates' personal data. As a result of which, we have to follow the fair information practices as set out in the data protection principles of the PDPO.

Although we owe a duty of confidentiality to our customers under the relevant laws and regulations on protection of data privacy, we are required, and are entitled to report any suspicious cases to the relevant authorities. Legislation in Hong Kong such as the Drug Trafficking (Recovery of Proceeds) Ordinance require that disclosure of certain suspicious transactions be made under the legislation. Such disclosures are not to be treated as a breach of any restriction upon the disclosure of information imposed by contract or by any enactment, rule of conduct or other legislation provision, and any person making such disclosure shall not be liable in damages for any loss which may arise out of such disclosure.

Further, Section 58 of the PDPO provides that if personal data are used for any of the purposes referred to in Section 58(1) of the PDPO (which includes but not limited to prevention or detection of crimes, prosecution or detention of offenders and prevention, preclusion or remedying of unlawful or seriously improper conduct or dishonesty or malpractice by persons etc.) (“**Exempted Matters**”) and the application of the personal data protection principle in relation to such use would be likely to prejudice any of the Exempted Matters, then (i) such personal data are exempted from the provisions of certain data protection principle; and (ii) if there is proceeding against any person for a contravention of any of those provisions of the PDPO, it shall be a defence if that person can show that he has reasonable grounds for believing that failure to so use the data would have been likely to prejudice any of the Exempted Matters.

Amendments to the PDPO came into effect on 1 April 2013 and the new Part VI A of the PDPO imposes new regulations on the use and provision of personal data in direct marketing by business entities. Under the new amendments, if customers' personal data are intended to be used in direct marketing, customers must be notified and their consent must be obtained before using or transferring any of their personal data to another person.

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Furthermore, customers must be notified of their opt-out right when using their personal data in direct marketing for the first time. Customers are entitled to require us to cease using their personal data at any time. Under these amendments to the PDPO, customers shall not be charged for the compliance with these amendments.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN SINGAPORE

As our Group mainly provides human resources outsourcing services and human resources recruitment services in Singapore, our Group is subject to and shall comply with the regulatory requirements in Singapore. A summary of the relevant laws and regulations in Singapore is set out below.

Employment Act

The EA sets out the basic terms and conditions at work for employees covered under the EA, such as payment of salary, paid public holidays, sick leave and maternity leave. It is administered by the MOM. Persons who are employed in a managerial or executive position and is in receipt of a salary exceeding S\$4,500 per month, seafarers, domestic workers, statutory board employees or civil servants are not covered by the EA.

Part IV of the EA, which sets out requirements for, among others, rest days, hours of work and other conditions of service, only applies to certain categories of employees covered under the EA, namely workmen who receive salaries not exceeding S\$4,500 a month and employees other than workmen who receive salaries not exceeding S\$2,500 a month (“**Part IV Employees**”).

Section 38(8) of the EA provides that a Part IV Employee is not allowed to work for more than 12 hours in any one (1) day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, section 38(5) of the EA limits the extent of overtime work that a Part IV Employee can perform to 72 hours a month.

A part-time employee is defined in Paragraph 2(1) of the Employment (Part-Time Employees) Regulations (“**Part-Time Employees Regulations**”) to mean an employee who is required under his contract of service with an employer to work for less than 35 hours a week. Where a part-time employee works beyond his normal hours of work, Paragraph 5(1) of the Part-Time Employees Regulations provides that he shall be paid for such extra work at (a) his hourly basic rate of pay for each hour or part thereof which exceeds his normal hours of work but does not exceed the normal hours of work of a similar full-time employee; and (b) one and a half times his basic hourly rate for each hour or part thereof which exceeds the normal hours of work of a similar full-time employee.

The definition of “employee” under the EA does not extend to freelance contractors who have entered into a contract for service. Accordingly, freelance contractors are not considered to be employees of our Group.

Employers must seek the prior approval of the Commissioner for Labour (“**CL**”) for exemption if they require a Part IV Employee or class of Part IV Employees to work for more than 12 hours a day or perform overtime work for more than 72 hours a month. The CL may, after considering the operational needs of the employer and the health and safety of the Part IV Employee or class of Part IV Employees, by order in writing, exempt such Part IV Employee or class of Part IV Employees from the overtime

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limits subject to such conditions as the CL thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such Part IV Employee or class of Part IV Employees are employed.

An employer who breaches any provision of Part IV of the EA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Employment Agencies Act and Employment Agencies Rules 2011

The EAA provides for the regulation of employment agencies, being any agency or registry represented as being carried on or intended to be carried on for or in connection with the employment of persons in any capacity, and is regulated by the MOM.

Section 6(1) of the EAA provides that no person shall carry on an employment agency unless it holds a licence from the Commissioner for Employment Agencies (“CEA”) to carry on such an agency (“**Employment Agency Licence**”). An applicant can choose between a Comprehensive Licence and a Select Licence.

Under the Employment Agencies Rules 2011, a licence granted under the EAA shall be valid only in respect of the type of employment specified in the licence, and a separate Employment Agency Licence shall be taken out for each employment agency. Our Group holds Comprehensive Licences which allows each licensee to place any type of worker with employers.

Section 6(2) of the EAA also provides that no person shall perform any work or activity in Singapore:

- (a) for or in connection with the employment of one or more persons in any capacity, whether or not those persons are to be employed within or outside Singapore; and
- (b) on his own behalf or on behalf of an employment agency which is carried on outside Singapore,

unless he is a holder of an Employment Agency Licence.

Section 10(2) of the EAA, prohibits a holder of an Employment Agency Licence from carrying on an employment agency or performing any work or activity referred to in section 6(2) of the EAA for which an Employment Agency Licence is granted after the validity period specified in such licence.

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Any person who contravenes sections 6(1), 6(2) and 10(2) of the EAA shall be guilty of an offence shall be liable on conviction:

- (a) to a fine not exceeding S\$80,000 or to imprisonment for a term not exceeding 2 years or to both; and
- (b) in the case of a second or subsequent conviction, to a fine not exceeding S\$160,000 or to imprisonment for a term not exceeding 4 years or to both.

Section 11 of the EAA also provides that the CEA may suspend or revoke an Employment Agency Licence if he is satisfied that, amongst others, the licensee is contravening or has contravened any of the provisions of the EAA or the licensee has ceased to carry on an employment agency or ceased to perform any work or activity referred to in section 6(2) for which the licensee has been licensed or, if the licensee is a company, goes into liquidation or is wound up or otherwise dissolved.

In addition, a licensee shall, before permitting or authorising any employment agency personnel to perform any specified employment agency work, register such personnel with the MOM pursuant to section 12A(1) of the EAA and any person who contravenes section 12A(1) of the EAA shall be guilty of an offence shall be liable on conviction to a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding six (6) months or to both.

Employment of Foreign Manpower Act and Employment of Foreign Manpower (Work Passes) Regulations 2012

The employment of foreign employees in Singapore is governed by EFMA and is regulated by the MOM. The EFMA prescribes the responsibilities and obligations of employers of foreign employees in Singapore.

Section 5(1) of the EFMA provides that no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM in accordance with the Employment of Foreign Manpower (Work Passes) Regulations 2012 (“**Work Passes Regulations**”), which allows the foreign employee to work for him. Any person who fails to comply with or contravenes section 5(1) of the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
 - (i) in the case of an individual, with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or
 - (ii) in any other case, be punished with a fine of not less than S\$20,000 and not more than S\$60,000.

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The availability of the foreign workers to the services industry is dependent on, *inter alia*, the MOM's policies in connection with:

- (a) the countries from which foreign workers may be sourced;
- (b) the requirements and procedures for the issuance of work permits;
- (c) the imposition of security bonds and levies; and
- (d) the dependency ceilings based on the ratio of local to foreign workers.

Pursuant to section 25(1) of the EFMA, any employer which (a) makes or causes to make an application for a work pass on the basis of its foreign employee entitlement; and (b) commits, or causes or permits to be committed any act or omission which facilitates, or which results in, the inflation of its foreign employee entitlement, may be subject to a financial penalty not exceeding S\$20,000 as determined by the Controller of Work Passes.

An employer of foreign workers is also subject to, amongst others, the provisions set out in the Employment Act, the Immigration Act (Cap 133) of Singapore ("**Immigration Act**") and the regulations issued pursuant to the Immigration Act.

Employment of Foreign Manpower (Levy) Order 2011

Section 11(1) of the EFMA provides that the Minister for Manpower may provide for the imposition of a levy of such amount as may be specified in the order on employers in respect of any foreign employee or class of foreign employees who have been issued with a work permit. The rate of levy imposed on an employer is prescribed in the Employment of Foreign Manpower (Levy) Order 2011 ("**Levy Order**").

Section 5 of the Levy Order provides that the levy payable by an employer in respect of every month or part thereof shall be due and payable on the first day of the following month and shall be paid no later than the 14th day of that following month, during which no penalty under section 11(4) of the EFMA is payable.

Section 11(5) of the EFMA provides that the total penalty shall not exceed 30% of the amount of levy outstanding.

Workplace Safety and Health Measures

Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards to the facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and

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implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work.

Additional duties imposed on employers are also set out in the Workplace Safety and Health (General Provisions) Regulations (“**WSHR**”) including taking effective measures to protect persons at work from the harmful effects of any exposure to any biohazardous material which may constitute a risk to their health, ensuring adequate ventilation and maintaining sufficient and suitable lighting.

Work Injury Compensation Act

The WICA, which is regulated by the MOM, applies to all employees in all industries engaged under a contract of service in respect of injury suffered by them in the course of their employment and sets out, *inter alia*, the amount of compensation they are entitled to and the method(s) of calculating such compensation.

The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, the employer shall be liable to pay compensation in accordance with the fixed formula as set out in the Third Schedule of the WICA, subject to a maximum and minimum limit.

Further, the WICA provides, *inter alia*, that, where any person (referred to as the principal) in the course of his business or for the purpose of his trade or business contracts with any other person (referred to as the employer) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

Employers are required to maintain work injury compensation insurance against all liabilities which the employer may incur under the provisions of WICA in respect of 2 categories of employees employed under contracts of service, namely, (a) employees engaged in manual labour; and (b) employees earning less than S\$1,600.

CPF Contributions

The CPF is a comprehensive social security system that enables working citizens and permanent residents of Singapore to set aside funds for retirement. We are required to pay monthly to the CPF in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the CPFA.

Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee.

Section 7(3) of the CPFA provides that any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPFA and fails to pay the contributions to the CPF within such time as may be prescribed, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding seven (7) years or to both.

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Section 9 of the CPFA provides that, where the amount of the contributions which an employer is liable to pay in respect of any month is not paid within the prescribed period for payment, the employer shall be liable to pay interest on the amount for every day the amount remains unpaid commencing from the first day of the month succeeding the month in respect of which the amount is payable and the interest shall be calculated at the rate of 1.5% per month or the sum of S\$5.00, whichever is the greater.

The CPFA provides that in general if any person convicted of an offence under the CPFA for which no penalty is provided shall be liable on conviction to pay a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding 6 months or both, and if that person is a repeat offender for the same offence, to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or both.

Personal Data Protection Act

The PDPA establishes data protection governing the collection, use, disclosure and care of personal data by organisations in a manner that recognises both the right of individuals to protect their personal data and the need of organisations to collect, use or disclose personal data for purposes that a reasonable person would consider appropriate in circumstances. Under the PDPA, personal data means data, whether true or not, about an individual who can be identified from that data or other information which the organisation has or is likely to have access. Before the collection, use or disclosure of the personal data, we are required to inform the individual of the purposes for the collection, use or disclosure of the personal data and any other purpose of the use or disclosure of the personal data of which the individual has not been informed previously.

Under the PDPA, we shall not collect, use or disclose personal data about an individual unless the individual gives or is deemed to have given his consent under the PDPA to the collection, use or disclosure unless authorised under the PDPA. An individual is deemed to consent to the collection, use or disclosure of personal data if the individual voluntarily provides the personal information to us and it is reasonable that the individual would do so. If an individual consents or is deemed to have given consent to the disclosure of the individual's personal data from one organisation to another organisation for a particular purpose, the individual is also deemed to consent to the collection, use or disclosure of the personal data for that particular purpose by that other organisation. We may collect, use or disclose personal data about an individual only for purposes that a reasonable person would consider appropriate in the circumstances.

An individual may request us to provide the individual with, as soon as reasonably possible, personal data about the individual that is in our possession or control and information about the ways in which the individual's personal data has been or may have been used or disclosed by us within a year before the date of the request. The individual may also request that we correct an error or omission in the personal data about the individual that is in our possession or control. Unless we are satisfied on reasonable grounds that a correction should not be made, we are required to correct the personal data as soon as practicable and if the individual consents, send the corrected personal data to every other organisation to which the personal data was disclosed by us within a year before the date the correction was made unless that organisation does not need the correct personal data for any legal or business purposes.

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An individual may, on giving us reasonable notice, withdraw any consent given or deemed given under the PDPA in respect of the collection, use or disclosure of personal data about the individual for any purpose. If an individual withdraws consent to the collection, use or disclosure of the individual's personal data, we shall cease collecting, using or disclosing the personal data unless authorised under the PDPA. We shall also cease to retain documents containing personal data or remove any means by which the personal data can be associated with the individual as soon as the purpose for which the personal data was collected is no longer being served and retention is no longer necessary for legal or business purposes.

Additionally, the PDPA establishes the Do Not Call Registry (“**DNCR**”). A subscriber to a Singapore telephone number may apply to the DNCR to add or remove that telephone number from the DNCR. Under the PDPA, we shall not send any specified messages addressed to the Singapore telephone number unless we have applied to confirm and have received confirmation from the Personal Data Protection Commission that the Singapore telephone is not listed in the DNCR. Specified messages are messages where, having regard to, *inter alia*, its contents and presentation, it could be concluded that the purpose of the message is to offer, advertise, promote or supply goods or services, land, business or investment opportunity. Our Directors confirm that our Group's procedures comply with the provisions of the PDPA.

Singapore Credit Schemes

The Singapore Credit Schemes are governed by regulations and guidelines published by Inland Revenue Authority of Singapore (“**IRAS**”) or MOM (as the case may be), which set out, among others, the qualifying criteria and the basis and computation of subsidies of the relevant schemes. The Singapore Credit Schemes are automatically available to Singapore companies which meet the respective qualifying criteria. The relevant Singapore Government authorities will compute the amount of subsidies, notify the Singapore companies of the amount, if any, that they are entitled to, and pay the subsidies to them automatically by crediting to their bank accounts or by cheques in March, April, September and October each year. In general, the amount of subsidies under the Singapore Credit Schemes vary and depend on, among others, the number of employees of a Singapore company and the amount of wages paid to these employees. Further details of each of the Singapore Credit Schemes are set out in the following paragraphs.

Wage Credit Scheme

The Wage Credit Scheme was introduced by the Singapore government in 2013 and, pursuant to the Inland Revenue Authority of Singapore (Assignment of Function) Notification 2013, the function of administering the Wage Credit Scheme was assigned to the Inland Revenue Authority of Singapore by the Minister of Finance.

Under the Wage Credit Scheme, the Singapore Government will (i) co-fund 40% of wage increases given to Singapore citizen employees in 2013 to 2015; and (ii) co-fund 20% of wage increases given to Singaporean employees over the period of 2016 to 2017, in respect of Singaporean employees who (a) are earning a gross monthly wage of S\$4,000 and below; (b) received CPF contributions from a single employer for at least three calendar months in the preceding qualifying year; (c) have been on the employer's payroll for at least three calendar months in the qualifying year and have at least S\$50 gross monthly wage increase; and (d) must not be the business owner of the same entity. In addition, for wage

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increases given in 2015 which are sustained in 2016 and 2017 by the same employer, employers will continue to receive co-funding at 20% for 2016 and 2017. An employer will not be eligible for a payout under the Wage Credit Scheme if the employer:

- is an entity that has no substantial trade or business;
- had given, in IRAS' opinion, false or misleading information to IRAS in order to obtain a payout or a higher amount of payout;
- had used, (either singly or with another person) in IRAS' opinion, one or more artificial, contrived or fraudulent steps in order to obtain a payout or a higher amount of payout; and
- was convicted in the qualifying or preceding year for making CPF contributions to Singaporeans who were not actively employed by the firm.

Further, an employer will not be eligible for a payout for a wage increase for a particular employee who:

- did not carry out any substantive work for the employer; or
- effectively controls the decision-making power and management of the employer.

While employers do not have to apply to IRAS to be eligible for the Wage Credit Scheme, if the total wages paid by an employer for a period are not commensurate with the volume or nature of activity carried out by the employer in that period, then the employer is only eligible for a payout amount that, in IRAS' opinion, corresponds to the increase in the total wages paid for that period that commensurate with such volume or nature of activity. Similarly, if the total wages paid by an employer to a particular employee for a period is not commensurate with the volume or nature of work carried out by the employee in that period for the employer, then the employer is only eligible, in respect of that employee, for a payout amount that, in IRAS' opinion, corresponds to the increase in the total wages paid to that employee for that period that is commensurate with such volume or nature of work.

If an employer fails to give to IRAS, by the time specified by IRAS, any information requested by IRAS for the purpose of determining the employer's eligibility for a payout or the amount of payout the employer is eligible for, with respect to one or more employees, then the employer will not receive the payout for these employees.

The Wage Credit Scheme will expire in December 2017, with the last payout for 2017 to be made to eligible employers in March 2018, unless extended by the Singapore Government.

Temporary Employment Credit

The Temporary Employment Credit ("TEC") was announced by the Singapore Government in 2014 to help employers adjust to the 1% increase in Medisave contribution rates which took effect in January 2015. Under the TEC, which is administered by MOM, the Singapore government will set off up to 1% of wages paid to Singapore citizens and Singapore permanent resident employees for the years 2015 to 2017, subject to an annual cap based on CPF contribution limits. Unless extended by the Singapore Government, the TEC will expire in December 2017, with the last payout for 2017 to be made to eligible employers in April 2018.

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Special Employment Credit (“SEC”)

The SEC was introduced in 2011 to help employers cope with cost increases associated with the increase in CPF contribution rates for older Singaporean employees. The Central Provident Fund Board will assess each employer’s eligibility for the SEC based on the employer’s regular monthly CPF contributions for its employees. If eligible, the employer will receive a letter from the CPF Board informing the employer of the payment that the employer will receive.

The SEC was also extended to employers who hire persons with disabilities in 2012. Employers are eligible to receive the SEC if they employ employees who are Singapore citizens aged 50 and above and earn up to S\$4,000 per month.

In 2017, it was announced that the Government will extend the SEC for three years from 1 January 2017 to 31 December 2019. The extended SEC will be tiered according to the age of the employees hired and employers who hire persons aged 65 and above, with monthly wages of not more than \$3,000 per month, will receive the highest SEC of 8% of such employees’ monthly wages. The wage offset will be up to 5% for employees aged 60 to 64, and up to 3% for those aged 55 to 59. The SEC will expire in December 2019, with the last payout for 2019 expected to be made to eligible employers in March 2020, unless extended by the Singapore Government.

Save as disclosed above, there are no other conditions required to be satisfied by our Group before our Group is entitled to the subsidies under the Wage Credit Scheme, TEC or SEC.

SINGAPORE TAXATION

This summary is not intended to be and does not constitute legal or tax advice. It is based on the current tax laws and practice in Singapore and is subject to changes in such laws, or in the interpretation thereof. Such changes may be retrospective. No assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws and practice will not occur on a retrospective basis.

This summary does not purport to be a comprehensive nor exhaustive description of all of the tax consequences relating to the acquisition, ownership and disposal of the Shares by any person. You, as a prospective subscriber of our Shares, should consult your tax advisors concerning the tax consequences of an investment in our Shares.

Neither our Company, our Directors nor any other persons involved in this Listing accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

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Income Tax

Scope of Tax

Corporate taxpayers (whether Singapore tax resident or non-Singapore tax resident) are generally subject to Singapore income tax on all Singapore source income, and on foreign source income received or deemed received in Singapore (unless specified conditions for exemption are satisfied). Foreign income in the form of dividends, branch profits and service fee income received or deemed received in Singapore by a Singapore tax resident corporate taxpayer may however be exempt from Singapore tax if specified conditions are met.

Rates of tax

The prevailing corporate income tax rate is 17.0% with partial tax exemption for normal chargeable income of up to S\$300,000 as follows:

- 75.0% exemption of up to the first S\$10,000 and
- 50.0% exemption of up to the next S\$290,000.

Dividend Distributions

Dividends paid by a Singapore tax resident company would be considered as sourced from Singapore. Dividends received from a Singapore tax resident company by either Singapore tax resident or non-Singapore tax resident shareholders are not subject to Singapore withholding tax.

Under the one-tier corporate tax system in Singapore, the tax paid by a Singapore tax resident company is a final tax and the after-tax profits of the company can be distributed to its shareholders as tax exempt (one-tier) dividends.

As each of our Singapore subsidiaries, namely BGC Group and BGC Search, is a Singapore tax resident company, the dividends distributed by our subsidiaries will be tax exempt (one-tier) dividends. The dividends will be exempt from Singapore income tax in the hands of our shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident. However, foreign shareholders are advised to consult with their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Withholding Tax

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

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Goods and Services Tax (“GST”)

The sale of our Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST.

Any GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply will generally become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at zero rate. Consequently, any GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase or sale of our Shares will be subject to GST at the prevailing rate (currently 7.0%). Similar services rendered contractually to an investor belonging outside Singapore are subject to GST at zero-rate provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

HISTORY AND DEVELOPMENT

OUR BUSINESS DEVELOPMENT

Our history can be traced back to early 2005 when BGC Group was established by Mr. Chew for engaging in the provision of human resources services, with a primary focus on outsourcing services in Singapore. BGC HK was established in 2008 for engaging in the provision of human resources services, with a primary focus on recruitment services in Hong Kong. Further, BGC Search was established in 2009 and commenced the provision of human resources services, with a primary focus on outsourcing services in Singapore in 2013. Throughout our development, we aim at providing quality services in human resources outsourcing and recruitment to our clients to match their staffing needs to their business demands.

Business milestones

The key milestones in our business development are as follows:

2005	BGC Group was established in Singapore
2006	Obtained Financial Grade Category S9 for Singapore Government procurement process enabling tendering capacity of over S\$10,000,000
2008	Commenced providing human resources services to Singapore Government Agencies and NPOs BGC HK was established in Hong Kong
2009	BGC Search was established in Singapore
2012	Commenced providing human resources services to Singapore Government Agencies and NPOs through Vital

OUR CORPORATE HISTORY

Our Company was incorporated on 8 August 2016 in the Cayman Islands as an exempted company with limited liability in anticipation of the Listing. We have four subsidiaries, namely, Omniconnect, BGC HK, BGC Group and BGC Search.

The following sets forth the corporate development of each member of our Group since their respective dates of incorporation. We also underwent certain reorganisation steps in contemplation of the Listing, particulars of which are set forth in the section headed “Reorganisation” of this prospectus.

Omniconnect

Omniconnect was incorporated in the BVI on 8 August 2016 to act as the intermediate holding company of our Group. Omniconnect is authorised to issue a maximum of 50,000 shares of a single class of US\$1.00 each. Omniconnect allotted and issued one share to our Company on 8 August 2016 for cash at par value. As such, Omniconnect became our wholly-owned subsidiary.

HISTORY AND DEVELOPMENT

BGC HK

BGC HK, an indirect wholly-owned subsidiary of our Company, was incorporated in Hong Kong on 10 December 2008. Upon its incorporation, the authorised share capital of BGC HK was HK\$10,000 divided into 10,000 shares. On 10 December 2008, BGC HK allotted and issued one share credited as fully paid to Mr. Chew as subscriber at a consideration of HK\$1.00.

On 9 February 2009, BGC HK allotted and issued one share to BGC Group credited as fully paid at a consideration of HK\$1.00. On 5 September 2011, BGC Group transferred the one share in BGC HK to Mr. Chew at nominal consideration. As a result, Mr. Chew held two shares in BGC HK prior to the Reorganisation.

As part of the Reorganisation, on 12 August 2016, Mr. Chew transferred the two shares in BGC HK to Omniconnect at a consideration of HK\$2.00. Such transfer was properly and legally completed and settled. As such, BGC HK became a wholly-owned subsidiary of Omniconnect.

BGC HK is one of the principal operating subsidiaries of our Group and provides human resources services in Hong Kong, with a primary focus on recruitment services.

BGC Group

BGC Group, an indirect wholly-owned subsidiary of our Company, was incorporated in Singapore on 18 March 2005. As at the Latest Practicable Date, the issued and paid up capital of BGC Group was S\$1,500,000 divided into 1,500,000 ordinary shares.

Upon its incorporation, BGC Group allotted and issued two shares credited as fully paid to Mr. Chew at a consideration of S\$2.00. On 3 March 2006, BGC Group allotted and issued 99,998 shares credited as fully paid to Mr. Chew at a consideration of S\$99,998 partly satisfied by cash and partly as conversion of loan from BGC Group to Mr. Chew. On 26 October 2007, BGC Group further allotted and issued 100,000 shares credited as fully paid to Mr. Chew at a consideration of S\$100,000 as conversion of loan from BGC Group to Mr. Chew. On 1 August 2012, BGC Group allotted 1,300,000 shares credited as fully paid to Mr. Chew as bonus issue by way of capitalisation of S\$1,300,000 from the unappropriated profit. As a result, Mr. Chew held 1,500,000 shares in BGC Group prior to the Reorganisation.

As part of the Reorganisation, on 12 August 2016, Mr. Chew transferred the 1,500,000 shares in BGC Group to Omniconnect at S\$1.00. Such transfer was properly and legally completed and settled. As such, BGC Group became a wholly-owned subsidiary of Omniconnect.

BGC Group is one of the principal operating subsidiaries of our Group and provides human resources services in Singapore, with a primary focus on outsourcing services.

BGC Search

BGC Search, an indirect wholly-owned subsidiary of our Company, was incorporated in Singapore on 29 July 2009. As at the Latest Practicable Date, the issued and paid up capital of BGC Search was S\$150,000 divided into 150,000 ordinary shares.

HISTORY AND DEVELOPMENT

Upon its incorporation, BGC Search allotted and issued two shares credited as fully paid to Mr. Chew at a consideration of S\$2.00. On 17 September 2009, Mr. Chew transferred the two shares in BGC Search credited as fully paid to BGC Group at a consideration of S\$2.00.

On 16 September 2009, BGC Search allotted and issued 19,998 shares credited as fully paid to BGC Group at a consideration of S\$19,998. On 27 October 2009, BGC Group transferred 20,000 shares in BGC Search credited as fully paid to Mr. Chew at a consideration of S\$20,000.

On 27 April 2012, Mr. Chew transferred 20,000 shares in BGC Search credited as fully paid to Ms. Yong at a consideration of S\$14,409. On 14 March 2013, BGC Search allotted and issued 130,000 shares credited as fully paid to Ms. Yong at a consideration of S\$130,000. As a result, Ms. Yong held 150,000 shares in BGC Search prior to the Reorganisation.

As part of the Reorganisation, on 12 August 2016, Ms. Yong transferred the 150,000 shares in BGC Search to Omniconnect at S\$1.00. Such transfer was properly and legally completed and settled. As such, BGC Search became a wholly-owned subsidiary of Omniconnect.

BGC Search is one of the principal operating subsidiaries of our Group and provides human resources services in Singapore, with a primary focus on outsourcing services.

Control, management and collective decision making of BGC HK, BGC Group and BGC Search (the “Operating Subsidiaries”)

Before completion of the Reorganisation, there was no holding company which held all the Operating Subsidiaries, and Mr. Chew was the sole shareholder of each of BGC HK and BGC Group while Ms. Yong was the sole shareholder of BGC Search. Nevertheless, during the Track Record Period and prior to the completion of the Reorganisation, Mr. Chew and Ms. Yong treated the Operating Subsidiaries as a group of companies and there had been in existence arrangements among them (although not documented formally) whereby every decision in respect of all major operational and financial aspects of the Operating Subsidiaries which affected all three companies were made by Mr. Chew and Ms. Yong collectively, and they were able to act in concert on the business of our Group in the following ways:

- i. they collectively decided all material management affairs and arrived at and/or executed all commercial decisions, including but not limited to the financial and operational matters, of the Operating Subsidiaries, and the overall business development and strategic planning of the Operating Subsidiaries were also made by Mr. Chew and Ms. Yong during the Track Record Period; and
- ii. they had discussed all shareholders’ resolutions of all Operating Subsidiaries and obtained consensus on the resolutions.

HISTORY AND DEVELOPMENT

Details on how the Controlling Shareholders act in concert

The details of each of the ways by which the Controlling Shareholders act in concert are as follows:

- i. Collective decision-making of all material management affairs and arrival/execution of all commercial decisions:*

Throughout the Track Record Period, save for BGC HK where Ms. Ng Beng Li (one of our senior management) is also a director, Mr. Chew and Ms. Yong were the only ones who controlled the Operating Subsidiaries through their respective directorships and shareholdings in the Operating Subsidiaries. Other than Mr. Chew and Ms. Yong, there were no persons who have had any direct or indirect interests in the Operating Subsidiaries. In addition, save for Ms. Ng Beng Li, there were no other persons who were directors of the Operating Subsidiaries.

Further, Mr. Chew and Ms. Yong have made collective decisions in respect of the operational and financial aspects of the Operating Subsidiaries on the understanding that the same decisions would be subsequently approved by the respective boards of directors or shareholders of and implemented by the Operating Subsidiaries. This could be demonstrated by the fact that the Operating Subsidiaries have adopted substantially the same operational and financial systems, the major aspects of which are set out as follows:

Operational System

1. Involvement in the management and operation

Both Mr. Chew and Ms. Yong were involved in the management and operation of the Operating Subsidiaries, such as (i) attending meetings to discuss and review the budget, financial forecast, overall business development and strategic planning of the Operating Subsidiaries, (ii) consulting each other on tender contracts of major clients and to decide whether to proceed, and (iii) reviewing financial information of the Operating Subsidiaries.

2. Human resources policies and management

Subject to applicable laws and regulations in Singapore and Hong Kong, the Operating Subsidiaries adopted substantially the same remuneration policies, including remuneration packages, welfare administration as well as staff performance appraisal for the staff of all the Operating Subsidiaries, which were formulated by Mr. Chew and Ms. Yong together.

3. Engagement of the same service provider to maintain information technology system

Mr. Chew and Ms. Yong have made collective decisions for the Operating Subsidiaries to engage the same service provider to maintain the information technology system. The decisions to engage the same service provider have been made by Mr. Chew and Ms. Yong collectively although not documented.

HISTORY AND DEVELOPMENT

4. Engagement of the same services provider for administrative matters

Mr. Chew and Ms. Yong have also made collective decisions for BGC Group and BGC Search to engage the same company secretarial services provider in Singapore for its services.

Financial System

Mr. Chew and Ms. Yong have also made the collective decisions to adopt and use substantially the same accounting solution system in recording all the transactions entered into by the Operating Subsidiaries, and to adopt substantially the same accounting policies in preparing the financial statements of such companies.

ii. they had discussed all shareholders' resolutions of all Operating Subsidiaries and obtained consensus on the resolutions:

Mr. Chew and Ms. Yong confirmed that throughout the Track Record Period, they had discussed all shareholders' resolutions involving key decisions of all Operating Subsidiaries from time to time, and reached a consensus on such resolutions prior to approving so by the respective shareholder of each of the Operating Subsidiaries so that unanimous consent from Mr. Chew and Ms. Yong was achieved even on shareholders' resolutions of the Operating Subsidiaries in which they were not shareholder and to the extent appropriate across the shareholders' meeting of all Operating Subsidiaries. Further, each of Mr. Chew and Ms. Yong has agreed unanimously to the application for Listing and effected the Reorganisation.

As stated above, prior to the Reorganisation, Mr. Chew and Ms. Yong have made collective decisions in respect of the operational and financial aspects of the Operating Subsidiaries on the understanding that the same decisions would be subsequently approved by the respective boards of directors or shareholders of and implemented by the Operating Subsidiaries. Oral consensuses were reached by Mr. Chew and Ms. Yong. Further, the Operating Subsidiaries have adopted uniform operational and financial systems throughout the Track Record Period. As such, notwithstanding there is no written documentation to record the consensus building process between Mr. Chew and Ms. Yong, the arrangement was being implemented and was in existence for more than six years prior to the Reorganisation.

CONCERT PARTY CONFIRMATION

After completion of the Reorganisation, the Controlling Shareholders intended to continue to act in concert by casting unanimous votes at general meetings or passing unanimous shareholders' resolutions of our Company.

Pursuant to the Concert Party Confirmation, each of the Controlling Shareholders confirmed that, among other things:

- (i) they had been and shall be parties acting in concert (having the meaning as ascribed to it under the Takeovers Code) collectively for all material management affairs and the arrival and/or execution of all commercial decisions, including but not limited to the financial and

HISTORY AND DEVELOPMENT

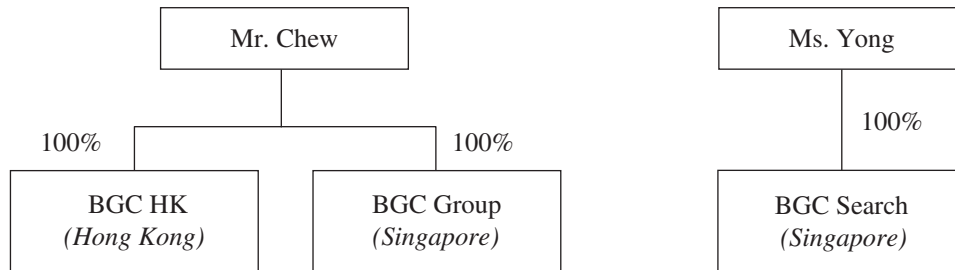
operational matters, of the Operating Subsidiaries; and (b) they had co-operated and shall continue to cooperate with one another to obtain, maintain and consolidate control of the Operating Subsidiaries; and

- (ii) in the course of the Reorganisation and until the date of any written termination by them, (a) they have been and shall be parties acting in concert (having the meaning as ascribed to it under the Takeovers Code) collectively for all material management affairs and the arrival and/or execution of all commercial decisions including but not limited to the financial and operational matters, of our Group; (b) they have casted and shall continue to cast unanimous vote for or against all resolutions in the shareholders' meetings and discussions of our Group; and (c) they have co-operated and shall continue to co-operate with each another to obtain, maintain and consolidate control of our Group.

REORGANISATION

REORGANISATION

We underwent the Reorganisation prior to the Listing to rationalise our Group's structure in preparation for the Listing. Set out below is the corporate structure of our Group immediately prior to the Reorganisation:



The Reorganisation involves the following steps:

1. Incorporation of Omnipartners

Omnipartners was incorporated in the BVI on 5 August 2016 to act as the holding company of our Company. Omnipartners is authorised to issue a maximum of 50,000 shares of a single class of par value of US\$1.00 each. Upon its incorporation, eight and two shares were allotted and issued to each of Mr. Chew and Ms. Yong respectively.

2. Incorporation of our Company

Our Company was incorporated in the Cayman Islands on 8 August 2016 to act as the listing vehicle and the ultimate holding company of our Group. The authorised share capital of our Company upon incorporation was HK\$380,000 divided into 38,000,000 Shares of par value of HK\$0.01 each. Our Company allotted and issued one Share as fully paid at par, to the initial subscriber, an Independent Third Party, upon its incorporation. On the same day, such Share was transferred to Omnipartners.

3. Incorporation of Omniconnect

Omniconnect was incorporated in the BVI on 8 August 2016 to act as the intermediate holding company of our Group. Omniconnect is authorised to issue a maximum of 50,000 shares of a single class of par value of US\$1.00 each. Upon its incorporation, one share was allotted and issued to our Company.

4. Transfer of BGC HK

On 12 August 2016, Mr. Chew transferred two shares, representing the entire issued share capital of BGC HK to Omniconnect at a consideration of HK\$2.00. Such transfer was properly and legally completed and settled. As such, BGC HK became a wholly-owned subsidiary of Omniconnect.

REORGANISATION

5. Transfer of BGC Group

On 12 August 2016, Mr. Chew transferred 1,500,000 shares, representing the entire issued share capital of BGC Group to Omniconnect at S\$1.00. Such transfer was properly and legally completed and settled. As such, BGC Group became a wholly-owned subsidiary of Omniconnect.

6. Transfer of BGC Search

On 12 August 2016, Ms. Yong transferred 150,000 shares, representing the entire issued share capital of BGC Search to Omniconnect at S\$1.00. Such transfer was properly and legally completed and settled. As such, BGC Search became a wholly-owned subsidiary of Omniconnect.

PRE-IPO INVESTMENT

Background of the Pre-IPO investor

Lotus Investments is an open-ended private investment company registered in Mauritius and is duly authorised by the Mauritius Financial Services Commission as a Collective Investment Scheme Expert Fund pursuant to the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008. Lotus Investments is a mutual investment fund which was incorporated on 12 July 1999. To the best of the knowledge, information and belief of our Directors, Lotus Investments has over 20 investors comprising of regulated financial intermediaries and financial institutions such as banks, insurance companies and regulated funds domiciled in Financial Action Task Force (FATF) acknowledged jurisdictions.

The investment objective of Lotus Investments is to achieve medium-term capital appreciation from investments in a diversified portfolio of listed and unlisted securities across various sectors and regions. Lotus Investments favours investments in companies that are geographically well diversified, have a proven track record of top line growth and strong management.

Lotus Investments was introduced to our Group through a common acquaintance who is a private banker based in Singapore. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, Lotus Investments has invested in our Group because they appreciate our prospect and growth potential.

So far as our Group is aware, Lotus Investments has participated as pre-IPO investors in two other listed companies, one is engaged in the software development industry while the other one is engaged in the infrastructure and steel industry. Both of the listed companies are currently listed on the Bombay Stock Exchange and the National Stock Exchange of India. To the best of our Directors' knowledge, information and belief having made all reasonable requires, prior to the completion of the Subscription Agreement (as defined below), Lotus Investments did not have any past or present relationships (including without limitation, family, trust, business, employment relationships) or any agreements, arrangements or understanding with our Company, our subsidiaries, Shareholders, Directors or senior management and any of their respective close associates and is an Independent Third Party.

REORGANISATION

Investment

In anticipation of the Pre-IPO Investment, on 12 August 2016, 869 Shares were allotted and issued to Omnipartners at par value, after which Omnipartners owned 870 Shares, being our Company's then entire issued share capital prior the completion of the Pre-IPO Investment.

On 12 August 2016, our Company entered into a subscription agreement with Lotus Investments (the "**Subscription Agreement**"), pursuant to which, our Company agreed to allot and issue and Lotus Investments agreed to subscribe 130 Shares representing 13% of the total issued share capital of our Company as enlarged by the issue of such Shares upon completion of the subscription at an aggregate subscription price of HK\$8,000,000.

The consideration of the Pre-IPO Investment was determined after arm's length negotiation between the parties with reference to the net asset value of our Group as at 30 June 2016, and were fully paid to BGC HK on 15 August 2016 by Lotus Investments. Lotus Investments had not been granted any special rights pursuant to the Subscription Agreement or any other agreement in relation to its investment in our Group. As at the Latest Practicable Date, the proceeds from Pre-IPO Investment have been fully utilised to fund expenses in relation to the Listing and general working capital.

Lotus Investments will hold 9.75% of the enlarged issued share capital of our Company after completion of the Share Offer (assuming that the Offer Size Adjustment Option is not exercised). As Lotus Investments is not a substantial shareholder or core connected person of our Company under the GEM Listing Rules, the Shares held by Lotus Investments will be considered as part of the public float for the purposes of Rule 11.23(7) of the GEM Listing Rules.

We believe that the Pre-IPO Investment would strengthen and diversify the shareholders' portfolio of our Company and serve as an endorsement of our operation, performance and prospects.

Summary

The following table sets forth a summary of the Pre-IPO Investment:

Date of Subscription Agreement	12 August 2016
Amount of consideration	HK\$8,000,000
Payment date of consideration	15 August 2016
Total number of Shares held by Lotus Investments after the Capitalisation Issue	58,500,000
Cost per Share paid	Approximately HK\$61,500 per Share before the Capitalisation Issue Approximately HK\$0.14 per Share after the Capitalisation Issue

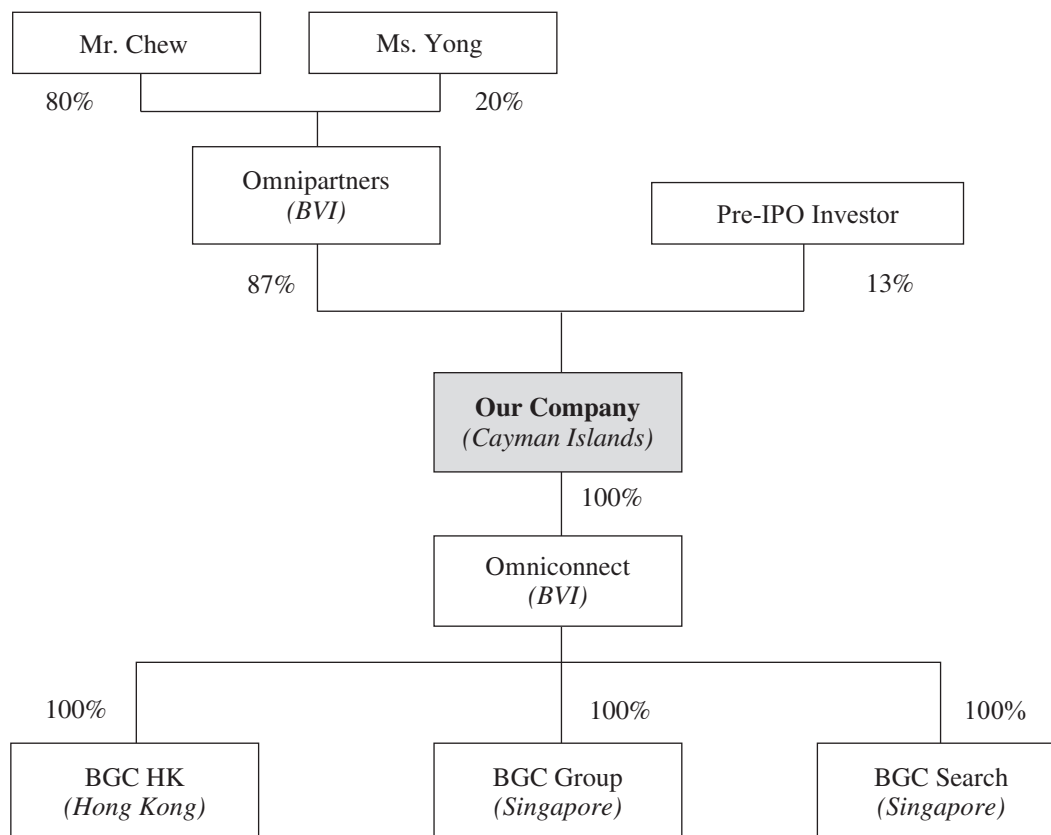
REORGANISATION

Discount to the Offer Price	Approximately 72% to the Offer Price assuming the Offer Price of HK\$0.5, being the mid-point of the Offer Price range
Use of proceeds from the Pre-IPO Investment	For general working capital and listing expenses
Benefit from the Pre-IPO Investment	Widen our shareholder base
Shareholding upon the Listing	9.75%

Sole Sponsor's confirmation

The Sole Sponsor submits that they consider that the Pre-IPO Investment is in compliance with the "Interim Guidance on Pre-IPO Investments" issued by the Listing Committee on 13 October 2012 since the consideration under the Pre-IPO Investment was settled on 15 August 2016, which were more than 28 clear days before the date of the first submission of the listing application form to the Listing Division of the Stock Exchange in relation to the Listing.

The following chart sets out our shareholding and corporate structure immediately after completion of the Reorganisation and the Pre-IPO Investment:

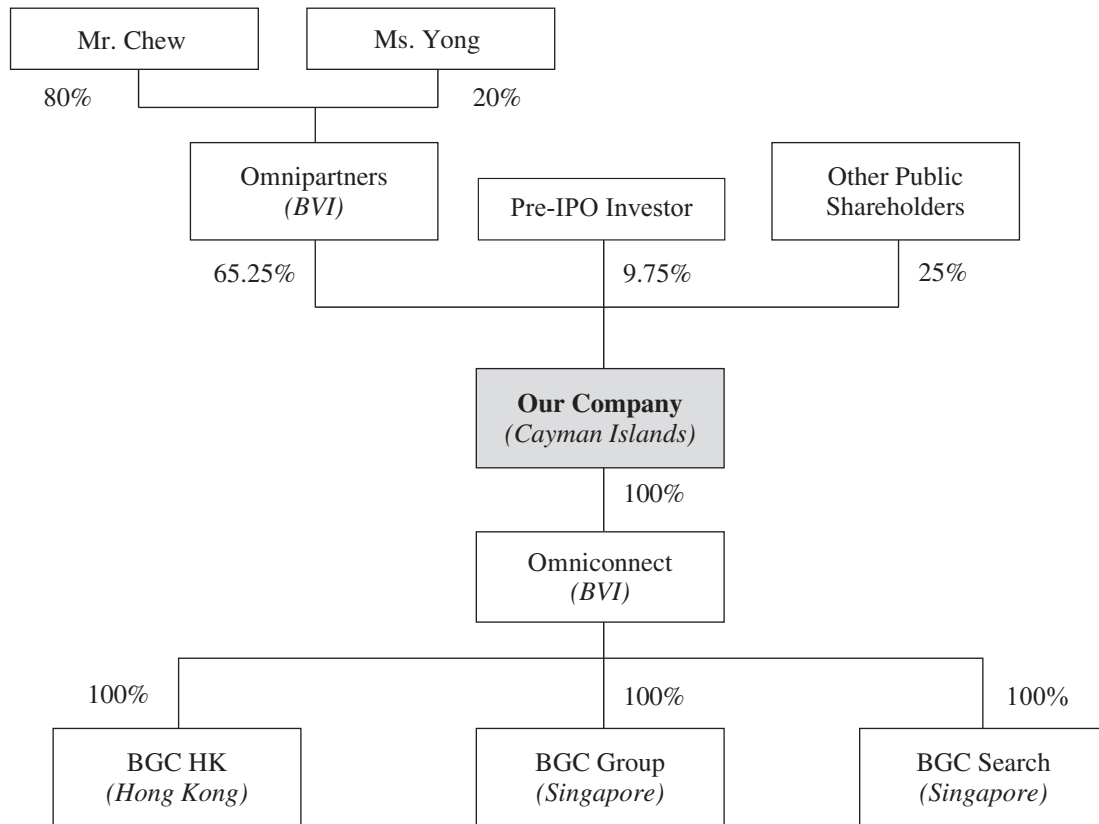


REORGANISATION

INCREASE IN AUTHORISED SHARE CAPITAL OF OUR COMPANY AND THE CAPITALISATION ISSUE

Pursuant to the written resolutions of the Shareholders passed on 21 June 2017, the authorised share capital of our Company was increased from HK\$380,000 to HK\$15,000,000 by the creation of 1,462,000,000 new Shares. Our Company will also issue 449,999,000 Shares upon capitalisation of certain sums standing to the credit of the share premium account of our Company. Details of the Shareholders’ written resolutions are referred to “Appendix IV — Statutory and General Information — Further Information about our Company and our Subsidiaries — 3. Resolutions in writing of all Shareholders passed on 21 June 2017” in this prospectus.

The following chart sets out our shareholding and corporate structure immediately upon completion of the Capitalisation Issue and the Share Offer (assuming that the Offer Size Adjustment Option is not exercised):



BUSINESS

OVERVIEW

We are a Singapore-based human resources service provider principally offering human resources outsourcing services and human resources recruitment services. For human resources outsourcing services, we source and employ suitable candidates that match the job descriptions specified by our clients and then second them to our clients. For human resources recruitment services, we identify, screen, assess and procure qualified candidates to be employed by our clients generally for positions at all levels, including administrative, executive, managerial and professional, to suit our clients' business needs.

We have been in the human resources market in Singapore for around 11 years. Leveraging on our industry experience in Singapore, we started providing human resources services in Hong Kong in 2009, with a primary focus on recruitment services. During the Track Record Period, substantially all of our revenue was derived from our business operations in Singapore.

With our proven track record, we have developed an established client base in both the public and private sectors. Our clients in the public sector comprise Singapore Government Agencies and NPOs, such as ministries and statutory boards governing social workforce, environment and community development. We also serve clients in private sector, including multi-national corporations, in diverse industries across Singapore and Hong Kong, such as information and communication technology industry, retail and food & beverage industry, healthcare industry, and banking, insurance and financial services industry. We had approximately 476, 381 and 305 clients for the years ended 31 December 2014, 2015 and 2016, respectively. The following table sets forth our revenue by business segment and client sector during the Track Record Period:

	For the year ended 31 December					
	2014		2015		2016	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Revenue						
Human resources outsourcing services	32,475	89.6	42,150	93.2	40,766	93.3
• <i>Public sector</i>	17,819	49.2	28,059	62.1	29,777	68.1
• <i>Private sector</i>	14,656	40.4	14,091	31.1	10,989	25.2
Human resources recruitment services	3,739	10.3	2,919	6.5	2,810	6.4
• <i>Public sector</i>	80	0.2	203	0.5	124	0.3
• <i>Private sector</i>	3,659	10.1	2,716	6.0	2,686	6.1
Other human resources support services ^(Note)	26	0.1	126	0.3	123	0.3
Total revenue	<u>36,240</u>	<u>100</u>	<u>45,195</u>	<u>100</u>	<u>43,699</u>	<u>100</u>

Note: Other human resources support services comprise referral services and parking services. For details, please refer to the section headed "Financial Information — Principal Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue" in this prospectus.

COMPETITIVE STRENGTHS

We believe we possess the following competitive strengths:

Solid track record of providing human resources services to public sector in Singapore

According to the Ipsos Report, we were the largest service provider in providing human resources outsourcing and recruitment services to Singapore Government Agencies and NPOs in terms of revenue generated from the public sector in 2015, accounting for approximately 18.1% of the total industry revenue from the public sector in 2015. We have around eight years of experience in providing human resources outsourcing and recruitment services to public sector in Singapore. For the years ended 31 December 2014, 2015 and 2016, approximately 64, 73 and 72 of our clients were Singapore Government Agencies and NPOs, respectively.

Contracts in public sector are normally awarded through tendering processes. We believe our track record of providing effective, reliable services to Singapore Government Agencies and NPOs puts us in a competitive advantage position for tender bidding as track record evaluation based on projects of similar scale performed by the services providers is one of the key evaluation criteria in tender assessment. In addition, with our extensive experience in providing human resources services to Singapore Government Agencies and NPOs, we have gained an in-depth understanding of the type of qualified candidates credentials and the service level standards under the purview of different Singapore Government Agencies and NPOs. This allows us to price competitively, and present customised proposals to the Singapore Government Agencies and NPOs that meet their objectives, thereby enhancing our tender competitiveness.

Singapore Government Agencies and NPOs may also approach one of the human resources service providers engaged by Vital for any human resources services. We have been one of the selected service providers engaged by Vital since 2012. We believe that being one of the selected service providers engaged by Vital increases our opportunities in serving Singapore Government Agencies and NPOs, which in turn allows us to gain a better understanding of the service level standards required by different Singapore Government Agencies and NPOs, thereby offering us advantages over those service providers which are not engaged by Vital.

Vast pool of candidates registered within our database

We have been providing human resources outsourcing and recruitment services to our clients since our inception in 2005. During these years, we have accumulated a pool of candidates registered within our database in the course of our business and, as at 31 December 2016, we maintained a database with approximately 169,916 candidates registered with us, among which approximately 152,884 and 17,032 candidates were registered with us in Singapore and Hong Kong, respectively. Having a database with vast pool of candidates enables us to source suitable candidates to meet the staffing needs and respond to the business demand from our clients efficiently. In particular, such database enables us to satisfy the mass recruitment needs of our clients from time to time, as we are required to source a large number of outsourced staff for our clients within a short period of time in order to satisfy their seasonal and operational needs.

BUSINESS

Long-term and stable relationship with our major clients

We have maintained long-term and stable business relationship with a number of our major clients which give us high volume of businesses. During the Track Record Period, we have been serving our top five clients for periods ranging from approximately two to eight years. Our Directors believe that our stable relationship with our clients is built on our understanding of the business cultures of clients and our ability to provide effective and reliable services that meet our clients' needs. We believe that our stable relationship with clients would enable us to effectively capitalise on our clients' increasing staffing needs, thereby ensuring our business sustainability.

Stable and experienced management team

Our success is attributable to our stable and experienced management team. Our founder and executive Director, Mr. Chew, has accumulated more than 18 years of experience in human resources recruitment services industry in Singapore and has played a key management and leadership role in the development of our Group. Most members of our management team have been with us for not less than seven years and have diversified experience in business operation of human resources service industry, sales and marketing, finance and administration. We believe that our industry knowledge, diversified experience of our management team and the in-depth knowledge of our management team on the market trends and clients' needs are essential to our success and future development.

BUSINESS OBJECTIVE AND STRATEGIES

Our principal business objective is to further strengthen our position in the human resources services industry in Singapore. To achieve this objective, we plan to implement the following business strategies:

Strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore

We believe it is crucial to our continued growth and development to continue strengthening our market position in the human resources outsourcing and recruitment services industry in Singapore. For the years ended 31 December 2014, 2015 and 2016, approximately 49.4%, 62.6% and 68.4% of our total revenue was generated from the public sector in Singapore, respectively. As the largest service provider in providing human resources outsourcing and recruitment services to Singapore Government Agencies and NPOs in terms of revenue generated from the public sector in 2015, we already achieved a relatively high market share in the public sector accounting for approximately 18.1% of the total industry revenue from the public sector in 2015. Therefore, our long-term future plan is to strengthen our market position in the private sector in Singapore, where we see opportunities in view of the market fragmentation with no dominant players.

We believe that seizing such opportunity to capture market share in the private sector will not only broaden our client base, but also enhance our profitability in the long run, as contracts in private sector are generally awarded through direct negotiation, and thus generally with a relatively higher profit margin than that in the public sector, where the contracts are generally awarded through tender. Besides, there is no guarantee that the amount of staffing needs of the public sector in Singapore will remain the same, or we will be able to continue obtaining tender contracts in the public sector or maintaining our tender success rate in the future. Therefore, we intend to enhance our sales and marketing efforts to

BUSINESS

broaden our client base through attracting new clients and retaining existing clients in the private sector. In particular, we plan to enhance our market share in the private sector by capitalising on the potential growth of the relevant industries of our target clients, such as the information and communication technology industry, the retail and food & beverage industry, and the banking, insurance and financial services industry. According to the Ipsos Report, these target industries demonstrated growth potential in the forthcoming years; and thus, our Directors considered that the human resources services in these industries will be in relatively high demand. For details regarding these target industries, please refer to the section headed “Industry Overview — Overview of the Human Resources Outsourcing and Recruitment Services Industry in Singapore — Analysis of the market demand for human resources outsourcing and recruitment services in Singapore — Private sector” in this prospectus.

We generally reach our clients in private sector through active pitching to explore new business opportunities and through regular contacts to maintain relationship with our existing clients. We believe that clients in private sector generally prefer more interactive communications with their service providers, from negotiation of service terms to service delivery. Therefore, we plan to expand our business team in Singapore through recruiting experienced consultants, including those specialised in the information and communication technology industry, the retail and food & beverage industry, and the banking, insurance and financial services industry, to join us. We believe that the expansion of our business team in Singapore can enhance our marketing effort, thereby enabling us to broaden our client base and capture more business opportunities in the private sector.

Our Directors expect that a sum of approximately HK\$27.5 million, representing approximately 52.9% of the net proceeds from the Share Offer, will be used to strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore. For details, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

Enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong

Headquartered in Singapore, we have been focusing our business development in the Singapore market. Therefore, our scale of operation in Hong Kong remains relatively small with around 11 internal staff in Hong Kong as at the Latest Practicable Date. During the Track Record Period, substantially all of our revenue was derived from our business operations in Singapore, with revenue from human resources services in Hong Kong accounting for only around 1.0% of our revenue. With an aim to diversify our geographical risk and achieve an economy of scale, we intend to expand our business team in Hong Kong, having considered that the outlook on Hong Kong’s employment market is optimistic, and it is expected to become more competitive as well as growing steadily, accordingly to the Ipsos Report. To this end, we intend to recruit consultants with extensive experience and vast network of clients and candidates in Hong Kong, thereby enabling us to market our services to new clients through their network and enhance our market penetration in Hong Kong. As a small-sized human resources service provider in Hong Kong, while we will strive to seize every suitable business opportunity to expand our services and build up our reputation in Hong Kong, we target to expand our services particularly in the banking, insurance and financial services industry and information and communication technology industry, which according to the Ipsos Report, demonstrated growth potential in the forthcoming years. For details regarding these two target industries, please refer to the section headed “Industry Overview — Overview of the Human Resources Outsourcing and Recruitment

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Services Industry in Hong Kong” in this prospectus. To enhance our market penetration, we intend to solicit new clients through proactively contacting potential clients by making cold and warm calls, referrals, the network of consultants and participating in tender exercises if opportunity arises. Moreover, we intend to source potential candidates through advertising on the recruitment websites and social media networks, making cold and warm calls, and referrals, as well as through the network of consultants.

Our Directors expect that a sum of approximately HK\$6.0 million, representing approximately 11.5% of the net proceeds from the Share Offer, will be used to enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong. For details, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

Enhance our brand awareness

To successfully implement our strategy in expanding our business in the private sector in Singapore, as well as our business in Hong Kong as aforementioned, it is important for us to enhance our brand awareness concurrently, as contracts in private sector are generally awarded through direct negotiation and according to the Ipsos Report, long established reputable brands tend to have a higher chance to be chosen by clients in both Singapore and Hong Kong. As such, we intend to allocate more resources to enhance our brand awareness by setting up a marketing team and conducting an array of marketing activities. We intend to promote our brand and services through various marketing and promotional campaigns, such as advertising in industry magazines and public electronic media, utilising search engine marketing and search engine optimisation, organising seminars for potential candidates, participating in recruitment roadshows, and organising marketing events to cultivate client relationship. In addition, we plan to engage an independent public relations firm to formulate marketing strategies and plans for us. We believe that the enhancement of our brand awareness not only can attract more new clients for our business growth, but also can attract more new candidates, thereby enhancing our sourcing and placement capabilities. Accordingly, our Directors consider that the enhancement of our brand awareness and marketing status is crucial and fundamental for us to further expand our business.

Our Directors expect that a sum of approximately HK\$7.0 million, representing approximately 13.5% of the net proceeds from the Share Offer, will be used to enhance our brand awareness. For details, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

Enhance our IT system to support our business operations

We intend to enhance our IT system to support our business expansion and increase operational efficiency by, inter alia, (i) engaging a software vendor to develop a payroll system that is customised to our outsourcing business operation, (ii) acquiring a human resources management system, and (iii) creating a mobile application platform. The payroll system will be designed to assist our clients and us to streamline the payroll process, with functions such as collecting and calculating time attendance, maintaining payroll records, managing leave entitlements and arranging for salary payment. In addition, to accommodate our business growth, we intend to automate certain key processes in human resources management by acquisition of a human resources management system with functions, including time attendance management and benefits administration. In view of the popularity of mobile smart devices, we also plan to create a mobile application platform with features including job boards, job matching and job applications, thereby enabling our services to be more accessible to potential candidates.

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Our Directors are of the view that enhancing our IT system is essential for our business growth, for the reasons set out below:

- *Payroll system and human resources management system:* Since we currently do not have automated payroll and human resources management systems, we depend substantially on our internal staff to keep track of the payroll record and conduct certain key processes in human resources management manually. The automation can streamline and enhance the accuracy of our payroll and human resources management process, thereby enabling us to handle large volume of outsourced staff as our business expands.
- *Mobile application platform:* In view of the popularity of mobile application, we plan to create a mobile application platform rendering our services to be more accessible to potential candidates, thereby broadening our pool of candidates, which in turn could enhance our sourcing and placement capabilities.

In view of the above, our Directors consider that the limitation of our current IT system creates an obstacle to scale our business moving forward. Therefore, investment in our IT system is crucial not only to enhance our operational efficiency to cater for our business expansion and minimise our operational risk, but also to maintain our competitive position in the industry.

Our Directors expect that a sum of approximately HK\$6.5 million, representing approximately 12.5% of the net proceeds from the Share Offer, will be used to enhance our IT system to support our business operations. For details, please refer to the section headed “Future Plans and Use of Proceeds” in this prospectus.

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OUR BUSINESS AND OPERATIONS

As a human resources service provider, we principally offer human resources outsourcing services and recruitment services to our target clients, primarily including clients in public sector in Singapore comprising Singapore Government Agencies and NPOs and clients in private sector in diverse industries in Singapore and Hong Kong. The following table sets forth our revenue by business segment in Singapore and Hong Kong during the Track Record Period:

	For the year ended 31 December					
	2014		2015		2016	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Revenue						
Human resources outsourcing services	32,475	89.6	42,150	93.2	40,766	93.3
• <i>Singapore</i>	32,265	89.0	42,144	93.2	40,765	93.3
• <i>Hong Kong</i>	210	0.6	6	0.0	1	0.0
Human resources recruitment services	3,739	10.3	2,919	6.5	2,810	6.4
• <i>Singapore</i>	3,622	10.0	2,680	5.9	2,381	5.4
• <i>Hong Kong</i>	117	0.3	239	0.6	429	1.0
Other human resources support services ^(Note)	26	0.1	126	0.3	123	0.3
Total revenue	36,240	100	45,195	100	43,699	100

Notes: Other human resources support services comprise referral services and parking services. For details, please refer to the section headed “Financial Information — Principal Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue” in this prospectus.

Headquartered in Singapore, we have been focusing our business development in the Singapore market. As such, our revenue generated from human resources services in Singapore accounted for approximately 99.0%, 99.1% and 98.7% of our total revenue for the years ended 31 December 2014, 2015 and 2016, respectively.

Human resources outsourcing services

For our human resources outsourcing services, we generally recruit, employ and remunerate outsourced staff who match the job descriptions specified by our clients, and then second them to our clients for a period as required by our clients. Our human resources outsourcing services help our clients match their staffing levels to business demand in a timely and cost effective manner, and allow our clients to free up management time and resources to focus on their core business activities. For the years ended 31 December 2014, 2015 and 2016, the revenue generated from our human resources outsourcing services accounted for approximately 89.6%, 93.2% and 93.3% of our total revenue, respectively.

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In general, during the provision of our human resources outsourcing services, we are responsible for the recruitment process and the entire employment cycle, which include recruitment advertising, conducting interview and assessment, preparing employment contract, briefing the outsourced staff on their job duties and responsibilities, handling routine payroll, employee benefits and relevant insurance as required by applicable laws and regulations, and providing other human resources support services.

Our outsourced staff

The outsourced staff seconded by us to our clients are mainly responsible for (i) general administration services such as clerical and administrative work; (ii) customer services such as call centre and help desk support; (iii) marketing support and sales services such as telemarketing sales and merchant promoters; (iv) general operation support such as surveyors to meet our clients' seasonal operational needs; and (v) nursing care to patients as well as patient care to provide healthcare related customer services.

The following table sets forth the number of our outsourced staff by job functions during the Track Record Period:

The nature of services provided by the outsourced staff	For the year ended 31 December		
	2014	2015	2016
	<i>Number of outsourced staff</i>	<i>Number of outsourced staff</i>	<i>Number of outsourced staff</i>
General administration services	2,479	3,068	2,596
Customer services	2,920	1,972	1,378
Marketing support and sales services	408	413	608
General operation support	1,013	1,236	1,189
Nursing care services	364	100	451
Total	7,184	6,789	6,222

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During the years ended 31 December 2014, 2015 and 2016, we had seconded approximately 7,184, 6,789 and 6,222 outsourced staff to our clients, respectively. The following table sets out the breakdown of the number of outsourced staff on secondment to our clients by industry, together with the number of hours of work undertaken by them, during the Track Record Period:

Industry	For the year ended 31 December					
	2014		2015		2016	
	<i>Number of hours of work undertaken by outsourced staff</i>	<i>Number of hours of work undertaken by outsourced staff</i>	<i>Number of hours of work undertaken by outsourced staff</i>	<i>Number of hours of work undertaken by outsourced staff</i>	<i>Number of hours of work undertaken by outsourced staff</i>	<i>Number of hours of work undertaken by outsourced staff</i>
Public sector:						
Singapore Government Agencies and NPOs	2,773	576,927	3,205	998,730	3,588	838,225
Private sector:						
Information and communication technology	2,192	116,915	1,950	145,980	1,255	144,445
Retail and food & beverage	1,319	331,703	1,032	338,529	970	158,745
Healthcare	415	149,566	414	136,097	309	89,152
Banking, insurance and financial services	380	25,951	129	38,409	53	6,479
Others ^(Note)	105	12,082	59	7,233	47	7,291
Total	7,184	1,213,144	6,789	1,664,978	6,222	1,244,337

Note: Others include commerce & energy industry and finance & accounting industry.

During the Track Record Period, save for three, two and one outsourced staff who were employed and seconded by us to our clients in Hong Kong for the years ended 31 December 2014, 2015 and 2016, respectively, all other outsourced staff were seconded to our clients in Singapore. The outsourced staff are employed by us on a full-time or part-time basis depending on the clients' business needs.

For the years ended 31 December 2014, 2015 and 2016, we have engaged approximately 15, 12 and seven foreign workers in Singapore as our outsourced staff. Our Singapore Legal Advisers confirm that we have complied with all applicable relevant laws and regulations in Singapore with regard to the engagement of such foreign workers.

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The following table sets forth the number of our outsourced staff by domestic workers and foreign workers during the Track Record Period:

Type of outsourced staff	For the year ended 31 December		
	2014	2015	2016
	<i>Number of outsourced staff</i>	<i>Number of outsourced staff</i>	<i>Number of outsourced staff</i>
Singapore:			
Domestic workers	7,166	6,775	6,214
Foreign workers	15	12	7
Hong Kong:			
Domestic workers	3	2	1
Foreign workers	0	0	0
Total	7,184	6,789	6,222

We have adopted standard form of employment contracts for our outsourced staff. Pursuant to the standard employment contract we enter into with our outsourced staff, they are required to fulfill a specified number of working hours according to our clients' requirements and will be seconded to work at premises designated by us as requested by our clients. The salient terms of the employment contracts with our outsourced staff mainly include place of work at our client's premises, predetermined salary rate (either monthly, hourly or daily), contract duration and working hours, entitlement to holidays and leaves, and termination notice. The outsourced staff are employed by us for different contract duration and working hours depending on clients' business needs.

We maintain an employer-employee relationship with our outsourced staff. We are required to comply with the relevant employment laws and regulations in Singapore or Hong Kong (as the case may be). Our outsourced staff are entitled to benefits accorded to them under the EA or EO (as the case may be) and their employment contracts. For further details, please refer to the section headed "Regulatory Overview" in this prospectus.

Our Directors confirmed that all our outsourced staff have been remunerated in accordance with their contracts with us and relevant laws and regulations in Singapore or Hong Kong (as the case may be) during the Track Record Period and up to the Latest Practicable Date.

In addition, we engaged a small number of freelance contractors in Singapore during the Track Record Period for providing nursing care services to patients. During the years ended 31 December 2014, 2015 and 2016, we had engaged approximately 60, 108 and 12 freelance contractors, respectively. Our Singapore Legal Advisers confirm that freelance contractors in Singapore are not considered to be our employees. They are not covered, and are not entitled to benefits, under the relevant employment laws and regulations in Singapore. Our Singapore Legal Advisers also confirm that we did not contravene any applicable laws and regulations in Singapore with regard to the engagement of such freelance contractors. The remuneration and benefits that the freelance contractors are entitled to are typically set out in their contract for services entered into with us.

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The following table sets out our revenue attributable to the full-time outsourced staff, part-time outsourced staff and freelance contractors during the Track Record Period:

Type of outsourced staff	For the year ended 31 December					
	2014		2015		2016	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Full-time staff	3,798	11.7	7,979	18.9	6,873	16.8
Part-time staff	28,465	87.7	33,573	79.7	33,773	82.9
Freelance contractors	<u>212</u>	<u>0.6</u>	<u>598</u>	<u>1.4</u>	<u>120</u>	<u>0.3</u>
Total revenue derived from human resources outsourcing services	<u><u>32,475</u></u>	<u><u>100.0</u></u>	<u><u>42,150</u></u>	<u><u>100.0</u></u>	<u><u>40,766</u></u>	<u><u>100.0</u></u>

Price ranges of our outsourced staff

Charges to our clients are determined based on our costs incurred to employ an outsourced staff or engage a freelance contractor. Costs include wages, allowance and contributions to CPF or MPF for our outsourced staff, and fees payable by us for freelance contractors. We generally use “cost-plus” basis to determine the charge-out rate for our outsourced staff. Alternatively, in some cases and particularly for the monthly-rated outsourced staff, we charge our clients an administrative fee, which is usually at a fixed rate or at a certain percentage of the salary of the outsourced staff. Depending on the specific job orders provided by our clients, the charge-out rate and the pay-out rate of our outsourced staff can be on monthly, hourly or daily basis.

The following table sets forth the number of outsourced staff seconded to our clients by charge-out/pay-out rate basis during the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Monthly rated outsourced staff	722	1,095	1,109
Daily rated outsourced staff	710	455	429
Hourly rated outsourced staff	<u>5,752</u>	<u>5,239</u>	<u>4,684</u>
Total	<u><u>7,184</u></u>	<u><u>6,789</u></u>	<u><u>6,222</u></u>

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The following table sets forth the range of charge-out rate of our outsourced staff during the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Monthly rated outsourced staff	S\$800 to S\$8,732 per month per outsourced staff	S\$550 to S\$11,800 per month per outsourced staff	S\$578.02 to S\$11,800 per month per outsourced staff
Daily rated outsourced staff	S\$55 to S\$167.88 per day per outsourced staff	S\$77.18 to S\$182.65 per day per outsourced staff	S\$59.50 to S\$622.32 per day per outsourced staff
Hourly rated outsourced staff	S\$6.50 to S\$31.80 per hour per outsourced staff	S\$6.50 to S\$35.13 per hour per outsourced staff	S\$7 to S\$80 per hour per outsourced staff

The following table sets forth the range of our pay-out rate to outsourced staff during the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Monthly rated outsourced staff	S\$800 to S\$6,000 per month per outsourced staff	S\$500 to S\$11,000 per month per outsourced staff	S\$440 to S\$11,400 per month per outsourced staff
Daily rated outsourced staff	S\$50 to S\$110.50 per day per outsourced staff	S\$59.50 to S\$127.50 per day per outsourced staff	S\$50 to S\$480 per day per outsourced staff
Hourly rated outsourced staff	S\$6 to S\$22.90 per hour per outsourced staff	S\$6 to S\$26 per hour per outsourced staff	S\$6 to S\$50 per hour per outsourced staff

Human resources recruitment services

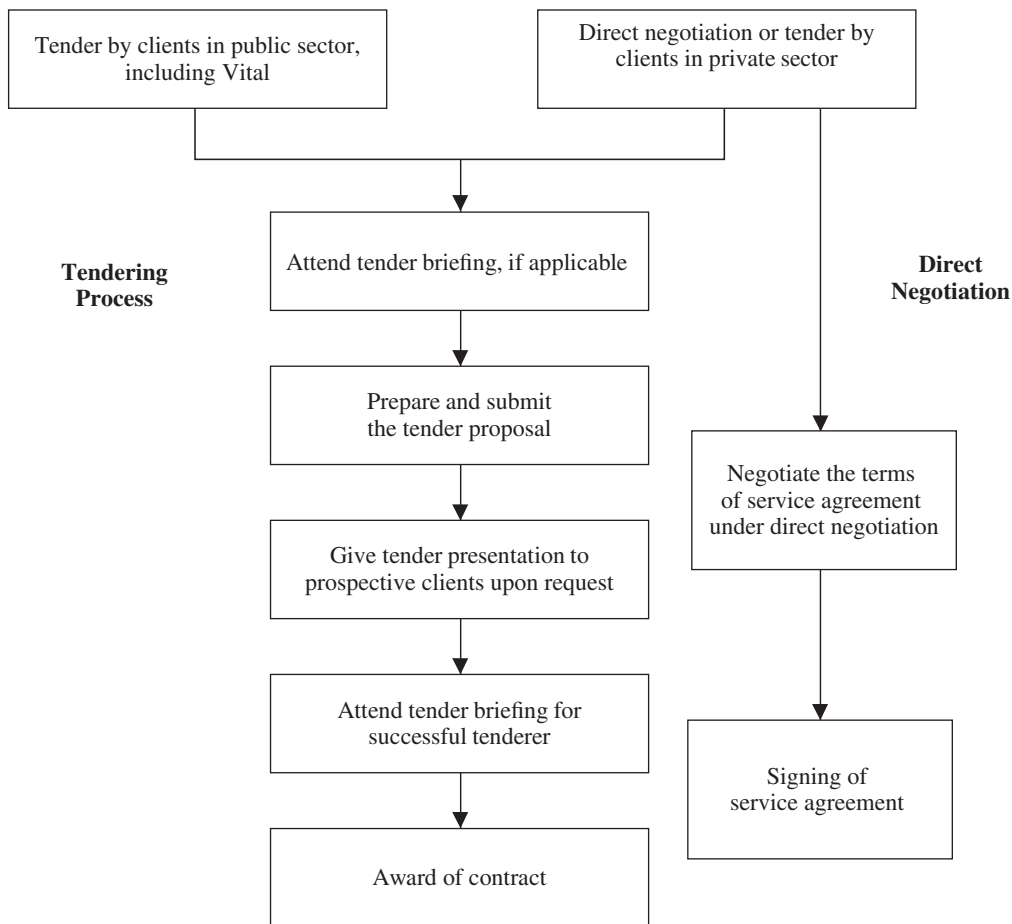
In addition to human resources outsourcing services, we also provide human resources recruitment services to employers seeking appropriate candidates generally for positions at all levels, including administrative, executive, managerial and professional, to fulfill their needs. During the Track Record Period, we mainly offered recruitment services to clients in private sector in Singapore in the retail industry, commerce & energy industry, information and communication technology industry, and banking, insurance and financial services industry. We generally identify and source potential candidates from the database of candidates maintained by us. We may also post advertisements on recruitment

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websites and social media to recruit potential candidates. For the years ended 31 December 2014, 2015 and 2016, approximately 10.3%, 6.5% and 6.4% of our total revenue was generated from our human resources recruitment services.

Tender / Direct negotiation process

We usually solicit new business either through (i) tender opportunities on GeBIZ posted by clients in public sector, including Vital; and (ii) direct negotiation or tender by clients in private sector. In general, we evaluate and determine whether to secure a new business opportunity, after considering (i) the availability of our outsourced staff, (ii) our capacity for meeting the service requirements of our clients, (iii) profitability of such new business opportunity, (iv) the nature of work, and (v) the duration and scale of a project. The following flow chart is a general overview of the major steps involved in the tender and direct negotiation process of our human resources services:



Public sector

In order to procure service providers for human resources services, clients in public sector usually post tenders on GeBIZ, which is the Singapore Government's one-stop e-procurement portal where public sector's tenders are posted. Therefore, we monitor GeBIZ regularly in order to explore opportunities to submit tenders for human resources services required by the Singapore Government Agencies and NPOs, and submit tender if our evaluation of the relevant tender opportunity is favourable.

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Most of the tenders posted on GeBIZ have a financial grading requirement on the service providers to evaluate whether the tenderers have sufficient financial resources to undertake the government contracts. The Singapore Government has categorised the tenderers into different level of financial grades according to the net tangible asset and the annual turnover/sales/revenue of the tenderers. The financial grades of the tenderers are categorised from S2 to S10, pursuant to which the tenderers can tender for service contracts of contract sum ranging from S\$100,000 to more than S\$30,000,000 respectively. As we have obtained the financial grade category S9 which is at the higher end of the financial grading, we are qualified to submit tenders for service contracts in the sum of more than S\$10,000,000 but not exceeding S\$30,000,000.

In a typical tendering process, we may be invited to attend tender briefing session for some tenders in public sector. Then we are required to prepare the tender documents according to the requirements of the relevant Singapore Government Agencies and NPOs. These tender documents will typically include various sections such as pricing, detailed scope of works, track record, certifications, relevant corporate information and statement of compliance with the material specifications. Subsequent to the submission of the tender proposal, we may be requested to give tender presentation to potential clients. If successful, we will be awarded the contract after attending the tender briefing for the successful tenderer. Our consultants will also attend the tender briefing to have a better understanding on the employment requirements and payment schedule of the clients.

The tender contracts awarded by the Singapore Government Agencies and NPOs generally contain the following provisions: (i) the scope of services which includes providing human resources outsourcing services and/or human resources recruitment services as requested by clients from time to time; (ii) the contract period which is typically for a period from one to three years, with an option to extend for up to one more year; (iii) the basis of our service fees which is based on a fixed percentage of the basic salary payable to the outsourced staff in respect of outsourcing services or a fixed percentage of the monthly or annual salary of the candidate successfully placed in respect of recruitment services; (iv) the payment term that is usually 30 days from the invoice issue date; and (v) the termination clause typically providing that contracts can be terminated by our clients, inter alia, with one-month notice if our service level is below satisfaction. Although an estimated contract sum may be provided by some clients in public sector at the tendering stage, which purposes are to provide an indication of the scale of a project and impose tendering capacity requirement on tenderers with reference to their financial grades, the contract sum is generally not set out in the relevant contract, and even if it occasionally does, this only serves as a reference and does not impose any obligation on the part of our clients to procure services from us, at a particular volume or at all.

Tender contract awarded by Vital

Vital is a department of the Ministry of Finance of Singapore. It serves as a contract manager for the public sector to aggregate common services within the public sector to leverage economies of scale, and improve efficiency and effectiveness. It brings together selected human resources and finance processing activities of the Singapore Government Agencies and NPOs, including paying salaries and benefits and processing staff claims. By pooling together such activities, Vital can bring costs down and achieve greater efficiency for the service partners. Similar to other Singapore Government Agencies and NPOs, Vital also puts up tender on GeBIZ in order to select service providers for the provision of

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human resources services for various Singapore Government Agencies and NPOs. The tender contract awarded by Vital would entitle the selected service provider to offer services to a pool of Singapore Government Agencies and NPOs upon their request.

Vital, therefore, serves as an alternative means for Singapore Government Agencies and NPOs to look for service providers. A pool of Singapore Government Agencies and NPOs having staffing needs can usually send their job orders to the selected service providers directly for human resources services. Upon the service providers being awarded the tender contract by Vital, the Singapore Government Agencies and NPOs would then have the absolute discretion to decide which selected service provider(s) they would like to engage. As such, save for the early stage involvement in awarding the tender contract to the service providers, Vital does not play any key role in the entire process of the human resources services to be provided by the selected service providers to the Singapore Government Agencies and NPOs from time to time. As at the Latest Practicable Date, there were six selected service providers (including our Group) engaged by Vital to provide the human resources services to the public sector in Singapore.

We have been awarded the tender contracts by Vital since 2012. The term of tender contract awarded by Vital is generally for a fixed-term of two years, with an option to extend for up to one more year. The tender contract awarded by Vital enables our services to be accessed by a pool of clients in public sector in Singapore. Our current contract with Vital mainly contains the following provisions: (i) the scope of services including to provide human resources outsourcing services for contingent labour and to provide human resources recruitment services for public officer positions to various Singapore Government Agencies and NPOs; (ii) the contract period that is for a period of two years ending in July 2018, with an option to extend up to one more year; (iii) the basis of our service fees which is a fixed percentage of the basic salary payable to the outsourced staff or a fixed percentage of the monthly or annual salary of the candidate successfully placed; (iv) the service level standard, (v) the list of Singapore Government Agencies and NPOs that can seek staffing solution from us via Vital; and (vi) the termination clause stipulating that the contract shall cease with immediate effect if our license to operate as an employment agency is revoked by MOM.

For the years ended 31 December 2014, 2015 and 2016, approximately 26.8%, 41.5% and 51.5% of our total revenue was derived from the contracts with Vital, respectively.

Private sector

We usually solicit new business in private sector through direct negotiation or tender. We generally reach our clients in private sector through active pitching. Save for two, one and four contracts awarded to us by tender out of the tenders submitted for the years ended 31 December 2014, 2015 and 2016, respectively, all other service agreements with clients in private sector were secured by us through direct negotiation during the Track Record Period.

Generally, our consultants are responsible for direct negotiation with our existing or potential clients in order to liaise the terms of the service agreements with and to identify the employment requirements of our clients, including the nature of the job, level of experience, qualifications and special requirement on the skills set needed. The consultants will then prepare draft service agreements for review and approval by our management team. Upon clients' acceptance of the terms of our services, we will enter into a master outsourcing service agreement and/or master recruitment service agreement with the clients.

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On the other hand, we may participate in tenders offered by private clients, the tender process of which is similar to that in public sector.

Master outsourcing service agreement

A typical master outsourcing service agreement we enter into with a private client generally contains salient terms including scope of services, the basis of our service fee, and the terms as set out below:

- Duration

Our service agreements are usually for a fixed duration ranging from one year to three years. Some of the service agreements do not have a fixed term and will continue to be in effect until terminated pursuant to the terms thereunder.

- Payment terms

Our clients are usually required to pay the service fees to us within 30 days to 60 days from the invoice issue date.

- Our obligation

We are typically responsible for managing the payroll and human resources matters of the outsourced staff seconded to the clients. We shall make all statutory contributions with respect to the employment of the outsourced staff in accordance with applicable laws and regulations, such as CPFA and MPFSO (as the case may be).

- Clients' obligation

Our clients are generally required to comply with the requirements of the EA or EO (as the case may be), provide a safe working environment for our outsourced staff, and provide training on the occupational health and safety procedures to our outsourced staff. In addition, our clients are obligated not to hire, directly or indirectly, any outsourced staff for a period of six months from the date of introduction of the outsourced staff to the client by us or the date of termination of the assignment.

- Our service fees

Our service fees for secondment of our outsourced staff will be chargeable upon the commencement of the employment of our outsourced staff. Our service fee usually comprised a specified percentage of the basic monthly, daily or hourly salary of the outsourced staff, together with the employee benefits and the statutory contributions as required by the relevant laws and regulations. The service fees are usually charged on a monthly basis.

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- Termination

In general, either party may terminate the service agreement by giving one month's notice in writing to the other party. Depending on the relevant service agreement, our clients may also be entitled to terminate the service agreement with immediate effect by giving written notice if we materially breach the service agreement and fail to remedy the breach.

Master recruitment service agreement

A typical master recruitment service agreement we enter into with a private client generally contains salient terms including scope of our services, the basis of our service fee, and the terms as set out below:

- Duration

Our service agreements are usually for a fixed duration of 12 months. Some of the service agreements do not have a fixed term and will continue to be in effect until terminated pursuant to the terms thereunder.

- Payment terms

Our clients are usually billed within 30 days to 60 days after the candidate commences work. Our clients are required to pay the fees within one month from the invoice issue date.

- Our obligation

We are required to exercise reasonable skill and care with respect to the selection of the candidates.

- Clients' obligation

Our clients shall not employ the candidate who has been shortlisted by us without our knowledge for a period of six months from the date of introduction of the candidate to the clients by us.

- Our service fees

Our service fees for the provision of human resources recruitment services are calculated based on a specified percentage of the successfully placed candidate's monthly or annual gross remuneration package in the first year of his/her employment with our clients.

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The following table sets forth the range of service fees that we charged for the provision of human resources recruitment services for each of the years ended 31 December 2014, 2015 and 2016, respectively:

	For the year ended 31 December		
	2014	2015	2016
Singapore	12.5% to 25% per the annual gross remuneration package of the candidate	12.5% to 25% per the annual gross remuneration package of the candidate	12.5% to 25% per the annual gross remuneration package of the candidate
Hong Kong	10% to 23% per the annual gross remuneration package of the candidate	10% to 23% per the annual gross remuneration package of the candidate	10% to 23% per the annual gross remuneration package of the candidate

- Termination

Either party may terminate the agreement by giving one month's notice in writing to the other party. Depending on the relevant service agreement, our clients may also be entitled to terminate the service agreement with immediate effect by giving written notice if we materially breach the service agreement and fail to remedy the breach.

In addition, for our recruitment services for clients in private sector, we usually offer a one-time replacement during the guarantee period ranging from 30 days to 90 days from the date when the successfully placed candidates commence their employment with our clients (the "**Original Guarantee Period**"). If the relevant candidate resigns or his/her employment is terminated by our client for cause during the Original Guarantee Period, we shall, at our own costs, find a replacement candidate for the relevant client upon request within such period (if any) as may be specified in the relevant master recruitment service agreements (the "**Replacement Period**"). Under the master recruitment service agreements with some of our clients, we shall refund a certain percentage of our service fees to our clients in the event that we fail to find a replacement candidate within the Replacement Period or if our clients decide not to find a replacement candidate.

In view of the nature of recruitment services, there were occasional incidents where we had to refund part of the service fees to our clients. The Directors confirmed that there were no material complaints against us, or material amount of refund payments during the Track Record Period and as at the Latest Practicable Date.

BUSINESS

Revenue Analysis

The following table sets forth the breakdown of our revenue derived from (i) contracts awarded by tender, and (ii) contracts secured by direct negotiation with clients during the Track Record Period:

	For the year ended 31 December					
	2014		2015		2016	
	<i>Approximate percentage of our revenue</i>	<i>Approximate percentage of our revenue</i>	<i>Approximate percentage of our revenue</i>	<i>Approximate percentage of our revenue</i>	<i>Approximate percentage of our revenue</i>	<i>Approximate percentage of our revenue</i>
	<i>S\$ million</i>	<i>%</i>	<i>S\$ million</i>	<i>%</i>	<i>S\$ million</i>	<i>%</i>
Revenue derived from tender contracts in:						
Public sector	17.9	49.4	28.3	62.6	29.9	68.4
Private sector	<u>1.5</u>	<u>4.1</u>	<u>1.6</u>	<u>3.5</u>	<u>2.7</u>	<u>6.2</u>
Subtotal	19.4	53.5	29.9	66.1	32.6	74.6
Revenue derived from contracts secured with clients by direct negotiation in private sector						
	<u>16.8</u>	<u>46.5</u>	<u>15.3</u>	<u>33.9</u>	<u>11.1</u>	<u>25.4</u>
Total	<u><u>36.2</u></u>	<u><u>100</u></u>	<u><u>45.2</u></u>	<u><u>100</u></u>	<u><u>43.7</u></u>	<u><u>100</u></u>

Contracts from clients in public sector are generally awarded through tender process, whereas contracts from clients in private sector can be secured either by tender or direct negotiation. During the Track Record Period, a substantial portion of our revenue derived from tender contracts was generated from clients in public sector. On the other hand, all of our revenue derived from contracts secured by direct negotiation was from clients in private sector.

BUSINESS

Tender success rate

Public Sector

For the years ended 31 December 2014, 2015 and 2016, our revenue generated from tender contracts awarded by clients in public sector amounted to approximately S\$17.9 million, S\$28.3 million and S\$29.9 million, accounting for approximately 49.4%, 62.6% and 68.4% of our total revenue, respectively. The following table sets forth our tender success rates in public sector during the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Tender success rate in public sector			
Number of tenders submitted	13	8	15
Number of contracts awarded	9	4	7
Success rate	69.2%	50.0%	46.7%

To procure human resources services, our prospective clients in public sector can either (i) invite tenders, or (ii) directly approach the service providers engaged by Vital. Similar to other Singapore Government Agencies and NPOs, Vital selects and engages service providers through tender on GeBIZ. The term of tender contract awarded by Vital is generally for a fixed-term of two years, with an option to extend for up to one more years. During the Track Record Period, we were awarded a tender contract by Vital in 2014 and 2016, respectively. Differing from the tender contracts awarded by other Singapore Government Agencies and NPOs, which only entitle the successful tenderer to offer services to a specified agency, the tender contract awarded by Vital entitles the successful tenderer to offer services to a pool of Singapore Government Agencies and NPOs. Therefore, despite we were only awarded nine, four and seven contracts out of the tenders submitted in public sector for the years ended 31 December 2014, 2015 and 2016, respectively (which included the contract awarded by Vital in 2014 and 2016), we had approximately 64, 73 and 72 clients in public sector for the corresponding period, as a significant number of clients in public sector approached us directly given we were one of the selected service providers engaged by Vital. As a result, notwithstanding the decline in our tender success rate during the Track Record Period, our revenue generated from the public sector indeed increased from approximately S\$17.9 million for the year ended 31 December 2014 to approximately S\$28.3 million for the year ended 31 December 2015, and from approximately S\$28.3 million for the year ended 31 December 2015 to approximately S\$29.9 million for the year ended 31 December 2016. In view of the above, we believe the decline in tender success rate in the public sector during the Track Record Period did not, and is expected not to, have any material adverse effect on our business and results of operations.

BUSINESS

We were awarded nine, four and seven contracts out of the tenders submitted in public sector for the years ended 31 December 2014, 2015 and 2016, respectively, which included one extended contract awarded by an existing client in each of the years ended 31 December 2014, 2015 and 2016. Our revenue derived from the contracts awarded was approximately S\$10.6 million, S\$3.0 million and S\$23.6 million for the years ended 31 December 2014, 2015 and 2016, respectively, among which approximately S\$9.7 million, S\$1.0 million and S\$22.5 million was derived from the extended contracts for the corresponding period. On the other hand, we had nil, five and 17 contracts terminated for the years ended 31 December 2014, 2015 and 2016, respectively, with revenue contribution of nil, approximately S\$1.3 million and S\$3.6 million for the years ended 31 December 2014, 2015 and 2016, respectively.

Private Sector

For the years ended 31 December 2014, 2015 and 2016, our revenue generated from tender contracts awarded by clients in private sector amounted to approximately S\$1.5 million, S\$1.6 million and S\$2.7 million, accounting for approximately 4.1%, 3.5% and 6.2% of our total revenue, respectively. The following table sets forth our tender success rate in private sector during the Track Record Period:

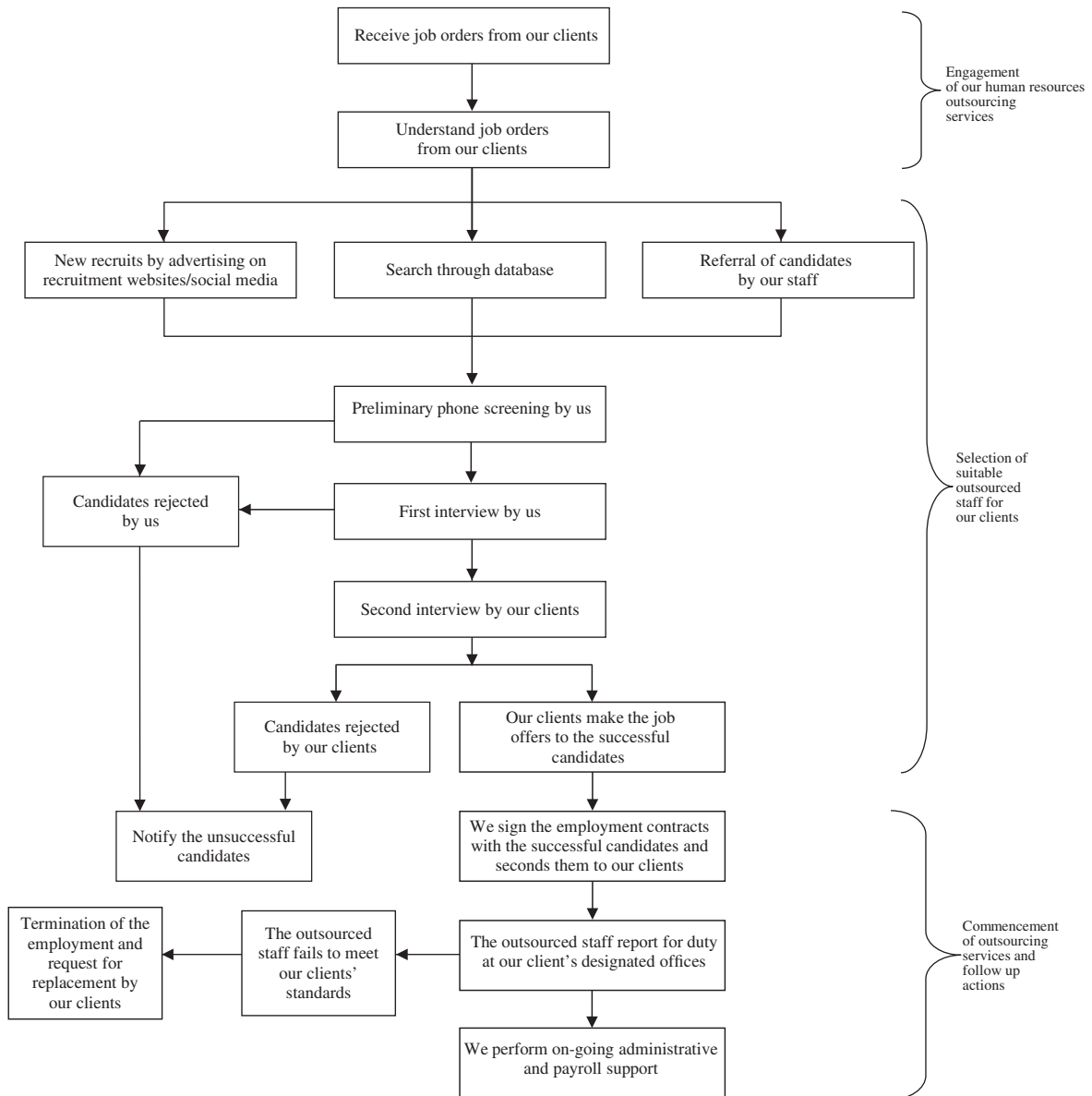
	For the year ended 31 December		
	2014	2015	2016
Tender success rate in private sector			
Number of tenders submitted	3	2	4
Number of contracts awarded	2	1	4
Success rate	66.7%	50.0%	100%

During the Track Record Period, a substantial portion of our revenue from the private sector was derived from contracts secured by direct negotiation. As such, the tender success rate in private sector during the Track Record Period did not, and is expected not to, have any material effect on our business and results of operations.

BUSINESS

Human resources outsourcing process

The following flow chart is a general overview of the major steps involved in the provision of our human resources outsourcing services for our clients:



BUSINESS

Engagement of our human resources outsourcing services

In general, we are not obligated to second a minimum number of outsourced staff to our clients, and our clients are not obligated to place minimum job orders with us. Instead, our clients may place job orders with us from time to time, depending on their needs. In order to seek business opportunities, we may also initiate a discussion with the hiring department heads or managers of our clients on the available positions and to gain a better understanding on the available positions requirements for the outsourced staff.

During the service period, our clients will notify us from time to time their human resources requirements including the job nature, the number of headcount, experience, qualification and skill-sets if the recruitment of outsourced staff are required. After being notified by our clients on the job orders, we will acknowledge the receipt of the job orders, assess our candidates' availability and confirm to our clients on the number of outsourced staff that we will provide to them. Depending on the requirements of the clients, we will assign a designated consultant to be in-charge of the clients' needs.

Selection of suitable outsourced staff for our clients

Upon receiving instructions from our clients, we will recruit the required outsourced staff through a number of sources, such as searching on the database maintained by us or database on the recruitment websites, advertising on recruitment websites and social media networks, holding a recruitment day at our offices, or attending and participating career fairs or through referral in order to source suitable candidates to our clients.

Following that, we will contact the candidates by phone to conduct a preliminary screening. Candidates who pass the phone screening will be invited for face-to-face interviews. During the face-to-face interviews, our consultants will assess the candidates' suitability according to our clients' requirements. We will test the skills and screen the working experience and qualifications of the candidates. After that, we will arrange the selected candidates to have a second round interview with our clients.

Our consultants will also attend the second round interview between the candidates and our clients. This will enable us to have a better understanding of our client's requirements, thereby, sourcing candidates who are of the right fit for our clients. Our clients will have final selection decision on the successful candidates.

Commencement of outsourcing services and follow up actions

Upon the confirmation of the successful candidates by our clients, we will conduct reference checks to verify their qualifications and previous employment history, as well as conducting relevant background checks, such as credit checks, as requested by our clients to confirm the accuracy of the relevant information about the candidates that have been gathered. Besides, we will be responsible for presenting the employment terms with the successful candidates in accordance with our clients' instructions. We may also brief our clients on remuneration packages based on our understanding of the current market trend.

BUSINESS

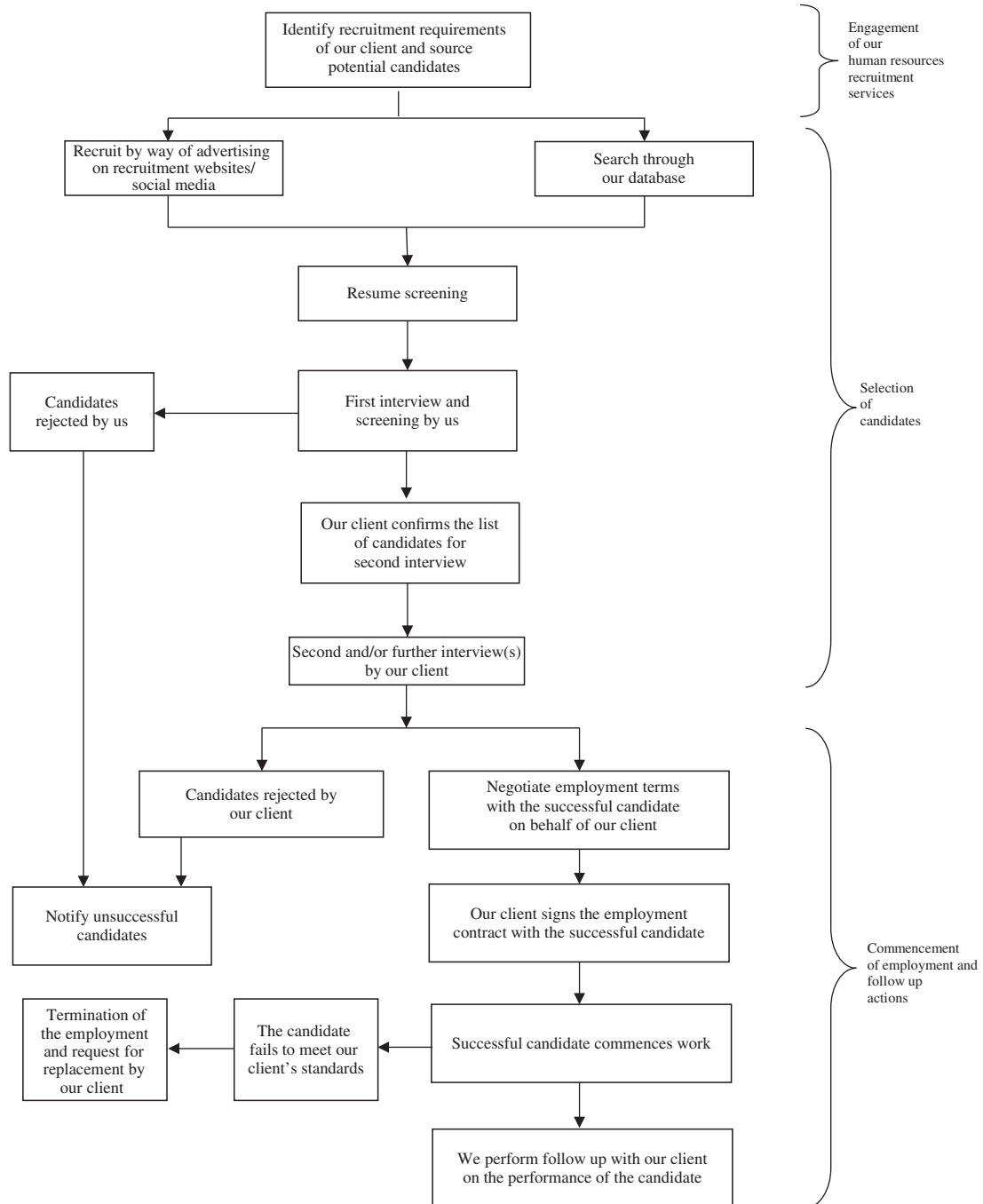
If our clients confirm the employment terms and the final candidates accept the offers, we will prepare and sign the employment contracts with such candidates. Generally, we employ the outsourced staff on a contingent basis and for a specific time period under the direction of our clients. The length of the employment contract we enter into with the outsourced staff generally matches with the corresponding secondment period of the relevant outsourced staff as requested by our clients. Therefore, we generally do not keep any outsourced staff without a secondment readily available. In this way, we would be able to provide flexible staffing solutions to our clients for them to manage their staffing levels according to their business needs, while at the same time limit our potential financial exposures to our outsourced staff should our clients scale down their business or terminate their relationship with us.

During the secondment period, the outsourced staff will remain as our employees but will work at premises designated by and under the supervision of our clients. The outsourced staff will not work in our office. After the hiring, our consultant will stay in touch with both the client and the outsourced staff to assure a successful transit. Upon our clients' requests, we may provide training to our outsourced staff after the employment by us or upon the commencement of their work in order to make sure that they understand the service standards as required by our clients.

BUSINESS

Human resources recruitment process

The following flow chart is a general overview of the major steps involved in the provision of our human resources recruitment services for a client:



BUSINESS

Engagement of our human resources recruitment services

Upon receipt of a job order from our client on its recruitment request, we will collect and identify the employment requirements of our client including the job nature, qualification and years of experience.

Selection of candidates

We generally identify and source potential candidates from our database, or through advertising on the recruitment websites and social media networks. We will then compile a list of potential candidates who match the job descriptions as per the job order received. Before making referrals to our client, we will screen the potential candidates and shortlist the suitable candidates by conducting resume screening and background checks against the potential candidates.

After the resume screening, the shortlisted candidates will first be interviewed and screened by us before they are referred to our client. We will refer the suitable candidates that match the requirements of our client within a reasonable time and respond to our client's queries on the potential candidates from time to time. Our client will confirm the list of candidates for second interview and decide if further interviews are required. We will then arrange for the selected candidates to attend interview(s) with our client.

Commencement of employment and follow up actions

After the second and further interviews (if any), for the successful candidate accepted by our client, we will negotiate the employment terms with them on behalf of our client. Before signing of the employment contract between our client and the successful candidate, we will arrange for medical check-up as requested by our client and conduct briefing for the successful candidate. The successful candidate will report to work at clients' premises. Our consultants will follow-up with our client on his/her performance.

SEASONALITY

The demand of our human resources outsourcing services fluctuates, but generally generates relatively lower sales during the Chinese New Year due to fewer working days/ hours of our outsourced staff required by the clients. Our human resources recruitment services tend to generate relatively lower sales during the period from December to February due to the festive holiday seasons where many of our clients would be on holiday and the recruitment needs decrease.

QUALITY CONTROL

As a human resources service provider, the ability to maintain the quality of our services is crucial to our long term growth. Emphasis is therefore placed on recruiting and retaining skillful, knowledgeable and experienced internal staff, monitoring service quality and staff training.

During the recruitment process of our internal staff, we look for personnel who have human resources-related experience and certificates commensurate with the relevant position. We also pay particular attention to education or training received in areas related to human resources, such as labour relations, human resources management and labour law in Singapore and in Hong Kong.

BUSINESS

Our Directors believe that the possession of updated knowledge of labour related laws and regulations by our internal staff are key to our competitiveness. Accordingly, we have engaged lawyers specialised in employment law to provide seminars and presentation to our internal staff on the upcoming changes in labour related legislation.

We have established a contract management control procedure to ensure the service agreements entered into between our clients and us are reviewed by relevant consultants and the terms thereof are properly authorised by our management team. The service agreements will also be reviewed by external employment lawyers. In addition, our standard form of employment contracts with the outsourced staff has also been prepared and reviewed by the external employment lawyers.

We recognise the importance of maintaining good relationships with our clients as well as our outsourced staff. Therefore, we have provided guidance to our internal staff on, among other things, how to handle dispute and grievance resolution in the workplace to ensure resolution can be reached with minimum delay.

SALES AND MARKETING

We place significant emphasis on client satisfaction and constantly strives to better understand the needs of our clients. Our management team always keep close contact with our clients through emails, telephone calls and meetings, so that our clients can be well informed about the latest development of our Group. Our consultants are also responsible for advertising and marketing on the recruitment websites and social media networks, and directly contacting the potential clients to explore business opportunities and develop new clientele.

Pricing of our services

We generally negotiate the pricing with our clients on a case-by-case basis. Our pricing basis and payment terms are determined based on various factors such as the organisational size, job nature and other specifications of our clients, the allocation of our time and human resources to provide the required services, the financial strength and the length of our relationship with our clients, as well as government policies related to labour costs including but not limited to the Wage Credit Scheme in Singapore. We may make adjustment in wages paid to our outsourced staff to maintain a certain level of profit margin, taking into account the changes in the government policies related to labour costs. For instance, it is our strategy to adopt a relatively flexible pricing policy for our clients in private sector which we consider to be of strategic importance to our development, and adopt a relatively competitive pricing policy for our clients in public sector in view of the competitive nature of tenders. Our management team consider that our service fees charged is in the mid-range compared to that of the competitors in the human resources industry.

CLIENTS

Our clients in the public sector comprise Singapore Government Agencies and NPOs, such as ministries and statutory boards governing social workforce, environment and community development. We also serve clients in private sector, including multi-national corporations, in diverse industries across Singapore and Hong Kong, such as information and communication technology industry, retail and food & beverage industry, healthcare industry, and banking, insurance and financial services industry.

BUSINESS

For the years ended 31 December 2014, 2015 and 2016, revenue from our five largest clients amounted to approximately S\$9.0 million, S\$16.5 million and S\$18.8 million, and accounted for approximately 24.8%, 36.3% and 43.2% of our total revenue, respectively. Revenue from our largest client for the same periods amounted to approximately S\$2.3 million, S\$5.3 million and S\$5.5 million, and accounted for approximately 6.4%, 11.8% and 12.6% of our total revenue, respectively. During the Track Record Period, we did not have any material disagreement nor dispute with any of our clients. There was also no significant complaint from our clients during the Track Record Period.

We set out below our five largest clients for each of the years ended 31 December 2014, 2015 and 2016, respectively:

For the year ended 31 December 2014:

	Client	Industry sector	Relationship since	Approximate % of our total revenue	Services provided by our Group	Payment terms
1	Client A	a Singapore Government agency ⁽¹⁾	2008	6.4 ⁽²⁾	outsourcing and recruitment services	30 days
2	Client B	a Singapore Government agency ⁽¹⁾	2013	6.0 ⁽²⁾	outsourcing and recruitment services	30 days
3	Client C	a private corporation that operates in information and communication technology industry	2007	5.7	outsourcing and recruitment services	30 days
4	Client D	a Singapore Government agency ⁽¹⁾	2013	3.4 ⁽²⁾	outsourcing services	30 days
5	Client E	a Singapore Government agency ⁽¹⁾	2013	3.3	outsourcing and recruitment services	30 days
			Approximate % of our total revenue attributable to our top five clients	24.8		

Notes:

- (1) The agencies of the Singapore Government are not specifically named to protect the confidential information relating to the contract. The Singapore Government agencies included in the five largest clients for the year ended 31 December 2014 included ministries and statutory boards in charge of social workforce, environment and community development.
- (2) All of the revenue generated from this client was derived from our contract with Vital.

BUSINESS

For the year ended 31 December 2015:

	Client	Industry sector	Relationship since	Approximate % of our total revenue	Services provided by our Group	Payment terms
1	Client B	a Singapore Government agency ⁽¹⁾	2013	11.8 ⁽²⁾	outsourcing and recruitment services	30 days
2	Client D	a Singapore Government agency ⁽¹⁾	2013	9.5 ⁽²⁾	outsourcing and recruitment services	30 days
3	Client A	a Singapore Government agency ⁽¹⁾	2008	6.7 ⁽²⁾	outsourcing and recruitment services	30 days
4	Client F	a private corporation that operates in information and communication technology industry	2010	4.6	outsourcing and recruitment services	60 days
5	Client G	a private corporation that operates in food & beverage industry	2014	3.7	outsourcing and recruitment services	60 days
Approximate % of our total revenue attributable to our top five clients				36.3		

Notes:

(1) The agencies of the Singapore Government are not specifically named to protect the confidential information relating to the contract. The Singapore Government agencies included in the five largest clients for the year ended 31 December 2015 included ministries and statutory boards in charge of social workforce, environment and community development.

(2) All of the revenue generated from this client was derived from our contract with Vital.

BUSINESS

For the year ended 31 December 2016:

	Client	Industry sector	Relationship since	Approximate % of our total revenue	Services provided by our Group	Payment terms
1	Client B	a Singapore Government agency ⁽¹⁾	2013	12.6 ⁽²⁾	outsourcing services	30 days
2	Client A	a Singapore Government agency ⁽¹⁾	2008	10.9 ⁽²⁾	outsourcing and recruitment services	30 days
3	Client D	a Singapore Government agency ⁽¹⁾	2013	10.3 ⁽²⁾	outsourcing and recruitment services	30 days
4	Client F	a private corporation that operates in information and communication technology industry	2010	5.8	outsourcing and recruitment services	60 days
5	Client G	a private corporation that operates in food & beverage industry	2014	3.6	outsourcing and recruitment services	60 days
				Approximate % of our total revenue attributable to our top five clients	43.2	

Notes:

- (1) The agencies of the Singapore Government are not specifically named to protect the confidential information relating to the contract. The Singapore Government agencies included in the five largest clients for the year ended 31 December 2016 included ministries and statutory boards in charge of social workforce, environment and community development.
- (2) All of the revenue generated from this client was derived from our contract with Vital.

Pursuant to the tender contracts and service agreements with our clients, we generally grant our clients credit term of 30 days to 60 days from the date of invoice. The credit term for each client is negotiated by us on a case-by-case basis and we generally take into account such factors as the length of our business relationship with the relevant client, the relevant client's payment history, and the background and financial strength in setting the appropriate credit term for each client. Our clients normally settle our service fees by cheque and/or bank transfer.

BUSINESS

All of our five largest clients during the Track Record Period were Independent Third Parties. None of our Directors, their respective close associates or any Shareholders, which to the knowledge of our Directors own more than 5% of the issued share capital of our Company, had any interest in any of our five largest clients during the Track Record Period.

SUPPLIERS

Due to the nature of our business, we have no major suppliers. During the Track Record Period, our direct costs comprised labour and related costs.

We procure equipment and IT infrastructure support and maintenance services from vendors for business operations. All vendors during the Track Record Period were Independent Third Parties.

OCCUPATIONAL SAFETY

We are subject to the health and safety requirements of Singapore and Hong Kong, including the WSHA. Our Directors confirm that we complied in all material respects with all the relevant laws, rules and regulations relating to safety and health during the Track Record Period and thereafter up to the Latest Practicable Date. To ensure our employees work in a safe and healthy environment, we have established work safety rules and policies for our employees to follow.

We will also ensure that our clients would provide a safe working environment for our outsourced staff and provide training to our outsourced staff in the occupational health and safety procedures operating at our clients' workplace by expressly stipulating such requirement in the tender contracts and service agreements entered into between our Group and our clients.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant incidents or accidents in relation to workers' safety or any non-compliance with the applicable laws and regulations relevant to the work safety and health issues.

ENVIRONMENTAL MATTERS

Because of our business nature, no pollutant is produced, emitted or discharged during the course of provision of our human resources services. As such, we are not subject to any specific rules and regulation in relation to the environmental protection matters.

INSURANCE

We maintain group hospitalisation, surgical and dental policies for all of our internal staff and outsourced staff employed by us in Singapore as stipulated by MOM. We also maintain work injury compensation insurance and public liability insurance relating to our employees in Singapore. In addition, we maintain employee compensation insurance that includes work injury for our employees in Hong Kong under the regulatory requirements in Hong Kong.

BUSINESS

Our Directors confirm that we have obtained adequate insurance coverage for the operation of our business, and is in line with the industry norm. Our Directors believe that there is no material risk in connection with our business which is not covered by the abovementioned insurance. As at the Latest Practicable Date and during the Track Record Period, we had not made nor been the subject of any material insurance claims.

EMPLOYEES

Human capital is one of the key pillars of our success. We had a total of 67, 75 and 78 internal staff as at 31 December 2014, 2015 and 2016, respectively. As at the Latest Practicable Date, we had 64 internal staff, of whom 44 were local employees in Singapore, 11 were local employees in Hong Kong, and 9 were foreign employees in Singapore. A break down of our internal staff by function as at Latest Practicable Date is set forth below:

Function	No. of internal staff
Management	7
Finance and accounting	6
Human resources and administration	3
Payroll	11
Operations	7
Consultants	<u>30</u>
Total number of internal staff	<u><u>64</u></u>

In addition, for our human resources outsourcing services, we had approximately 2,074 outsourced staff as at 31 December 2016. For more details about our outsourced staff, please refer to the section headed “Business — Our Business and Operations — Human resources outsourcing services — Our outsourced staff” in this prospectus.

Our Singapore Legal Advisers are of the view that during the Track Record Period and up to the Latest Practicable Date, we are in compliance with the relevant laws and regulations in Singapore that pertain to the employment of foreign employees.

During the Track Record Period, we had one foreign employee in Hong Kong who was employed as our internal staff in 2015 for a short period. Our Hong Kong Legal Counsel is of the view that during the Track Record Period, we are in compliance with the relevant laws and regulations in Hong Kong that pertain to the employment of such foreign employee.

Employee training

We value our employees as human capital and invest resources to educate and maintain their standards so that they can make a greater contribution to our success.

We provide orientation programmes for new internal staff to familiarise them with our general working environment and work culture. We also provide appropriate on-the-job training for our internal staff to enhance their capability. Basic training, as per our clients' request, is also provided to our outsourced staff to ensure they can render quality service to our client' standards.

Employee relations

Our Directors believe that we have a good relationship with our staff, including both internal staff and outsourced staff. Our staff are not members of any labour union. As at the Latest Practicable Date, we had not experienced any significant labour dispute with our staff or disruption to our operation due to labour disputes nor had we experienced any material difficulties in recruiting or retaining experienced staff.

Recruitment and remuneration

We generally pay our internal staff a fixed salary and a discretionary performance-based bonus. For the years ended 31 December 2014, 2015 and 2016, our internal staff costs, including Director's emoluments, were approximately S\$4.4 million, S\$5.1 million and S\$5.4 million, respectively. We participate in the mandatory provident fund for our employees, including the internal staff and outsourced staff, in accordance with the CPFA in Singapore and the MPF in Hong Kong respectively, and have paid the relevant contribution accordingly.

Our management team will assess the available human resources on a continuous basis and will determine whether additional internal staff are required to cope with our business operations and business development. We recruit internal staff mainly from the open market, internal reference and recruitment websites.

BUSINESS

PROPERTY INTEREST

As at the Latest Practicable Date, we occupied an office premise in Singapore leased from an Independent Third Party and an office premise in Hong Kong licensed from an Independent Third Parties. We did not own any property as at the Latest Practicable Date.

The details of the leased/licensed office premises are as follows:

Address	Approximate gross floor area	Lease term	Rates	Use
Unit #06-07 to #06-10, Ocean Financial Centre, 10 Collyer Quay, Singapore 049315	8,235 square feet	3 years commencing on 15 August 2014 and expiring on 14 August 2017 (<i>Note</i>)	Monthly rent of S\$64,233	Office
3/F, Three Pacific Place, 1 Queen's Road East, Central	260 square metre	1 year and a half commencing on 25 February 2017 and expiring on 24 August 2018	Monthly license fee of HK\$40,685	Office

Note: BGC Group has renewed the lease term with the landlord for another three years commencing on 15 August 2017 and expiring on 14 August 2020 at a monthly rent of S\$65,880 for the period from 15 August 2017 to 14 August 2018 and S\$68,350.5 for the period from 15 August 2018 to 14 August 2020.

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which require a valuation report with respect to all our Group's interests in land or buildings, for the reason that, as at 31 December 2016, none of the properties held or leased by us has a carrying amount of 15% or more of our consolidated total assets.

INTELLECTUAL PROPERTY RIGHTS

As at the Latest Practicable Date, we are the registered owner of one trademark in Singapore. For further details of our intellectual property rights, please refer to the section headed "Statutory and General Information — Further Information about our Company and our Subsidiaries — 10. Intellectual property rights of our Group" in Appendix IV to this prospectus.

As at the Latest Practicable Date, we were not aware of any infringement (i) by us of any intellectual property rights owned by third parties; or (ii) by any third parties of any intellectual property rights owned or being applied by us.

MARKET AND COMPETITION

According to the Ipsos Report, the human resources outsourcing and recruitment services industry in Singapore is fragmented, with professional service providers of different sizes and area of expertise, where competition is mainly based on quality of services, human resources database and the long term and stable relationship with clients.

The competition within the human resources industry is intense. According to the Ipsos Report, there were around 2,744 human resources agencies registered in the MOM in Singapore in September 2016 and around 2,579 licensed employment agencies on the list of licensed employment agencies under the EO in Hong Kong in June 2016. We may face competition from smaller or newly established professional service providers which often compete in terms of pricing. We may also have to compete with international competitors who may have better or longer established reputation, a wider range of services and a longer operating history than us. Nevertheless, our Directors believe that we will continue to maintain the following competitive advantages which will enable us to compete with our competitors:

- Our solid track record of providing human resources services to public sector in Singapore;
- Our vast pool of candidates registered within our database;
- Our long-term and stable relationship with our major clients; and
- Our stable and experienced management team.

RISK MANAGEMENT

Key risks relating to our business are set out in the section headed “Risk Factors” in this prospectus. The following sets out the key measures adopted by us under our risk management and internal control system for managing the more particular operational and financial risks relating to our business operations:

Risk of shortage of staff

As a human resources service provider, we rely on internal staff for our business operations, as well as the availability of outsourced staff to provide outsourcing services to our clients. Our management team will assess the availability of and need for internal staff on a continuous basis and will determine whether additional staff are required to cope with our business operations and business development. On the other hand, in order to source sufficient outsourced staff, we make use of different recruiting channels to broaden the recruitment network to ensure that suitable and sufficient numbers of outsourced staff are recruited and seconded to our clients. In selecting our outsourced staff, we ensure that our outsourced staff are equipped with the work process knowledge and execution ability according to our clients’ business needs.

Credit Management

During the Track Record Period, our clients were mainly located in Singapore. Approximately 49.4%, 62.6% and 68.4% of our total revenue for the years ended 31 December 2014, 2015 and 2016 was generated from the public sector comprising Singapore Government Agencies and NPOs, which

BUSINESS

carry little or no risk of default in the opinion of our Directors. Our Directors consider that the credit risk faced by us is mainly in relation to the collectability of trade receivables from clients in private sector. We usually charge our clients the service fees in a lump sum or monthly payment. Most of our services rendered to our clients are usually made with credit terms ranging from 30 to 60 days. We adopt a tight credit control policy and assess our clients' credit quality by evaluating their background, financial strength, payment history and the length of business relationship with us. To ensure timely settlement of our trade receivables, our consultants will follow up with the relevant clients on the outstanding payments. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material bad debts, overdue payments or payment default by our clients.

Liquidity risk management

Under a typical service agreement, we do not receive any upfront payments or deposits from our clients prior to the commencement of services. Throughout the provision of our services, we always receive payments after the performance of our services, for which we would have incurred costs (particularly costs of labours) that are required to be paid from our available financial resources. This will affect our liquidity position. Accordingly, we will monitor our working capital to ensure that our financial obligations can be met when due by, *inter alia*, (i) ensuring a healthy bank balances and cash for payment of our short-term working capital needs; and (ii) monitoring our trade receivables and its aging, and following up closely to ensure prompt receipt of amounts due from our clients.

Regulatory risk management

We keep abreast of any changes in government policies, laws, regulations, licensing requirement and permits, particularly the labour related ones. We are aware that any non-compliance may impact on our operation and business. We will ensure that all changes in government policies, laws, regulations, licensing requirement and permits are closely monitored and communicated to our internal staff and outsourced staff, where applicable, for proper implementation and compliance.

Data security

We handle a substantial amount of personal data related to individual candidates in our operations. Therefore, we have implemented internal control measures to safeguard the security and confidentiality of our database as follows:

- a. Access to document: We restrict access to information and database on a stringent need-to-know basis by maintaining policies specifying the level and extent of documentation required in our key business activities and for general use. Approval from our chief executive officer shall be obtained before any external requests to review the document and any release of the documents are executed.
- b. Storage of electronic data: Our Company had installed a server in the office and all electronic information is stored in the server. There are backup policies for each department in order to safeguard the information not be lapsed in any unexpected situation.
- c. Physical security of the environment: We implement password controls in certain working areas of the office where access is limited to supervisory staff.

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- d. **System security:** There are security measures in place to ensure security in every process of our operation. These measures include requiring confidential data be accessed by authorised staff through designated users accounts and passwords, disabling the alteration of data by general staff, and encrypting backup data. We prevent hackers from attacking our database by installing anti-virus software on servers and workstations as well as applying security patches and updates of operating systems. During the Track Record Period, we have not experienced any incidents relating to hackers attacking our database.
- e. **Compliance with the relevant laws and regulations:** Our employees are required to adhere to the obligations and responsibilities set out in the PDPA and PDPO (as the case may be) and all relevant laws and regulations in relation to the data privacy protection. We collect the personal data of each employee and will store this personal data in each employee's personal file. The collection, use and disclosure of employees' personal data are for the purposes of managing the employment relationship with our employees. The personal data will not be utilised for any other purposes without the prior consent of the employees. Access to this personal data is restricted only to our management.

CORPORATE GOVERNANCE

Save for the deviation from the code provision A.2.1 of the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules as disclosed in the section headed "Directors, Senior Management and Employees — Compliance with the Corporate Governance Code" in this prospectus, we will comply with the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules upon Listing. We have established three board committees, namely, the audit committee, the nomination committee and the remuneration committee, with respective terms of reference in compliance with the Corporate Governance Code. For details, please refer to the section headed "Directors, Senior Management and Employees — Board Committees" in this prospectus. In particular, one of the primary duties of our audit committee is to review the effectiveness of our Company's internal audit activities, internal controls and risk management systems. Our audit committee consists of all three of our independent non-executive Directors, whose backgrounds and profiles are set out in the section headed "Directors, Senior Management and Employees" in this prospectus.

In addition, to avoid potential conflicts of interests, we will implement corporate governance measures as set out in the section headed "Relationship with the Controlling Shareholders — Corporate Governance Measures" in this prospectus.

Our Directors will review our corporate governance measures and our compliance with the Corporate Governance Code each financial year and comply with the "comply or explain" principle in our corporate governance reports to be included in our annual reports.

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APPROVAL, LICENCE AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licences, permits and approvals that are material for our business operations in Singapore and Hong Kong. The following are the necessary licences required in connection with our business operations in Singapore and Hong Kong:

Group member	Licences	Issuing authority	Commencement date	Expiry date
BGC Group	Comprehensive licence to operate an employment agency issued pursuant to the Employment Agencies Act (Chapter 92) of Singapore and the Employment Agencies Rules 2011	Commissioner for Employment Agencies, MOM	12 May 2017	11 May 2020
BGC Search	Comprehensive licence to operate an employment agency issued pursuant to the Employment Agencies Act (Chapter 92) of Singapore and the Employment Agencies Rules 2011	Commissioner for Employment Agencies, MOM	25 September 2015	24 September 2018
BGC HK	Licence to operate an employment agency issued pursuant to section 52 of the EO	Commissioner for Labour, Labour Department of Hong Kong	14 April 2017	13 April 2018

We shall submit application to renew our licences before their expiry in accordance with relevant Singapore and Hong Kong laws and regulations. We do not expect any legal impediment to renew these licences upon their expiration.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any instances of suspension or revocation of requisite licences, permits and approvals granted to us that were material to our operations.

LEGAL PROCEEDINGS

During the Track Record Period and as at the Latest Practicable Date, we were not involved in any litigation, arbitration or administrative proceedings and no litigation, arbitration or claim is known to our Directors to be pending or threatened by or against us, that we believe would have a material adverse effect on our financial condition, results of operations or reputation.

NON-COMPLIANCE INCIDENTS

Our Directors confirm that save as disclosed below, which our Directors consider will not have a material adverse impact on our operations and financial results, there was no non-compliance incident which could have a material adverse effect on our financial condition or results of operations; and we have been in compliance in all material respects with all applicable laws and regulations in the jurisdiction where we conduct our business during the Track Record Period and up to the Latest Practicable Date.

Non-compliance with the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (“IRO”)

Details of the historical non-compliance incidents in relation to the inadvertent breaches of IRO are set out in the table below:

Non-compliance incident	Particulars of the non-compliance	Reasons for non-compliance	Rectification actions taken	Legal consequences and potential maximum penalties
Non-compliance with section 52(4) of the IRO	Failure of BGC HK to submit the notice (Form IR56E) regarding commencement of employment of 61 employees (based on our record kept for the recent seven years) which is required to be filed within three months after the commencement of employment of such employees until September 2016.	<p>The omission was not willful and was due to the inadvertent oversight of the administrative staff (who were not familiar with the legal requirements under the IRO) in Singapore responsible for employee records.</p> <p>So far as our Directors are aware, the Inland Revenue Department had not sent any notice or reminder in respect of Form IR56E to our Group every time when a Form 56B was filed in respect of our employees.</p>	<p>Upon enquiry with the Inland Revenue Department in September 2016 by calling the general enquiry hotline, we were informed that to avoid duplicate filing, outstanding Forms IR56E were not required to be submitted since the relevant employer’s returns of remuneration & pension (Forms IR56B) have been submitted.</p> <p>The relevant notices for all of our employees who commenced employment since September 2016 were duly filed within the prescribed time limit.</p>	<p>Under the IRO, the maximum penalty for each offence is HK\$10,000. As advised by the Hong Kong Legal Counsel, section 80(3) of the IRO stipulates that the time limit of prosecution of this kind of default is either in the year of assessment in respect of or during which the offence was committed or within six years after the expiration thereof.</p> <p>Accordingly, a total maximum penalty of HK\$610,000 may be imposed on us in respect of the failure to submit Form IR56E for 61 employees.</p> <p>Having considered that the offences under the IRO are quite minor and technical in nature and were not willful non-compliances and based on the summary of prosecution cases published by the Inland Revenue Department for prosecution since 1 April 2000, the Hong Kong Legal Counsel is of the view that the risk of us being prosecuted for the failure to comply with section 52(4) of the IRO is low and even if there is any prosecution, the chance of maximum sentence being imposed is low upon successful conviction(s) (if any).</p>

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Non-compliance incident	Particulars of the non-compliance	Reasons for non-compliance	Rectification actions taken	Legal consequences and potential maximum penalties
Non-compliance with section 52(5) of the IRO	Failure of BGC HK to submit the notice (Form IR56F) regarding cessation of employment of 50 employees (based on our record kept for the recent seven years) which is required to be filed at least one month before the expected date of departure of such employees until October 2016.	<p>The omission was not willful and was due to the inadvertent oversight of the administrative staff (who were not familiar with the legal requirements under the IRO) in Singapore responsible for employee records.</p> <p>So far as our Directors are aware, the Inland Revenue Department had not sent any notice or reminder in respect of Form 56F to our Group every time when a Form 56B was filed in respect of our employees.</p>	<p>Upon enquiry with the Inland Revenue Department in September 2016 by calling the general enquiry hotline, we were informed that to avoid duplicate filing, outstanding Forms IR56F were not required to be submitted since the relevant employer's returns of remuneration & pension (Forms IR56B) have been submitted.</p> <p>The relevant notices for all of our employees who ceased employment since October 2016 were duly filed within the prescribed time limit.</p>	<p>Under the IRO, the maximum penalty for each offence is HK\$10,000. As advised by the Hong Kong Legal Counsel, section 80(3) of the IRO stipulates that the time limit of prosecution of this kind of default is either in the year of assessment in respect of or during which the offence was committed or within six years after the expiration thereof.</p> <p>Accordingly, a total maximum penalty of HK\$500,000 may be imposed on us in respect of the failure to submit Form IR56F for 50 employees.</p> <p>Having considered that the offences under the IRO are quite minor and technical in nature and were not willful non-compliances and based on the summary of prosecution cases published by the Inland Revenue Department for prosecution since 1 April 2000, the Hong Kong Legal Counsel is of the view that there is a slight risk that we may be prosecuted for the non-compliance with section 52(5) of the IRO for not having filed any Form IR56F at all, and even if we are prosecuted and convicted, the sentence is likely to be a fine between \$3,000 to \$5,000 for each offence.</p>

Up to the Latest Practicable Date, there has not been any prosecution initiated against our Group or our officers, nor has any of them been subject to any fine or penalty relating to the non-compliance incidents. As advised by the Hong Kong Legal Counsel, the risk of our Group being prosecuted for its failure to comply with section 52(4) of the IRO is low and the risk that our Group may be prosecuted for its failure to comply with section 52(5) of the IRO is slight. Consequently, no provision has been made in our financial statements in respect of the potential liabilities of the above non-compliance incidents.

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Nevertheless, to further protect the interests of our Company and our Shareholders as a whole, our Controlling Shareholders have executed a deed of indemnity in favour of our Group pursuant to which our Controlling Shareholders have agreed that they will fully indemnify our Group on demand against any damages, losses, liabilities, claims, fines, penalties, orders, expenses and costs, or loss of profits, benefits which are or become payable or suffered by any member of our Group directly or indirectly as a result of and in connection with these incidents. For further details of the indemnities given by our Controlling Shareholders, please refer to the paragraph headed “16. Estate duty, tax and other indemnities” in Appendix IV to this prospectus.

Internal control measures

In order to prevent the recurrence of the above non-compliance incidents and to continuously improve our corporate governance, we have taken the following measures:

- (a) Based on the enhanced measures recommended by the internal control consultant of our Group, we have designated our human resources and administration department to be responsible for the preparation and submission of Form IR56E and Form IR56F to the Commissioner of Inland Revenue in accordance with the requirements of the IRO. The head of our human resources and administration department will ensure that any required Form IR56E and Form IR56F are submitted within the prescribed time limit to avoid any non-compliance in the future.
- (b) We have established the audit committee, which comprises three independent non-executive Directors, to oversee the internal control procedures and accounting and financial reporting matters of our Group.
- (c) Our Directors have attended trainings conducted by our Company’s Hong Kong legal advisers in August and September 2016 on the ongoing obligations, duties and responsibilities of directors of publicly listed companies under the applicable laws and rules of Hong Kong.
- (d) Our Company has appointed Mr. Chew as our compliance officer to ensure the compliance of our operation with the relevant laws and regulations.
- (e) Our Company has appointed CLC International as our compliance adviser to advise on compliance matters in accordance with the GEM Listing Rules.

Views of our Directors and the Sole Sponsor

Having considered the facts and circumstances leading to the non-compliance incidents and the internal control measures to avoid the recurrence of the non-compliance, particularly the following:

- (i) the non-compliance incidents are not material in nature, and since our Group has duly filed with the Inland Revenue Department the relevant employer's returns of remuneration and pensions (Form IR56B) in respect of the subject employees, the Inland Revenue Department was considered to be kept informed of the employment affairs of our Group despite our failure to file Forms IR56E and Forms IR56F;
- (ii) the non-compliance incidents were merely inadvertent and were not willful, and did not involve any fraudulency or dishonesty on the part of our Directors or impugn on their integrity or competence;
- (iii) upon becoming aware of the non-compliance incidents, our Directors immediately proceeded to rectify the non-compliance incidents at the first opportunity to the extent applicable;
- (iv) we have engaged an internal control consultant to review our internal control system and provide recommendations to enhance the internal control system, and have adopted and implemented the specific enhanced measures recommended by the internal control consultant against our historical non-compliance incidents in order to prevent re-occurrence of those incidents in the future;
- (v) no similar non-compliance incidents had occurred since the implementation of the enhanced measures recommended by the internal control consultant up to the Latest Practicable Date; and
- (vi) the non-compliance incidents were individually and collectively not material, and did not and will not have any significant financial and operational impact on our Group,

our Directors are of the view, and the Sole Sponsor concurs, that the above non-compliance incidents do not affect the suitability of our Directors to act as directors of a listed issuer under Rules 5.01 and 5.02 of the GEM Listing Rules nor our suitability for listing under Rule 11.06 of the GEM Listing Rules.

In light of the foregoing, our Directors are of the view, which the Sole Sponsor concurs, that the internal control measures adopted by us are adequate and effective to enable us to comply with the GEM Listing Rules and relevant regulatory requirements.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the Share Offer and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and any option which may be granted under the Share Option Scheme, our Company will be owned as to approximately 65.25% by Omnipartners, which is owned as to 80% by Mr. Chew and 20% by Ms. Yong. As Omnipartners, Mr. Chew and Ms. Yong are directly or indirectly entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of our Company immediately following the Listing, each of Omnipartners, Mr. Chew and Ms. Yong will be regarded as a group of Controlling Shareholders under the GEM Listing Rules.

Save as disclosed above, there is no other person who, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which fall to be issued pursuant to the exercise of the Offer Size Adjustment Option and any option which may be granted under the Share Option Scheme), will be directly or indirectly interested in 30% or more of the Shares then in issue.

DELINEATION OF BUSINESS

The core business of our Group focuses on the provision of human resources services in Singapore and Hong Kong. Apart from our business, our Controlling Shareholders do not have any interest in a business which competes with, or is likely to compete with our business, whether directly or indirectly, or would otherwise require disclosure under Rule 11.04 of the GEM Listing Rules.

Mr. Chew has interests in the businesses of (i) the provision of employee benefits using an online platform in Singapore and (ii) provision of human resources recruitment services in Indonesia and Malaysia (the “**Other Businesses**”), which are operated through companies owned and/or controlled by Mr. Chew. The following table sets out the companies held by Mr. Chew during the Track Record Period and up to the Latest Practicable Date:

Company	Place of incorporation	Date of incorporation	Principal business	Shareholders as at the Latest Practicable Date	Directors as at the Latest Practicable Date
1. Happy Benefits	Singapore	27 August 2010	Provision of employee benefits using an online platform in Singapore	1. Mr. Chew (80%) 2. Mr. Lee Soo Hong, who is the brother-in-law of Ms. Yong (20%)	Mr. Lee Soo Hong, who is the brother-in-law of Ms. Yong
2. Ohana	Singapore	17 February 2015	No operation	Mr. Chew (100%)	Mr. Chew

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Company	Place of incorporation	Date of incorporation	Principal business	Shareholders as at the Latest Practicable Date	Directors as at the Latest Practicable Date
3. BGC Indonesia	Indonesia	22 January 2014	Provision of human resources recruitment services in Indonesia	1. Mr. Chew (49%) 2. Independent Third Party (51%)	1. Independent Third Party as director 2. Independent Third Party as commissioner
4. BGC Malaysia	Malaysia	6 July 2011	Provision human resources recruitment services in Malaysia	1. Mr. Chew (49.5%) 2. Independent Third Party (50.5%)	1. Mr. Chew 2. Independent Third Party

The online platform of Happy Benefits offers employers a means to provide different kinds of benefits to their employees. Employees may choose from the online platform for awards ranging from flight awards, hotel awards to tour and cruise awards. Other than maintaining this online platform, Happy Benefits does not have any other operation. In addition, such online platform does not have any connection with our Group's business. Due to the different nature of business of Happy Benefits from that of our Group, Happy Benefits does not included in our Group.

Ohana has no business operation since its incorporation in February 2015. As such, the business operation of Ohana does not form part of our Group.

The business operation of BGC Indonesia and BGC Malaysia does not form part of our Group on the basis that the target clientele of BGC Indonesia and BGC Malaysia are located in Indonesia and Malaysia respectively which our Group had not and will not provide services in these two locations and we intend to focus and strengthen our position in the human resources industry in Singapore and Hong Kong. In addition, each of BGC Indonesia and BGC Malaysia has their own website and their own human resources database which is established on their own. We do not have any arrangement to license our trademarks to BGC Indonesia and BGC Malaysia. We have entered into a referral agreement with BGC Malaysia pursuant to which our Group provides referral services such as referring suitable candidates sourced by our Group in Singapore to BGC Malaysia while BGC Malaysia also refers suitable candidates sourced by them in Malaysia to us. For details, please refer to the section headed "Connected Transactions — Exempt Continuing Connected Transactions — B. Referral Agreement" in this prospectus. Other than such referral arrangement, we do not share candidates' information with BGC Malaysia. We do not have any referral arrangement or we do not share candidates' information with BGC Indonesia.

Happy Benefits, BGC Indonesia and BGC Malaysia were not involved in any material non-compliances, litigations or claims, or exposed to any actual or contingent material liabilities during the Track Record Period and up to the Latest Practicable Date.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Our Directors are of the view that there is a clear delineation between the Other Businesses and our business operations, as a result of which none of the Other Businesses would compete, or is expected to compete, directly or indirectly with our Group's business. Operations of our Group are independent of and separate from the Other Businesses. The Other Businesses was excluded from our Group as our Directors are of the view that such businesses do not form part of our principal business. Given the different nature and location of the target clientele of our Group's business from that of the Other Businesses, our Directors do not expect there to be any overlap or competition between the Other Businesses and our Group's business after the Listing.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having taken into account of the following factors, our Directors are satisfied that our Group is capable of carrying on our business independently of our Controlling Shareholders and their respective close associates (other than our Group) after the Listing.

Management independence

Our Board comprises three executive Directors and three independent non-executive Directors. While our executive Directors, namely Mr. Chew and Ms. Yong, are also our Controlling Shareholders due to their interest in Omnipartners as disclosed above, our Board comprises a balanced composition of independent non-executive Directors who have sufficient character, integrity and calibre for their views to carry weight, and thus can effectively exercise independent judgment. In addition, each of our Directors is aware of his/her fiduciary duties as a director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and does not allow any conflict between his/her duties as a director and his/her personal interests.

If our Directors who to their knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Group, the interested Directors shall declare such interest at the meeting of the Board at which the relevant transactions are to be first considered in accordance with the Articles of Association. The interested Directors shall also abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum in accordance with the Articles of Association. As such, Mr. Chew and Ms. Yong will not vote on those matters or transactions relating to any of our Controlling Shareholders or otherwise give rise to potential conflicts of interest come up for discussion at Board meetings and they would not be counted towards quorum in the relevant meetings.

Since Omnipartners has no business other than holding the shareholding interest in our Company, our Directors do not foresee any issue which may affect our management independence. In addition, save for Mr. Chew and Ms. Yong, none of our executive Director or senior management has any managerial role or beneficial interest in Omnipartners or has any family relationship with our Controlling Shareholders or any of their respective associates.

Three of our Board members, representing half of the members of our Board, are independent non-executive Directors who have extensive experience in different professions. They have been appointed pursuant to the requirements under the GEM Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of Directors from different backgrounds provides a balance of views and opinions.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Furthermore, our Board's main functions include the approval of our Group's overall business plans and strategies, monitoring the implementation of these policies and strategies and the management of our Company. Our Board acts collectively by majority decisions in accordance with the Articles of Association and the applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board.

Having considered the above factors and in light of the non-competition undertakings given by our Controlling Shareholders in favour of our Group (as more particularly disclosed in "Deed of Non-competition" below), our Directors are satisfied that they are able to perform their roles in our Group independently and are of the view that they are capable of managing our business independently from our Controlling Shareholders and their respective associates after Listing.

Operational independence

While our Board has full rights to make all decisions on the overall strategic development and management and operational aspects of the Group, our senior management (whose biographies are disclosed in the section headed "Directors, Senior Management and Employees") have overseen major essential operation functions of the Group. Together with our executive Director Ms. Lo Wing Yan Emmy, our senior management will continue overseeing those major essential operation functions of our Group, which can be executed without interference of our Controlling Shareholders and their close associates.

Further, our Group either holds or is the licensee of all the trademarks, copyrights and domain names with respect to our business, and has sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders and their respective close associates.

We have implemented a set of internal control procedures to facilitate the effective and independent operation of our business.

Further, save for the continuing connected transactions disclosed in "Connected Transactions", there have been no business dealings between our Group and the Controlling Shareholders and their close associates as at the Latest Practicable Date. Our Directors consider that our Group can operate independently from our Controlling Shareholders and their close associates.

Financial viability and independence

During the Track Record Period and up to the Latest Practicable Date, we had our own internal control and accounting system, accounting and finance department and treasury function for cash receipts and payments.

As at 31 December 2014, 2015 and 2016, the amount of total borrowings of our Group that were secured by the personal guarantee and charges on fixed deposits by Mr. Chew (details of which are set out in note 24 of the Accountants' Report) was approximately S\$269,000, nil and nil, respectively. The above borrowing of S\$269,000 outstanding as at 31 December 2014 was repaid in full in 2015.

As at the Latest Practicable Date, there was no outstanding loan granted by our Controlling Shareholders or their close associates to us and no guarantees provided for our benefit by our Controlling Shareholders or any of their close associates.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Moreover, we make financial decisions according to our own business requirements and in this connection, our Directors are of the view that our Group is capable of obtaining financing from external sources without reliance on our Controlling Shareholders after the Listing and thus there is no financial dependence on them.

DEED OF NON-COMPETITION

For the purpose of the Listing, the Controlling Shareholders have entered into with and in favour of our Company (for ourselves and as trustee for our subsidiaries) the Deed of Non-competition. Pursuant to the Deed of Non-competition, each of our Controlling Shareholders has confirmed that none of them is engaged in, or interested in, any business (other than our Group) which, directly or indirectly, competes or may compete with our business. To protect our Group from any potential competition, each of our Controlling Shareholders has unconditionally and irrevocably undertaken in favour of our Company (for ourselves and for the benefits of our subsidiaries), on a joint and several basis, that at any time during the Relevant Period (as defined below), each of them shall, and shall procure that their respective close associates and/or companies controlled by them (other than our Group) shall:

- (a) not, directly or indirectly, be interested or involved or engaged in or carry on or be concerned with or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in 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 in Hong Kong, Singapore and any other country or jurisdiction to which our Group provides such products and/or services and/or in which any member of our Group carries on business mentioned above currently and from time to time (the “**Restricted Activity**”);
- (b) not solicit any existing employee or then existing employee of our Group for employment by it/him/her or its/his/her close associates (excluding our Group);
- (c) not, without the consent from our Company, make use of any information pertaining to the business of our Group which may have come to its/his/her knowledge in its/his/her capacity as the Controlling Shareholder or otherwise for any purpose of engaging, investing or participating in any Restricted Activity;
- (d) to, either on its/his/her own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of our Group) to conduct any Restricted Activity;
- (e) to, either on its/his/her own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, solicit or endeavour to entice away from or discourage from dealing with our Group any person who was at any time during the period of one year preceding the date of the Deed of Non-competition a manufacturer for or supplier or subcontractor, customer or client of our Group;

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

- (f) if there is any project or new business opportunity (the “**Business Opportunity**”) that relates to the Restricted Activity and is offered or becomes aware to our Controlling Shareholders, they shall (i) promptly refer such Business Opportunity to our Group in writing for consideration and provide such information as is reasonably required in order to enable our Group to come to an informed assessment of such opportunity, (ii) use its/his/her best endeavours to procure that such opportunity is offered to our Group on terms no less favourable than the terms on which such opportunity is offered to such Controlling Shareholder and/or its/his/her close associates, and (iii) with regard to any Business Opportunity shall have been rejected by our Group and the principal terms of which our Controlling Shareholders and/or any of his/her/its close associates and/or entities or companies controlled by he/she/it invest or participate are no more favourable than those made available to our Company;
- (g) not invest or participate in or carry on any Business Opportunity of the Restricted Activity; and
- (h) procure its/his/her close associates (excluding our Group) not to invest or participate in or carry on any Business Opportunity of the Restricted Activity.

The above undertakings under the Deed of Non-competition do not apply to:

- (a) the holding of, or interests in, the shares of any members of our Group;
- (b) the holding of, or interests in, the shares of a company other than a member of our Group whose shares are listed on a recognised stock exchange provided that the total number of the shares held by the relevant Controlling Shareholder and/or its/his/her close associates does not exceed 5% of the issued shares of that class of the company in question, and such Controlling Shareholder and its/his/her respective close associates, whether acting singly or jointly, would not participate in or be otherwise involved in the management of the company in question.

Each of our Controlling Shareholders has further unconditionally and irrevocably undertaken to our Company (for ourselves and for the benefit of our subsidiaries):

- (a) to allow our Directors, their respective representatives and our auditors to have sufficient access to the records of each of our Controlling Shareholders and their respective close associates to ensure compliance with the terms and conditions of the Deed of Non-competition;
- (b) to provide to our Group and our Directors (including the independent non-executive Directors) from time to time all information necessary for the annual review by the independent non-executive Directors with regard to compliance with the terms of the Deed of Non-competition by our Controlling Shareholders;
- (c) to make an annual declaration as to full compliance with the terms of the Deed of Non-competition and a consent to disclose such letter in our annual report.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

The Deed of Non-competition will become effective upon the Share Offer becoming unconditional. The obligations of our Controlling Shareholders under the Deed of Non-competition will remain in effect during the period (the “**Relevant Period**”) from the Listing Date until the earlier of the date on which:

- (a) our Controlling Shareholders, together with their close associates, whether individually or taken together, cease to be interested directly or indirectly in 30% (or such other amount as may from time to time be specified in the GEM Listing Rules as being the threshold for determining a controlling shareholder) or more of the issued share capital of our Company; or
- (b) the Shares cease to be listed and traded on the Stock Exchange.

We believe the 30% threshold is justifiable as it is equivalent to the thresholds applied under the GEM Listing Rules and the Takeovers Code for the concept of “control”.

CORPORATE GOVERNANCE MEASURES

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

- i. our independent non-executive Directors will be responsible for considering and deciding as to whether to pursue or decline the Business Opportunity;
- ii. our Controlling Shareholders undertake to provide all details reasonably necessary for our Company to consider whether to pursue such Business Opportunity, and if there is any material change in the nature, terms or conditions of such Business Opportunity, our Controlling Shareholders shall refer such Business Opportunity to our Company as if it were a new Business Opportunity;
- iii. if appropriate, our independent non-executive Directors may appoint independent financial advisers to assist in the decision-making process in relation to such Business Opportunity;
- iv. our Controlling Shareholders undertake to provide all information necessary for the annual review by our independent non-executive Directors in respect of the compliance with the Deed of Non-competition;
- v. our independent non-executive Directors will review, on an annual basis, the compliance of the our Controlling Shareholders with the Deed of Non-competition, in particular the right of refusal relating to any Business Opportunity and our Company will disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance with and enforcement of the Deed of Non-competition in our annual report or by way of announcement to public; and
- vi. adoption of the Articles of Association which provides that a Director shall not vote on any resolutions of the Board in relation to any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested and shall not be counted in the quorum of the meeting where such resolution is considered, unless otherwise provided in the Articles of Association.

CONNECTED TRANSACTIONS

We entered into certain arrangements with the connected persons of our Company in the ordinary course of business during the Track Record Period. These transactions are expected to continue after the Listing and thereby constitute continuing connected transactions for the Company pursuant to the GEM Listing Rules. Details of these transactions are set out below.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. Shared Services Agreement

We have from time to time provided finance, human resources and other administrative services (the “**Shared Services**”) to the Non-listed Group in the ordinary and usual course of business and it is anticipated that the Non-listed Group will continue to engage our Group to provide the Shared Services in the ordinary and usual course of business upon the Listing.

Our Company entered into a shared services agreement with the Non-listed Group on 21 June 2017 (the “**Shared Services Agreement**”), pursuant to which our Company has agreed to provide or procure our subsidiaries to provide the Shared Services to the Non-listed Group subject to the terms and conditions of the Shared Services Agreement and the discretion of our Company as set out in our internal control policy for connected parties transactions. For further details, please refer to the section headed “Financial Information — Certain Balance Sheet Items — Amounts due from related companies and a director” in this prospectus. The term of the Shared Services Agreement commenced from 21 June 2017 and will end in 31 December 2019.

Historical transaction amounts

During the three years ended 31 December 2014, 2015 and 2016, our Group received in aggregate approximately S\$45,000, S\$28,000 and S\$33,000 respectively from the Non-listed Group for the provision of the Shared Services. The Shared Services were provided at actual cost.

Annual caps and basis

The aggregate service fees payable by the Non-listed Group to our Group for the three years ending 31 December 2017, 2018 and 2019 will not exceed S\$35,000, S\$35,000 and S\$35,000 respectively. The service fees under the Shared Services Agreement are based on the actual cost incurred in providing the Shared Services and are payable on a monthly basis and were determined after arm’s length negotiations. The annual caps of the service fees under the Shared Services Agreement are based on historical expenses incurred together with the estimated amount of services to be provided by the Group to the Non-listed Group.

Implications under the GEM Listing Rules

As each of the company of the Non-listed Group is a connected person of our Company after Listing, the provision of the Shared Services by our Group to the Non-listed Group under the Shared Services Agreement will constitute continuing connected transactions of our Company pursuant to Rule 20.14 of the GEM Listing Rules.

CONNECTED TRANSACTIONS

Our Directors (including our independent non-executive Directors) consider that the Shared Services Agreement has been entered into on arm's length basis, on normal commercial terms and in the ordinary and usual course of business, and that the transactions contemplated under the Shared Services Agreement and the annual caps are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

The transactions contemplated under the Shared Services Agreement fall within the exemption of sharing of administrative services under Rule 20.96 of the GEM Listing Rules and are exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

B. Referral Agreement

During the Track Record Period, BGC Malaysia had engaged our Group to provide referral services such as referring suitable candidates sourced by our Group in Singapore to BGC Malaysia. We have also engaged BGC Malaysia to refer suitable candidates sourced by BGC Malaysia in Malaysia to us during the Track Record Period (collectively, the “**Referral Services**”).

Our Group entered into a referral agreement with BGC Malaysia on 21 June 2017 (the “**Referral Agreement**”), pursuant to which (i) our Company has agreed to provide or procure our subsidiaries to provide the Referral Services to BGC Malaysia and (ii) BGC Malaysia agreed to provide the Referral Services to our Group, subject to the terms and conditions of the Referral Agreement and the discretion of our Company as set out in our internal control policy for connected parties transactions. For further details, please refer to the section headed “Financial Information — Certain Balance Sheet Items — Amounts due from related companies and a director” in this prospectus. The term of the Referral Agreement commenced from 21 June 2017 and will end on 31 December 2019.

Historical transaction amounts

Referral expenses paid to BGC Malaysia by our Group for the Referral Services (the “**Referral Expenses**”) for the three years ended 31 December 2014, 2015 and 2016 amounted to approximately S\$4,000, S\$5,000 and nil respectively.

Referral income paid by BGC Malaysia to our Group for the Referral Services (the “**Referral Income**”) for the three years ended 31 December 2014, 2015 and 2016 amounted to approximately S\$2,000, S\$81,000 and S\$66,000 respectively.

The Referral Expenses and the Referral Income were calculated based on the sharing of the revenue derived from the transaction in equal share with BGC Malaysia after deducting the cost of the candidate's payroll of that particular transaction.

Aggregated annual caps and basis

The aggregate Referral Expense for the three years ended 31 December 2017, 2018 and 2019 will not exceed S\$5,000, S\$5,000 and S\$5,000, respectively. The aggregate Referral Income for the three years ended 31 December 2017, 2018 and 2019 will not exceed S\$110,000, S\$150,000 and S\$200,000, respectively.

CONNECTED TRANSACTIONS

The Referral Expense and Referral Income under the Referral Agreement are calculated based on the sharing of the revenue derived from the transaction in equal share with BGC Malaysia after deducting the cost of the candidate's payroll of that particular transaction. The annual caps of the referral fees under the Referral Agreement are based on (i) the projected number of referrals provided to and to be provided by BGC Malaysia; (ii) the historical transactions amounts during the Track Record Period; and (iii) the prevailing market price for similar referral services.

Implications under the GEM Listing Rules

As BGC Malaysia is owned as to 49.5% by Mr. Chew and hence a core connected person of our Company after Listing, the transactions contemplated under the Referral Agreement will constitute continuing connected transactions of our Company pursuant to Rule 20.14 of the GEM Listing Rules.

Our Directors (including our independent non-executive Directors) consider that the Referral Agreement has been entered into on arm's length basis, on normal commercial terms and in the ordinary and usual course of business, and that the transactions contemplated under the Referral Agreement and the annual caps are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

Given that each of the percentage ratios (other than profit ratio) for the transactions contemplated under the Referral Agreement, where applicable, calculated by reference to Rule 19.07 of the GEM Listing Rules, is expected on an annual basis to be less than 5% and the annual consideration is less than HK\$3 million, the transactions contemplated under the Referral Agreement fall within the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules and are exempt from the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

BUSINESS OBJECTIVE

Our principal business objective is to further strengthen our position in the human resources services industry in Singapore. Please refer to the section headed “Business — Business Objective and Strategies” for our business strategies.

IMPLEMENTATION PLANS

In pursuance of the business objective set forth above, our implementation plans are set forth below for each of the six-month period until 31 December 2019. Investors should note that the following implementation plans are formulated on the bases and assumptions referred to in the paragraph headed “Bases and assumptions” below. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed “Risk Factors” in this prospectus. There is no assurance that our business objectives will be achieved or our business plans will be implemented according to the estimated time frame or at all.

For the period from the Listing Date to 31 December 2017

Business Strategies	Implementation activities	Source of funding
Strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore	<ul style="list-style-type: none">— Set up two new business teams, each of which shall comprise a division manager, five consultants and two sales supporting staff, for expanding our human resources outsourcing and recruitment services in the retail and food & beverage industry and the information and communication technology industry in Singapore, respectively. All of the division manager, consultants and sales supporting staff should be a diploma/degree holder. The division manager of the corresponding new business team will be responsible for planning and implementing our business development in the retail and food & beverage industry and the information and communication technology industry in Singapore, respectively, and should have around six to eight years’ relevant experience in the human resources services industry. The consultants will be responsible for marketing our services to new clients through their network and engaging existing clients to explore business opportunities, and should have around three to five years’ relevant experience in the human resources services industry. The sales supporting staff will be responsible for providing operational and administrative supports to the business team, and should have around two years’ relevant experience— Maintain the operation of the newly established business team for our services in the retail and food & beverage industry in Singapore— Acquire new office facilities for the new business team— Renovate our existing office in Singapore	To be funded by net proceeds from the Share Offer of approximately HK\$4.1 million

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	Source of funding
<p>Enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong</p>	<ul style="list-style-type: none"> — Recruit two consultants to expand our human resources recruitment services in Hong Kong, particularly targeting the banking, insurance and financial services industry and the information and communication technology industry. The consultants should be a diploma/degree holder and have around two to five years' relevant experience in the human resources recruitment services. The consultants will be responsible for marketing our services to new clients through their network and engaging existing clients to explore business opportunities — Maintain the operation of the expanded business team in Hong Kong — Lease larger office premises in Hong Kong to cope with our business expansion — Acquire new office facilities for the two additional consultants — Renovate the new office in Hong Kong and purchase equipment 	<p>To be funded by net proceeds from the Share Offer of approximately HK\$1.5 million</p>
<p>Enhance our brand awareness</p>	<ul style="list-style-type: none"> — Set up a marketing team by recruiting a marketing manager and three marketing executives. Both the marketing manager and marketing executives should be a diploma/degree holder. The marketing manager should have at least eight years' relevant experience in human resources services industry, and the marketing executives should have around two to five years' relevant experience in human resources services industry — Advertise in industry magazines and public electronic media, as well as utilise search engine marketing and search engine optimisation — Engage an independent public relations firm to formulate marketing strategies for us and evaluate the effectiveness — Organise seminars for potential candidates — Participate in recruitment roadshows — Conduct other advertising and promotional activities to enhance our brand awareness and attract new clients and potential candidates 	<p>To be funded by net proceeds from the Share Offer of approximately HK\$1.5 million</p>

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	Source of funding
Enhance our IT system to support our business operations	<ul style="list-style-type: none">— Engage a software vendor to develop a payroll system that is customised to our outsourcing business operations, with functions such as collecting and calculating time attendance, maintaining payroll records, managing leave entitlements and arranging for salary payment, to streamline our payroll processes for outsourced staff, and organise training on the payroll system to our internal staff — Acquire a human resources management system with functions, including time attendance management and benefits administration, to automate certain key processes in human resources management, and upgrade the human resources management system to adapt to our changing needs — Engage a web developer to review and enhance our website to attract new clients and potential candidates — Create a mobile app for our human resources outsourcing and recruitment business — Build a cloud database hosting system as our backup system for our candidate database	To be funded by net proceeds from the Share Offer of approximately HK\$5.2 million

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 30 June 2018

Business Strategies	Implementation activities	Source of funding
<p>Strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore</p>	<ul style="list-style-type: none"> — Maintain the operation of the two newly established business teams for our services in the retail and food & beverage industry and information and communication technology industry, respectively, in Singapore — Set up a new business team, which shall comprise a division manager, five consultants and two sales supporting staff, for expanding our human resources outsourcing and recruitment services in the information and communication technology industry in Singapore. All of the division manager, consultants and sales supporting staff should be a diploma/degree holder. The division manager will be responsible for planning and implementing our business development in the information and communication technology industry in Singapore, and should have around six to eight years' relevant experience in the human resources services industry. The consultants will be responsible for marketing our services to new clients through their network and engaging existing clients to explore business opportunities, and should have around three to five years' relevant experience in the human resources services industry. The sales supporting staff will be responsible for providing operational and administrative supports to the business team, and should have around two years' relevant experience 	<p>To be funded by net proceeds from the Share Offer of approximately HK\$4.1 million</p>
<p>Enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong</p>	<ul style="list-style-type: none"> — Maintain the operation of the expanded business team in Hong Kong — Recruit one additional consultant to expand our human resources recruitment services in Hong Kong, particularly targeting the banking, insurance and financial services industry and the information and communication technology industry. The consultant should be a diploma/degree holder and have around two to five years' relevant experience in the human resources recruitment services. The consultants will be responsible for marketing our services to new clients through their network and engaging existing clients to explore business opportunities 	<p>To be funded by net proceeds from the Share Offer of approximately HK\$1.0 million</p>

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	Source of funding
Enhance our brand awareness	<ul style="list-style-type: none"> — Continue to conduct advertising and promotional activities to enhance our brand awareness and attract new clients and potential candidates — Organise seminars for potential candidates — Participate in recruitment roadshows — Organise client relationship events — Retain the independent public relations firm to formulate marketing strategies and evaluate the effectiveness 	To be funded by net proceeds from the Share Offer of approximately HK\$1.8 million
Enhance our IT system to support our business operations	<ul style="list-style-type: none"> — Continue the development of the payroll system and organise the training on the payroll system to our internal staff — Continue upgrading the human resources management system to adapt to our changing needs — Continue the development of the mobile app for our human resources outsourcing and recruitment business — Maintain the cloud database hosting system as our backup system for our candidate database 	To be funded by net proceeds from the Share Offer of approximately HK\$0.7 million

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 31 December 2018

Business Strategies	Implementation activities	Source of funding
<p>Strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore</p>	<ul style="list-style-type: none"> — Maintain the operation of the three newly established business teams in Singapore — Set up a new business team, which shall comprise a division manager, five consultants and two sales supporting staff, for expanding our human resources outsourcing and recruitment services in the banking, insurance and financial services industry in Singapore. All of the division manager, consultants and sales supporting staff should be a diploma/degree holder. The division manager will be responsible for planning and implementing our business development in the banking, insurance and financial services industry in Singapore, and should have around six to eight years' relevant experience in the human resources services industry. The consultants will be responsible for marketing our services to new clients through their network and engaging existing clients to explore business opportunities, and should have around three to five years' relevant experience in the human resources services industry. The sales supporting staff will be responsible for providing operational and administrative supports to the business team, and should have around two years' relevant experience 	<p>To be funded by net proceeds from the Share Offer of approximately HK\$6.4 million</p>
<p>Enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong</p>	<ul style="list-style-type: none"> — Maintain the operation of the expanded business team in Hong Kong 	<p>To be funded by net proceeds from the Share Offer of approximately HK\$1.1 million</p>
<p>Enhance our brand awareness</p>	<ul style="list-style-type: none"> — Continue to conduct advertising and promotional activities to enhance our brand awareness and attract new clients and potential candidates — Organise seminars for potential candidates — Participate in recruitment roadshows — Retain the independent public relations firm to formulate marketing strategies and evaluate the effectiveness 	<p>To be funded by net proceeds from the Share Offer of approximately HK\$1.3 million</p>

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	Source of funding
Enhance our IT system to support our business operations	<ul style="list-style-type: none"> — Continue the development of the payroll system — Continue upgrading the human resources management system to adapt to our changing needs — Continue the development of the mobile app for our human resources outsourcing and recruitment business — Maintain the cloud database hosting system as our backup system for our candidate database 	To be funded by net proceeds from the Share Offer of approximately HK\$0.2 million

For the six months ending 30 June 2019

Business Strategies	Implementation activities	Source of funding
Strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore	<ul style="list-style-type: none"> — Maintain the operation of the four newly established business teams in Singapore 	To be funded by net proceeds from the Share Offer of approximately HK\$5.9 million
Enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong	<ul style="list-style-type: none"> — Maintain the operation of the expanded business team in Hong Kong 	To be funded by net proceeds from the Share Offer of approximately HK\$1.1 million
Enhance our brand awareness	<ul style="list-style-type: none"> — Continue to conduct advertising and promotional activities to enhance our brand awareness and attract new clients and potential candidates — Organise seminars for potential candidates — Participate in recruitment roadshows — Retain the independent public relations firm to formulate marketing strategies and evaluate the effectiveness 	To be funded by net proceeds from the Share Offer of approximately HK\$1.8 million

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	Source of funding
Enhance our IT system to support our business operations	<ul style="list-style-type: none"> — Continue the development of the payroll system — Continue upgrading the human resources management system to adapt to our changing needs — Continue the development of the mobile app for our human resources outsourcing and recruitment business — Maintain the cloud database hosting system as our backup system for our candidate database 	To be funded by net proceeds from the Share Offer of approximately HK\$0.2 million

For the six months ending 31 December 2019

Business Strategies	Implementation activities	Source of funding
Strengthen our market position in the private sector in Singapore through expanding our human resources outsourcing and recruitment services in Singapore	<ul style="list-style-type: none"> — Maintain the operation of the four newly established business teams in Singapore 	To be funded by net proceeds from the Share Offer of approximately HK\$7.0 million
Enhance our market penetration in Hong Kong through expanding our human resources recruitment services in Hong Kong	<ul style="list-style-type: none"> — Maintain the operation of the expanded business team in Hong Kong 	To be funded by net proceeds from the Share Offer of approximately HK\$1.3 million
Enhance our brand awareness	<ul style="list-style-type: none"> — Continue to conduct advertising and promotional activities to enhance our brand awareness and attract new clients and potential candidates — Organise seminars for potential candidates — Participate in recruitment roadshows — Retain the independent public relations firm to formulate marketing strategies and evaluate the effectiveness 	To be partially funded by net proceeds from the Share Offer of approximately HK\$0.6 million

FUTURE PLANS AND USE OF PROCEEDS

Business Strategies	Implementation activities	Source of funding
Enhance our IT system to support our business operations	<ul style="list-style-type: none"> — Continue the development of the payroll system — Continue upgrading the human resources management system to adapt to our changing needs — Continue the development of the mobile app for our human resources outsourcing and recruitment business — Maintain the cloud database hosting system as our backup system for our candidate database 	To be funded by net proceeds from the Share Offer of approximately HK\$0.2 million

BASES AND ASSUMPTIONS

Potential investors should note that the attainability of our business objective depends on a number of assumptions, in particular:

- we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which our future plans relate;
- there will be no material changes in the existing political, legal, fiscal, foreign trade or economic conditions in Singapore and Hong Kong, in which we intend to continue operating;
- there will be no material changes in the bases or rates of taxation in those countries in which we operate or intend to operate;
- there will be no material changes in legislation or regulations in Singapore, Hong Kong or elsewhere which may materially affect our business;
- the Share Offer will be completed in accordance with and as described in the section headed “Structure and Conditions of the Share Offer” in this prospectus;
- there will be no significant changes in the interest rates or the foreign currency exchange rates from those currently prevailing;
- we will retain key personnel in our management team;
- there will be no significant changes in our business relationships with our existing major clients;
- there will be no material changes in the funding required for each of the scheduled achievements as outlined under the paragraph headed “Implementation plans” in this section; and
- we are not materially and adversely affected by any risk factor set out in the section headed “Risk Factors” in this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

REASONS FOR THE LISTING AND USE OF PROCEEDS

Reasons for listing

We believe that the Listing represents an important step to implement our business strategies. We are applying for listing in Hong Kong because it has a high level of internationalisation, maturity in the global financial market, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, we believe that there will be higher liquidity and valuation, and greater exposure to a broader analyst and investment community, which would facilitate our future fund raising should such need arise. We have not applied for listing of the Shares on any other stock exchange. Our Directors believe that the Listing would help to raise our Group's brand awareness and publicity on an international level, making our services known to new potential clients. In addition, our Directors also believe that clients may prefer to do business with a listed company given its reputation, listing status, public financial disclosures and general regulatory supervision by relevant regulatory bodies. We are also of the view that our Listing in Hong Kong will help us attract more talented staff to join us.

With the proceeds from our Listing, we will be able to execute our plan in expanding and strengthening our human resources services in Singapore and Hong Kong. We are also able to enhance our IT systems to support our business expansion and increase operational efficiency. The proceeds from Listing also allow us to enhance our brand awareness by conducting an array of marketing activities and engaging a public relations firm with an aim to enhance our company awareness and attract new clients as well as potential candidates.

During the Track Record Period, our source of funds was mainly generated from our operations. The bank borrowing obtained by us during the Track Record Period was primarily for the purpose of financing the relocation and renovation of our new office in Singapore in 2014. The implementation of our business strategies, as described in detail in this section, will require considerable additional financial resources. Our Directors consider that if we rely on bank borrowings, which would normally require guarantees from our Shareholders, to finance our business expansion, the financing costs incurred would place financial burden on us and the reliance on the financial strength of our Shareholders would also substantially hinder the development and expansion of our business. Our Directors also consider that as we do not have property assets available for pledging as collateral, we may encounter difficulty in securing bank borrowings, without the support by our Shareholders, at all or on terms favourable to us. We believe that through the Listing, not only will we be able to raise net proceeds from the Share Offer to finance our business development plan, but we will enjoy more flexibility and gain access to a variety of fund raising avenues, including the issuance of equity and debt securities, to fund our further business expansion and long-term development as and when necessary. Our Directors also believe that a listing status will allow us to gain leverage in obtaining bank financing on relatively more favourable terms, as and when we consider appropriate for our business expansion, and may enable us to acquire bank financing without reliance on our Shareholders for any financial assistance in the form of guarantees. Therefore, our Directors are of the view that the Share Offer would be a more suitable alternative compared to debt financing for the purpose of financing the implementation of our business strategies as mentioned in this section.

FUTURE PLANS AND USE OF PROCEEDS

Use of proceeds

The net proceeds from the Share Offer, after deducting underwriting fees and commission and other estimated expenses in connection with the Share Offer, are estimated to amount to approximately HK\$52.0 million (assuming an Offer Price of HK\$0.50 per Share, being the mid-point of the indicative Offer Price range and assuming the Offer Size Adjustment Option is not exercised). We intend to use the proceeds for the following purposes:

- approximately HK\$27.5 million (approximately 52.9% of the net proceeds) will be used for expanding our human resources outsourcing and recruitment services in Singapore;
- approximately HK\$6.0 million (approximately 11.5% of the net proceeds) will be used for expanding our human resources recruitment services in Hong Kong;
- approximately HK\$7.0 million (approximately 13.5% of the net proceeds) will be used for enhancing our brand awareness;
- approximately HK\$6.5 million (approximately 12.5% of the net proceeds) will be used for enhancing our IT system to support our business operations; and
- the remaining amount of approximately HK\$5.0 million (approximately 9.6% of the net proceeds) will be used for our working capital and other general corporate purposes.

In summary, the implementation of our business strategies from the Listing Date up to the year ending 31 December 2019 will be funded by the net proceeds of the Share Offer as follows:

	From the Listing Date to 31 December 2017 <i>HK\$</i> <i>(in million)</i>	For the six months ending 30 June 2018 <i>HK\$</i> <i>(in million)</i>	For the six months ending 31 December 2018 <i>HK\$</i> <i>(in million)</i>	For the six months ending 30 June 2019 <i>HK\$</i> <i>(in million)</i>	For the six months ending 31 December 2019 <i>HK\$</i> <i>(in million)</i>	Approximate percentage of net proceeds
	Total	Total	Total	Total	Total	Total
Expanding our human resources outsourcing and recruitment services in Singapore	4.1	4.1	6.4	5.9	7.0	27.5 52.9%
Expanding our human resources recruitment services in Hong Kong	1.5	1.0	1.1	1.1	1.3	6.0 11.5%
Enhancing our brand awareness	1.5	1.8	1.3	1.8	0.6	7.0 13.5%
Enhancing our IT system to support our business operations	5.2	0.7	0.2	0.2	0.2	6.5 12.5%
Working capital and other general corporate purposes	5.0	—	—	—	—	5.0 9.6%
Total	17.3	7.6	9.0	9.0	9.1	52.0 100.0%

In the event that the Offer Price (assuming the Offer Size Adjustment Option is not exercised) is set at the high-end or the low-end of the proposed Offer Price range, the net proceeds from the Share Offer will increase or decrease by approximately HK\$7.2 million to high-end of approximately HK\$59.2 million and low-end of approximately HK\$44.8 million, after deducting related expenses, respectively. We intend to use the net proceeds based on the percentages disclosed above, regardless of whether the Shares are priced at the high-end or low-end of the proposed Offer Price.

FUTURE PLANS AND USE OF PROCEEDS

If the Offer Size Adjustment Option is exercised in full, the estimated net proceeds from the Share Offer will increase by (i) approximately HK\$9.8 million (assuming that the final Offer Price is set at the lowest of the indicative Offer Price range), (ii) approximately HK\$10.9 million (assuming that the final Offer Price is set at the mid-point of the indicative Offer Price range), and (iii) approximately HK\$11.9 million (assuming that the final Offer Price is set at the highest of the indicative Offer Price range) respectively. We intend to apply the additional net proceeds from the exercise of the Offer Size Adjustment Option in the same proportions as disclosed above.

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes, it is the present intention of our Directors that these proceeds will be placed on short-term interest-bearing deposits with licensed banks and/or financial institutions in Singapore or Hong Kong.

In the event of any material change in our use of net proceeds from the purposes described above or in our allocation of the net proceeds among the purposes described above, a formal announcement will be made.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS AND SENIOR MANAGEMENT

The Board currently consists of six Directors, comprising three executive Directors and three independent non-executive Directors. The Board is responsible and has general powers for management and conduct of the Group business. The following table sets forth certain formation concerning our Directors:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as Director	Relationship with other Directors and senior management
Mr. Chew Chee Kian (周志堅)	44	Executive Director, chairman and chief executive officer	Overseeing the overall business development, strategic planning and major decision-making	March 2005	8 August 2016	Spouse of Ms. Yong
Ms. Yong Yuet Han (熊悦涵)	37	Executive Director	Overseeing the overall business development, strategic planning and major decision-making	August 2009	8 August 2016	Spouse of Mr. Chew
Ms. Lo Wing Yan Emmy (盧詠欣)	44	Executive Director, chief financial officer and company secretary	Overseeing the financial and risk management operations	August 2016	19 September 2016	Nil
Mr. Fan Chun Wah Andrew (范駿華), J.P.	38	Independent non-executive Director	Providing independent advice to the Board	21 June 2017	21 June 2017	Nil
Mr. Koh Shian Wei (許峴璋)	45	Independent non-executive Director	Providing independent advice to the Board	21 June 2017	21 June 2017	Nil
Ms. Lam Shun Ka (林汛珈) (formerly known as Lam Yuk Shan (林玉珊))	46	Independent non-executive Director	Providing independent advice to the Board	21 June 2017	21 June 2017	Nil

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The following table sets forth certain information concerning our other senior management members:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment for current position	Relationship with other Directors and senior management
Ms. Goh Mui Hoon (吳美芬)	41	Division director	Strategy formulation and business development	April 2008	April 2013	Nil
Ms. Lee Gek Lin (李玉玲)	44	Finance controller	Overall financial management and company secretarial matters	November 2008	February 2016	Nil
Ms. Ng Beng Li (黃明莉)	42	Country manager	Strategy formulation and business development	May 2007	January 2009	Nil

DIRECTORS

Executive Directors

Mr. Chew Chee Kian (周志堅), aged 44, was appointed as an executive Director on 8 August 2016. He is the founder of our Group. Mr. Chew is responsible for the overall business development, strategic planning and major decision-making of our Group.

Mr. Chew has over 15 years of experience in the human resources outsourcing and recruitment industry. He worked for Recruit Express Pte. Ltd, which mainly provides staffing solutions, from April 1997 to September 2001, and he last served as a team leader responsible for supervising recruitment services to corporate clients. He was a founding partner of Bridgegate Consultancy Pte Ltd., which mainly provides recruitment services to corporate clients, from November 2001 to December 2004, and he was responsible for business development. Bridgegate Consultancy Pte Ltd. was dissolved pursuant to section 344 of the Companies Act (Chapter 50) of Singapore (“**Companies Act**”). It is confirmed by Mr. Chew that the dissolution of Bridgegate Consultancy Pte Ltd. was voluntary by way of submitting an application to the Registrar on 29 December 2008 because it had ceased to carry on business or operation for more than three months immediately before the relevant application.

Mr. Chew graduated from the Management Development Institute of Singapore (Singapore) with a diploma degree in computing with management in November 2000. He has been a member of Entrepreneurs’ Organisation in Singapore since 2009.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Yong Yuet Han (熊悦涵), aged 37, was appointed as an executive Director on 8 August 2016. She joined our Group in August 2009. She is responsible for the overall business development, strategic planning and major decision-making of our Group.

Ms. Yong has approximately 16 years of experience in human resources outsourcing and recruitment industry. She was an assistant manager of Recruit Express Pte Ltd, which is a recruitment firm, in or about June 2000 to August 2005, and she was responsible for providing recruitment services to corporate clients in information communication and technology sector. She was a regional business development manager of IQPC Worldwide Pte Ltd, which mainly organises worldwide conferences, in or about April 2005 to June 2007, and she was responsible for regional business development. She was a principal consultant of Pentasia iGaming Recruitment, which mainly provides recruitment consultancy services, in or about January 2007 to July 2009, and she was responsible for development business relationship and strategic planning.

Ms. Yong graduated from Ngee Ann Polytechnic (Singapore) with a diploma degree in building and real estate management in August 2000.

Ms. Lo Wing Yan Emmy (盧詠欣), aged 44, was appointed as the chief financial officer on 8 August 2016 and an executive Director and the company secretary of our Company on 19 September 2016. She joined our Group in August 2016 and is responsible for the overall finance management and company secretarial of our Group.

Ms. Lo has over 15 years of experience in accounting, financial management and restructuring. She accumulated her accounting and restructuring experience from PacificNet Inc (a company listed on United States NASDAQ code of PACT) from September 2000 to August 2003 as accounting manager, China Strategic Holdings Limited (a company listed on the Stock Exchange with stock code of 0235) where she started as a senior accountant in August 2004 and last served as an assistant accounting manager in October 2007, Fortune Sun (China) Holdings Limited (a company listed on the Stock Exchange with stock code of 0352) from October 2007 to September 2008 as finance manager, and Global Tech Holdings Limited (a company listed on the Stock Exchange with stock code of 0143 and on the Singapore Stock Exchange with stock code of G11) from October 2008 to June 2013 as finance manager. She worked as the financial controller of Titan Petrochemicals Group Limited (a company listed on the Stock Exchange with stock code of 1192) from July 2013 to July 2016 and was appointed as company secretary in October 2015 and resigned in July 2016.

Ms. Lo was the independent non-executive director of Birmingham International Holdings Limited which is formerly known as Grandtop International Holdings Limited (a company listed on the Stock Exchange with stock code of 2309) from October 2002 to December 2006. She is currently an independent non-executive director of Miko International Holdings Limited (a company listed on the Stock Exchange with stock code of 1247) (“**Miko International**”) since 14 April 2016. Ms. Lo has tendered her resignation as an independent non-executive director of Miko International on 20 June 2017. Pursuant to her appointment letter with Miko International, the effective date of her resignation shall be two months from the date of resignation or any earlier date as agreed with the board of directors of Miko International.

Ms. Lo obtained a master degree in Applied Finance in September 2004 from University of Western Sydney (Australia). She has been a member of Hong Kong Institute of Public Accountants (HKICPA) since April 2001.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Independent non-executive Directors

Mr. Fan Chun Wah Andrew (范駿華), *J.P.*, aged 38, was appointed as our independent non-executive Director on 21 June 2017.

Mr. Fan was the manager of the assurance department of PricewaterhouseCoopers from September 1999 to November 2004 responsible for the management of audit projects for corporate clients and the vice president and compliance officer of the research compliance department at Citigroup Global Markets Asia Limited from April 2005 to August 2005 responsible for developing and reviewing risk matrix for the organization. Mr. Fan has been the managing director of C.W. Fan & Co. Limited (泛華會計師事務所有限公司) since November 2013 and the partner of C.W. Fan & Co. (泛華會計師行) since January 2006. Mr. Fan was a director of the following companies in the last three years preceding the Latest Practicable Date:

Period of services	Name of the listed companies	Principal business activities	Position	Responsibilities
February 2009 to March 2014	CIG Yangtze Ports PLC, whose shares are listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8233)	Investment in and development, operation and management of container ports	Independent non-executive director	Board oversight and independent management
March 2013 to July 2015	Milan Station Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1150)	Retail of handbags, fashion accessories and embellishments	Independent non-executive director	Board oversight and independent management
March 2013 to December 2016	LT Commercial Real Estate Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0112)	Property development, property investment, securities investment, and finance activities in Hong Kong, Mainland China, and the US	Independent non-executive director	Board oversight and independent management
September 2015 to August 2016	On Real International Holdings Limited, whose shares are listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8245)	Design and manufacturer of two-way radio product	Independent non-executive director	Board oversight and independent management

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Period of services	Name of the listed companies	Principal business activities	Position	Responsibilities
July 2015 to May 2017	Hong Kong Resources Holdings Company Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2882)	Retail and franchise of gold and jewellery products in Mainland China, Hong Kong, and Macau	Independent non-executive director	Board oversight and independent management

As at the Latest Practicable Date, Mr. Fan is the director of the following companies:

Period of services	Name of the listed companies	Principal business activities	Position	Responsibilities
January 2013 to present	Chuang's China Investments Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0298)	Property investment and development in Hong Kong and Mainland China	Independent non-executive director	Board oversight and independent management
March 2014 to present	Sinomax Group Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1418)	Marketing, manufacture, and distribution of visco-elastic health and wellness products	Independent non-executive director	Board oversight and independent management
October 2014 to present	Fulum Group Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1443)	Operation of full-service restaurant chain serving Cantonese cuisine in Hong Kong and in the PRC	Independent non-executive director	Board oversight and independent management
April 2015 to present	Culturecom Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0343)	Publishing comic books and provision of media content in Hong Kong, Mainland China, and Macau	Independent non-executive director	Board oversight and independent management
January 2016 to present	Nameson Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1982)	Knitwear manufacturers in the PRC	Independent non-executive director	Board oversight and independent management

Note: Based on the published annual reports of the above listed companies that he has directorships as at the Latest Practicable Date and the confirmation from Mr. Fan, Mr. Fan has attended substantially all the board meetings of the above listed companies since his appointment as an independent non-executive director of these listed companies.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The Sponsor understands that Mr. Fan usually maintains directorships in seven to eight different listed companies at the same time and this practice of being independent non-executive director of numerous listed companies has been maintained for quite a number of years. Mr. Fan has confirmed that he has not found any difficulty in devoting and managing his time to the numerous listed companies that he is involved in and none of the listed companies that he has directorship has questioned or complained about his time devoted to the listed companies. Based on the usual practice of Mr. Fan being independent non-executive directors of numerous listed companies at the same time, the attendance record of Mr. Fan at the board meetings of the listed companies that he has directorships as at the Latest Practicable Date and the confirmation from Mr. Fan that he is committed to devote sufficient time to our Company, the Sponsor is of the view that Mr. Fan will have sufficient time to discharge his fiduciary duties as a director of our Company as required by the GEM Listing Rules.

Mr. Fan received the bachelor of business administration in accounting and finance from the University of Hong Kong in December 1999 and the bachelor of laws from University of London (United Kingdom) held by the School of Professional and Continuing Education of the University of Hong Kong as an external student in August 2007. In January 2003 and September 2011, Mr. Fan was admitted as a member of the Hong Kong Institute of Public Accountants (formerly known as the Hong Kong Society of Accountants) and a fellow member of the Association of Chartered Certified Accountants respectively. He is also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Fan has been a member of the 10th and the 11th Zhejiang Province Committee of the Chinese People's Political Consultative Conference (中華人民共和國政治協商會議浙江省第十屆及第十一屆委員會) since 2008. He was a member of the 4th and the 5th Shenzhen Committee of the Chinese People's Political Consultative Conference (中華人民共和國政治協商會議廣東省深圳市第四屆及第五屆委員會) from 2008 to 2015.

Mr. Koh Shian Wei (許峴璋), aged 45 was appointed as our independent non-executive Director on 21 June 2017.

Mr. Koh was formerly the Honorary Consulate-General of Papua New Guinea in Singapore from October 2004 to December 2013. He was awarded the Public Service Medal in 2008 for his contribution to the relationship and business between Singapore and Papua New Guinea as a Member of Logohu. Mr. Koh has more than 20 years of international business experience in marketing, sales, business and market development in Asia. He is currently the director of Milne International Pte Ltd since April 2002, distributing timber and panel products to Europe and Asia region. He is concurrently the managing director of Access Air Cargos Pte Ltd, which is an airfreight wholesaler in Singapore since March 2013, and he is responsible for sales and marketing operations. He was a manager of Fortunemart, which was a convenience store, from January to February 1997, and he was responsible for overall management of the store. He was a director of Century Timber Ptd Ltd, whose principal business was forestry, logging and related service activities, from May 2002 to January 2005, and he was responsible for overall management of the company. He was a director of Sumas Trading Pte Ltd, whose principal business was general wholesale trade, May 2002 to March 2010, and he was responsible for overall management of the company. He was a director of Foodworkz International Pte Ltd and Eastern International Pte Ltd, both of which were investment holding companies, from August 2006 to March 2012 and from December 2006 to July 2013 respectively, and his major duty in both companies was overall management. He was a director of Petromin PNG Holdings (S) Ltd from June 2010 to January 2016, a subsidiary created by the State of Papua New Guinea to hold state mineral and petroleum assets, and he

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

acted as an adviser to the CEO assisting the management with Asia regional business. He was a director of Couturier Gallery Pte Ltd, whose principal business was general wholesale trade, from October 2012 to August 2013.

Mr. Koh graduated with a Bachelor's degree in Business Administration from the University of La Trobe University (Australia) in September 1999.

Mr. Koh was the director/manager of the following companies which were incorporated in Singapore and were dissolved pursuant to the Companies Act. It is confirmed by Mr. Koh that all the following dissolutions were voluntary by way of submitting an application to the Registrar because these companies had ceased to carry on business or operation for more than three months immediately before the relevant application. The relevant details are as follows:

Name of company	Principal activity prior to dissolution	Position	Period of service	Date of dissolution	Means of dissolution	Reason for dissolution
Couturier Gallery Pte Ltd	General wholesale trade	Director	31 October 2012 — 15 August 2013	15 August 2013	Struck off	Cessation of business operation
Petromin PNG Holdings (S) Ltd	Petroleum, mining and prospecting services	Director	1 June 2010 — 19 January 2016	19 January 2016	Struck off	Cessation of business operation
Easstern International Pte Ltd	Investment holding	Director	26 December 2006 — 8 July 2013	8 July 2013	Struck off	Cessation of business operation
Foodworkz International Pte Ltd	Investment holding	Director	15 August 2006 — 7 March 2012	7 March 2012	Struck off	Cessation of business operation
Sumas Trading Pte Ltd	General wholesale trade	Director	29 May 2002 — 4 March 2010	4 March 2010	Struck off	Cessation of business operation
Century Timber Pte Ltd	Forestry, logging and related service activities	Director	8 May 2002 — 7 January 2005	7 January 2005	Struck off	Cessation of business operation
Fortunemart	Operation of mini-marts, convenience stores and provision shops	Manager	16 January 1997 — 18 February 1997	18 February 1997	Terminated	Cessation of business operation

Note: The above companies (except Fortunemart) were struck off by the company's application after obtaining the written consent of the majority of its shareholders. Fortunemart was terminated by its sole proprietor. All of the above companies were solvent before their dissolution.

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Ms. Lam Shun Ka (林汛珈) (formerly known as Lam Yuk Shan (林玉珊)), aged 46, was appointed as our independent non-executive Director on 21 June 2017.

Ms. Lam has 13 years of experience in sales channel development. Ms. Lam acted as a manager of business development in Vigers Ltd. the principal business of which is surveying and property related consultancy services, from September 2001 to November 2003, and she focused on business development by proposing appropriate services for different clients. Ms. Lam was an administrative specialist at IBM China/Hong Kong Limited from January 2005 to November 2005, a sales operation at the same company from April 2006 to March 2007 and a business operations professional in IBM Software Sales Department of IBM China/Hong Kong Limited from March 2007 to February 2016.

Ms. Lam obtained a bachelor of social science degree, majoring in government and public administration from The Chinese University of Hong Kong in December 1995. She obtained a bachelor of laws degree from the Manchester Metropolitan University (United Kingdom) through distance learning in September 2004.

Details of our Directors' emoluments (whether covered by service contracts or not), the basis of determining our Directors' emoluments and the proposed length of service as stated in service contracts are set out in the section headed "Appendix IV — Statutory and General Information — Further Information about Directors, Management and Staff and Experts — 11. Directors — (b) Particulars of service contracts" in this prospectus.

Save as disclosed in this prospectus, as at the Latest Practicable Date, each of our Directors confirms that he/she (i) did not hold any other directorships in the last three years prior to the Latest Practicable Date in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) did not hold other positions in our Company or other members of our Group; (iii) does not have any other relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company nor any interests in the Shares with the meaning of Part XV of the SFO.

Save as the disclosed in this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules as at the Latest Practicable Date.

BOARD COMMITTEES

Audit committee

Our Company established an audit committee on 21 June 2017 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our audit committee are mainly to make recommendation to the Board on the appointment and removal of external auditors; review of financial statements and provide material advice in respect of financial reporting; and oversee internal control procedures of our Company. Our audit committee consists of three members, namely Mr. Fan Chun Wah Andrew, *J.P.*, Mr. Koh Shian Wei and Ms. Lam Shun Ka. Mr. Fan Chun Wah Andrew, *J.P.* is the chairman of the audit committee.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Remuneration committee

Our Company established a remuneration committee on 21 June 2017 with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph B.1 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our remuneration committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group; review performance based remuneration; and ensure none of our Directors determine their own remuneration. Our remuneration committee consists of three members, namely Mr. Koh Shian Wei, Mr. Fan Chun Wah Andrew, *J.P.* and Ms. Lam Shun Ka. Mr. Koh Shian Wei is the chairman of the remuneration committee.

Nomination committee

Our Company established a nomination committee on 21 June 2017 with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our nomination committee are to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors. Our nomination committee consists of three members, namely Ms. Lam Shun Ka, Mr. Fan Chun Wah Andrew, *J.P.* and Mr. Koh Shian Wei. Ms. Lam Shun Ka is the chairlady of the nomination committee.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Pursuant to code provision A.2.1 of the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, we do not have a separate chairman and chief executive and Mr. Chew currently performs these two roles. Our Board believes that vesting the roles of both chairman and chief executive in the same position has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of our Board and chief executive of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

SENIOR MANAGEMENT

Ms. Goh Mui Hoon (吳美芬), aged 41, was appointed as a division director in April 2013. She is responsible for strategy formulation and business development of the Group.

Ms. Goh has approximately 11 years of experience in sales and business development. She joined our Group in April 2008 as team leader. She was later promoted to division director in April 2013. Prior to joining our Group, she had worked as a manager of Estetica Beaute Pte Ltd., a beauty service provider established in Singapore, from November 2003 to January 2008, and was responsible for managing the operations and sales of the outlets. She was a consultant in Slimfit Spa, a beauty salon between the period of February 2001 to February 2002 and a sales executive in Sijori Resort (Sentosa), a hotel, from February 2000 to February 2001. Her main responsibilities in both jobs involved products and service promotion.

Ms. Goh was awarded a diploma in business from the Temasek Polytechnic (*Singapore*) in August 1996. She graduated from Curtin University of Technology (Australia) with a degree of bachelor of commerce, management and marketing through distance learning in December 2000.

Ms. Lee Gek Lin (李玉玲), aged 44, was appointed as a financial controller in February 2016. She is responsible for the overall financial management and company secretarial matters.

Ms. Lee has over 20 years of experience in accounting, financial reporting and auditing. She joined our Group in November 2008 as financial manager and was promoted to financial controller in February 2016. From January 1995 to July 1995, Ms. Lee was an audit assistant with Deloitte Touche Tohmatsu International which provided accounting services, and she was primarily responsible for audit works for companies of various sizes. From February 1996 to November 2003, she worked as an accountant in Bayer (Southeast Asia) Pte. Ltd., a member company of Bayer AG which is a life science company specializing in healthcare and agricultural products, and she was responsible for various financial reporting and accounting management. From September 2006 to October 2008, Ms. Lee was employed by Fuchs Lubricants Pte Ltd., a lubricant manufacturer, as the finance and administrative manager, and she was primarily responsible for overall financial management, administration and human resources matters. From June 2004 to September 2006, Ms. Lee served as a senior accountant, responsible for the inter-company accounting management (including managing the accounts payable) across different regions in a digital security firm, Gemplus Technologies Asia Pte Ltd., a subsidiary of Gemplus International S.A. (which merged with Axalto Holding N.V. in 2006 and became Gemalto NV (ISIN: NL0000400653)).

Ms. Lee obtained a degree of bachelor of accountancy from Nanyang Technological University (Singapore) in July 1994. She has been a chartered accountant of Singapore since July 2013.

Ms. Ng Beng Li (黃明莉), aged 42, was appointed as a country manager in January 2009. She is responsible for strategy formulation and business development.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Ng has over 20 years of experience in business operation management. She joined our Group in May 2007 as recruitment consultant in BGC Group. In November 2008, she was tasked to set up BGC HK with our executive Director, Mr. Chew and was promoted to country manager of BGC HK in January 2009 following the opening of the Hong Kong office. Prior to joining our Group, she worked at Mandarin Oriental, Singapore from December 1994 to August 2005 and her last position was a operations manager of oriental club in the oriental club department.

Compensation to our Directors and senior management

The aggregate amounts of remuneration of our Directors (including salaries, benefits in kind and/or discretionary bonus) for each of the three years ended 31 December 2014, 2015 and 2016 were approximately S\$402,000, S\$364,000 and S\$382,000, respectively.

Details of the arrangement for remuneration are set out in Note 11 to the Accountants' Report in Appendix I to this prospectus. Under such arrangement and pursuant to our Directors' service agreements and letters of appointment referred to in "Appendix IV — Further information about Directors, Management and Staff and Expert — 11. Directors — (b) Particulars of service contracts" in this prospectus, the aggregate amount of directors' fees and other emoluments (excluding any discretionary bonus) payable to our Directors for the year ending 31 December 2017 is estimated to be approximately S\$683,000, excluding any discretionary bonus. During the Track Record Period, the five individuals whose emoluments were the highest in our Group included two, two and one Directors for each of the three years ended 31 December 2014, 2015 and 2016, respectively.

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. We also reimburse them for expenses which are necessarily and reasonably incurred for providing services to us or executing their functions in relation to our operations. We regularly review and determine the remuneration and compensation packages of our Directors and senior management.

After Listing, the remuneration committee of our Company will make recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by our Company to, or received by, our Directors as an inducement to join or upon joining our Company.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

COMPANY SECRETARY

Ms. Lo Wing Yan Emmy (盧詠欣), is the company secretary of the Company. Please refer to Ms. Lo's biography as disclosed in the paragraph headed "Executive Directors" in this section of the prospectus.

COMPLIANCE OFFICER

Mr. Chew is the compliance officer of our Company. For details of his biography, please refer to the paragraph headed "Executive Directors" in this section of the prospectus.

COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Company has appointed CLC International Limited as its compliance adviser. Pursuant to Rule 6A.23 of the GEM Listing Rules, our Company will consult with and, if necessary, seek advice from its compliance adviser on a timely basis in the following circumstances:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where our Company propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where the business activities, developments or results of our Company deviate from any forecast, estimate or other information in this prospectus; and
- (d) where the Stock Exchange makes an inquiry of our Company Rule 17.11 of the GEM Listing Rules.

The term of appointment of the compliance adviser of our Company shall commence on the Listing Date and end on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of the financial results for the second full financial year commencing after the Listing Date.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme and intends to grant options to our executive Directors and senior management of our Group after Listing.

The purpose of the Share Option Scheme is to enable us to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable us to reward our Directors and other selected participants for their contributions to us.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The total number of Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date.

A summary of the principal terms of the Share Option Scheme is set out in “Appendix IV — Other Information — 15. Share Option Scheme” in this prospectus.

STAFF OF OUR GROUP

Relationship with staff

We recognise the importance of training to our staff. In addition to providing our staff the opportunities to receive regular on-the-job training, our Group provides external training on a needed basis for our staff to enhance technical or product knowledge and for our management to strengthen the consciousness of enterprise management.

We have not experienced any significant problems with our staff or disruption to our operations due to labour disputes nor has our Group experienced any difficulties in the recruitment and retention of experienced staff. Our Directors believe that our Group has a good working relationship with our staff.

In addition, our Group has conditionally adopted the Share Option Scheme pursuant to which selected participants (including, among others, employees) may be granted options to subscribe for Shares. The principal terms of the Share Option Scheme are summarised in “Appendix IV — Other Information — 15. Share Option Scheme” in this prospectus.

SUBSTANTIAL AND SIGNIFICANT SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and any option that may be granted under the Share Option Scheme), the following persons or entities will have an interest or a short position in our Shares or underlying Shares which would be required to be disclosed to our Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the voting power at general meetings of any member of our Group:

Aggregate long positions in Shares

Name	Nature of interest	Number of Shares immediately following completion of the Capitalisation Issue and the Share Offer	Percentage of shareholding immediately following completion of the Capitalisation Issue and the Share Offer
Omnipartners	Beneficial owner ⁽¹⁾	391,500,000	65.25%
Mr. Chew	Interest in a controlled corporation and interest of spouse ⁽²⁾	391,500,000	65.25%
Ms. Yong	Interest in a controlled corporation and interest of spouse ⁽²⁾	391,500,000	65.25%

Notes:

⁽¹⁾ The entire issued share capital of Omnipartners is owned as to 80% by Mr. Chew and 20% by Ms. Yong.

⁽²⁾ Mr. Chew and Ms. Yong are deemed to be interested in the Shares held by Omnipartners under the SFO. Mr. Chew is the spouse of Ms. Yong and both of them are executive Directors.

Save as disclosed, our Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and any option that may be granted under the Share Option Scheme), have an interest or a short position in our Shares or underlying Shares which would be required to be disclosed to our Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the voting power at general meetings of any member of our Group.

SUBSTANTIAL AND SIGNIFICANT SHAREHOLDERS

SIGNIFICANT SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and any option that may be granted under the Share Option Scheme), the following persons or entities will be directly or indirectly interested in 5% or more of the voting power at the general meetings of our Company and are therefore regarded as significant shareholders under the GEM Listing Rules:

Aggregate long positions in Shares

Name	Nature of interest	Number of Shares immediately following completion of the Capitalisation Issue and the Share Offer	Percentage of shareholding immediately following completion of the Capitalisation Issue and the Share Offer
Omnipartners	Beneficial owner ⁽¹⁾	391,500,000	65.25%
Mr. Chew	Interest in a controlled corporation and interest of spouse ⁽²⁾	391,500,000	65.25%
Ms. Yong	Interest in a controlled corporation and interest of spouse ⁽²⁾	391,500,000	65.25%
Lotus Investments	Beneficial owner	58,500,000	9.75%

Notes:

⁽¹⁾ The entire issued share capital of Omnipartners is owned as to 80% by Mr. Chew and 20% by Ms. Yong.

⁽²⁾ Mr. Chew and Ms. Yong are deemed to be interested in the Shares held by Omnipartners under the SFO. Mr. Chew is the spouse of Ms. Yong and both of them are executive Directors.

Save as disclosed, our Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and any option that may be granted under the Share Option Scheme), will be directly or indirectly interested in 5% or more of the voting power at the general meetings of our Company and are therefore regarded as significant shareholders under the GEM Listing Rules.

SHARE CAPITAL

SHARE CAPITAL

The following tables set forth information with respect to the share capital of our Company after completion of the Share Offer and the Capitalisation Issue (without taking into account of any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme or Shares which may be issued upon the exercise of the Offer Size Adjustment Option or Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors as referred to below or otherwise).

<i>Authorised share capital</i>		<i>(HK\$)</i>
<u>1,500,000,000</u>	Shares	<u>15,000,000</u>
<i>Issued share capital</i>		
1,000	Shares in issue as at the date of this prospectus	10
<i>Shares to be issued</i>		
449,999,000	Shares to be issued pursuant to the Capitalisation Issue	4,499,990
<u>150,000,000</u>	Shares to be issued pursuant to the Share Offer	<u>1,500,000</u>
<i>Total issued shares on completion of the Share Offer</i>		
<u>600,000,000</u>	Shares	<u>6,000,000</u>

If the Offer Size Adjustment Option is exercised in full, then 22,500,000 additional Shares will be issued, resulting in a total enlarged issued share capital of HK\$6,225,000 divided into 622,500,000 Shares of HK\$0.01 each.

Assumptions

The above table assumes the Capitalisation Issue and the Share Offer become unconditional and the issue of Shares pursuant thereto is made as described herein. It does not take into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option or any option that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandate granted to our Directors to allot and issue or repurchase Shares as referred to in the paragraph headed “General mandate to issue Shares” or the paragraph headed “General mandate to repurchase Shares” in this section, as the case may be.

Ranking

The Offer Shares will rank pari passu in all respects with all of the Shares now in issue or to be issued, and will qualify for all dividends or other distributions declared, made or paid on the Shares after the date of this prospectus, except for the entitlements under the Capitalisation Issue.

SHARE CAPITAL

SHARE OPTION SCHEME

We have conditionally adopted the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in “Appendix IV — Other Information — 15. Share Option Scheme” in Appendix IV to this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Our Directors have been conditionally granted a general unconditional mandate authorising them to exercise all the powers of our Company to allot, issue and deal with the Shares with a total nominal value not exceeding 20% of the aggregate nominal value of our issued share capital immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option or any option that may be granted under the Share Option Scheme), and the number of Shares repurchased by us, if any, pursuant to the repurchase mandate described below.

The general mandate will expire:

- (a) at the conclusion of our Company’s next annual general meeting;
- (b) at the expiration of the period within which our Company is required by any applicable law of the Cayman Islands or the Articles to hold the next annual general meeting; or
- (c) when varied, revoked or renewed by passing an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

Further information of this general mandate is summarised in the section headed “Appendix IV — Statutory and General Information — Further Information about our Company and our Subsidiaries — 3. Resolutions in writing of all Shareholders passed on 21 June 2017” in this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Our Directors have been conditionally granted a general unconditional mandate to exercise all the powers of our Company to repurchase the Shares with an aggregate nominal value of not more than 10% of the total nominal amount of our issued share capital immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option or any option that may be granted under the Share Option Scheme).

This repurchase mandate only relates to repurchases made on the Stock Exchange and/or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose) and which are in accordance with all applicable laws, rules and regulations. A summary of the relevant requirements of the GEM Listing Rules on this repurchase mandate is summarised in the section headed “Appendix IV — Statutory and General Information — Further Information about our Company and our Subsidiaries — 7. Repurchase by our Company of our own securities” in this prospectus.

SHARE CAPITAL

This repurchase mandate will expire:

- (a) at the conclusion of our Company's next annual general meeting;
- (b) at the expiration of the period within which our Company is required by any applicable law of the Cayman Islands or the Articles to hold the next annual general meeting; or
- (c) when varied, revoked or renewed by passing an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

Further information of this general mandate is summarised in the section headed "Appendix IV — Statutory and General Information — Further Information about our Company and our Subsidiaries — 7. Resolutions in writing of all Shareholders passed on 21 June 2017" in this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

The circumstances under which general meeting is required are provided in the Articles, the summary of which is set out in Appendix III to this prospectus.

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You should read the following discussion and analysis of our results of operations and financial position together with our consolidated financial information as at and for each of the years ended 31 December 2014, 2015 and 2016, including the notes thereto, included in the Accountants' Report in Appendix I to this prospectus. The Accountants' Report has been prepared in accordance with IFRSs.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include those discussed below and elsewhere in this prospectus, particularly in the section headed "Risk Factors" in this prospectus.

OVERVIEW

We are a Singapore-based human resources service provider, principally offering human resources outsourcing services and human resources recruitment services. For human resources outsourcing services, we source and employ suitable candidates that match the job descriptions specified by our clients and then second them to our clients. For human resources recruitment services, we identify, screen, assess and procure qualified candidates to be employed by our clients generally for positions at all levels, including administrative, executive, managerial and professional, to suit our clients' business needs.

We have been in the human resources market in Singapore for around 11 years. Leveraging on our industry experience in Singapore, we started providing human resources services in Hong Kong in 2009, with a primary focus on recruitment services. During the Track Record Period, substantially all of our revenue was derived from our business operations in Singapore.

Over the years, we have built a solid track record of providing effective and reliable human resources services for both the public and private sectors in Singapore. Our total revenue for the years ended 31 December 2014, 2015 and 2016 amounted to approximately S\$36.2 million, S\$45.2 million and S\$43.7 million, respectively, while our profit for the same periods were approximately S\$1.9 million, S\$2.0 million and S\$1.4 million, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, financial position and results of operations are affected by a number of factors, many of which are beyond our control. Some of the key factors include the following:

Our ability to maintain major clients

We derived a considerable portion of our revenue from the public sector during the Track Record Period. For the years ended 31 December 2014, 2015 and 2016, approximately 49.4%, 62.6% and 68.4% of our total revenue was generated from the public sector in Singapore,

FINANCIAL INFORMATION

respectively. Contracts in the public sector in Singapore are normally awarded through tendering processes. There is no guarantee that we will continue to obtain tender contracts in the public sector or maintain our tender success rate in the future. Please refer to the section headed “Risk Factors — Risks Relating to our Business — Failure to obtain new tender contracts could materially affect our financial performance” in this prospectus for details.

In addition, the amount of services required by the public sector in Singapore is determined by various factors, such as the general economic conditions in Singapore and level of spendings of the public sector on staffing solutions. There is no guarantee that there will not be any significant reduction in the staffing needs and/or level of spending on staffing solutions of the public sector in Singapore. If there is any significant reduction and/or delay in the staffing needs and/or level of spending on staffing solutions by the public sector in Singapore and we are unable to secure sufficient businesses from other clients, our business, results of operations and prospect will be materially and adversely affected.

One of our tender contracts in the public sector was awarded by Vital, a department of the Ministry of Finance of Singapore. Pursuant to the contract awarded by Vital, we can offer human resources outsourcing and recruitment services to a pool of Singapore Government Agencies and NPOs upon their request. For details, please refer to the section headed “Business — Our Business and Operations — Tender/Direct negotiation process — Public sector” in this prospectus. The contract with Vital is for a term of two years ending in July 2018, with an option to extend up to one more year. In the event that upon expiry of the contract, the contract is not extended or we are not awarded a new tender contract by Vital under the forthcoming tender, we can no longer provide services to Singapore Government Agencies and NPOs which source the human resources services from selected service providers engaged by Vital. This in turn may materially and adversely affect our results of operations and prospect.

Dependence on key management personnel

Our performance and implementation of our business plans depend on, to a significant extent, the continued service, leadership and performance of our executive Directors and our senior management. Our executive Directors and our senior management have extensive experience in the human resources industry and established relationship with our clients. The loss of service of any executive Directors and our senior management without immediate and adequate replacement may result in a material adverse effect on our operations, financial position and prospects.

Fluctuations in labour cost

Our cost of services mainly consist of the labour cost directly associated with deployment of outsourced staff to provide services to our clients for our human resources outsourcing services. For the years ended 31 December 2014, 2015 and 2016, our labour cost amounted to approximately S\$27.3 million, S\$35.2 million and S\$33.3 million, representing approximately 98.0%, 98.2% and 98.1% of our cost of services, respectively. Fluctuations in labour cost will impact our financial performance.

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The following sensitivity analysis illustrates the impact of hypothetical fluctuations of our labour cost on our profit before tax during the Track Record Period. Fluctuations in our labour cost are assumed to be 5% and 10%.

	For the year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
+/-5%	(1,363)/1,363	(1,761)/1,761	(1,677)/1,677
+/-10%	(2,726)/2,726	(3,521)/3,521	(3,333)/3,333

Note: Changes in our labour cost are highly related and proportional to our revenue in view of our business nature. We generally charge our clients service fees on a cost-plus basis with reference to our costs incurred to employ the outsourced staff. Therefore, for illustration purpose, the hypothetical fluctuation rates are set at 5% and 10% with reference to the fluctuation in our historical labour cost (after excluding the effect of changes in revenue).

Changes in laws and regulations governing the labour market in Singapore and Hong Kong

As a human resources service provider, our business is subject to the relevant laws and regulations governing the labour market in Singapore and Hong Kong. Changes in laws and regulations governing our business may affect our profitability and financial performance, such as the change in the rate of CPF or MPF contribution will affect our labour costs. A summary of the regulatory framework of our business is set out in the section headed “Regulatory Overview” in this prospectus.

BASIS OF PREPARATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 8 August 2016 and became the holding company of our Group upon completion of the Reorganisation. Details of the Reorganisation are set out in the section headed “Reorganisation” in this prospectus.

The financial information of our Group has been prepared as if our Company had been the holding company of our Group throughout the Track Record Period.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

Critical accounting policies and estimates refer to those accounting policies and estimates that entail significant uncertainty and judgment, and could yield materially different results under different conditions and/or assumptions. The preparation of the financial information in conformity with IFRSs requires our management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The methods and approaches that we use in determining these items are based on our experience, the nature of our business operations, the relevant rules and regulations and the relevant circumstances. These underlying assumptions and estimates are reviewed regularly as they may have a significant impact on our operational results as reported in our consolidated financial statements included elsewhere in this

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prospectus. The financial information as included in the Accountants' Report set out in the Appendix I to this prospectus has been prepared in accordance with the basis of presentation as mentioned above and the accounting policies which conform to IFRSs.

The financial information has been prepared under the historical cost basis except for certain financial instruments which are measured at fair values in accordance with IFRSs. It also requires our Directors to make judgments, estimates and assumptions concerning the future. The judgments, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates.

We have identified certain accounting policies and estimates that we believe are the most critical to the preparation of our consolidated financial statements and the understanding of our results of operations and financial position. For details of the significant accounting policies and accounting judgements and estimates relating to our Group's financial information, please refer to Notes 4 and 5 of the Accountants' Report set out in Appendix I to this prospectus.

We believe the following accounting policies involve the most significant accounting judgments and estimates used in preparation of our financial information:

Accounting policies

Revenue recognition

We principally engaged in the provision of human resources services. During the Track Record Period, our revenue was principally derived from (i) human resources outsourcing services; (ii) human resources recruitment services; and (iii) other human resources support services. We generally recognises revenue when the services are rendered and when it is probable that benefits associated with the transaction will flow to our Group.

For the years ended 31 December 2014, 2015 and 2016, we recognised revenue of approximately S\$36.2 million, S\$45.2 million and S\$43.7 million, respectively, from human resources outsourcing services, human resources recruitment services and other human resources support services. For details regarding our accounting policy relating to revenue recognition, please refer to Note 4 headed "Significant accounting policies — Revenue recognition" of the Accountants' Report set out in Appendix I to this prospectus.

Employee benefits

We make contributions to the CPF scheme in Singapore, a defined contribution pension scheme. We also operate a defined contribution MPF retirement benefits scheme under the MPFSO in Hong Kong. For details, please refer to Note 4 headed "Significant accounting policies — Employee benefits" of the Accountants' Report set out in Appendix I to this prospectus.

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Provisions

Provisions are recognised when we have a present obligation (legal or constructive) as a result of a past event, it is probable that we will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. For details, please refer to Note 4 headed “Significant accounting policies — Provisions” of the Accountants’ Report set out in Appendix I to this prospectus.

Accounting judgements and estimates

Impairment of trade receivables

In determining whether there is objective evidence of impairment loss, we take into consideration the credit history of the customers and the current market condition. The amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. Management reassesses the adequacy of impairment on a regular basis. Where the actual cash flows are less than expected, a material impairment loss may arise. For details, please refer to Note 5 headed “Significant accounting judgements and estimates — Impairment of trade receivables” of the Accountants’ Report set out in Appendix I to this prospectus.

Depreciation

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. For the years ended 31 December 2014, 2015 and 2016, we recognised depreciation on plant and equipment of approximately S\$0.3 million, S\$0.3 million and S\$0.3 million, respectively. For details, please refer to Note 5 headed “Significant accounting judgements and estimates — Depreciation” of the Accountants’ Report set out in Appendix I to this prospectus.

Income taxes

Income tax expenses represent the sum of the tax currently payable and deferred tax which is based on taxable profit for the year. Our liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. For details, please refer to Note 5 headed “Significant accounting judgements and estimates — Income taxes” of the Accountants’ Report set out in Appendix I to this prospectus.

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RESULTS OF OPERATIONS

The following is a summary of our consolidated statements of profit or loss and other comprehensive income during the Track Record Period, derived from the Accountants' Report set out in Appendix I to this prospectus.

	For the year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
REVENUE	36,240	45,195	43,699
Cost of services	<u>(27,826)</u>	<u>(35,867)</u>	<u>(33,993)</u>
Gross profit	8,414	9,328	9,706
Other income	113	203	949
Administrative expenses	(6,398)	(7,226)	(7,358)
Listing expenses	—	—	(1,519)
Finance costs	<u>(12)</u>	<u>(3)</u>	<u>—</u>
PROFIT BEFORE TAX	2,117	2,302	1,778
Income tax expense	<u>(199)</u>	<u>(284)</u>	<u>(355)</u>
PROFIT FOR THE YEAR	<u>1,918</u>	<u>2,018</u>	<u>1,423</u>
OTHER COMPREHENSIVE (EXPENSE)/ INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation	<u>(8)</u>	<u>(2)</u>	<u>22</u>
Other comprehensive (expense)/income for the year, net of tax	<u>(8)</u>	<u>(2)</u>	<u>22</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>1,910</u></u>	<u><u>2,016</u></u>	<u><u>1,445</u></u>

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PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Our revenue comprised revenue from our human resources outsourcing services, human resources recruitment services and other human resources support services. Our revenue amounted to approximately S\$36.2 million, S\$45.2 million and S\$43.7 million for the years ended 31 December 2014, 2015 and 2016, respectively. During the Track Record Period, around 99% of our revenue was generated in Singapore.

The following table sets forth our revenue by business segment in Singapore and Hong Kong, respectively, for the years indicated:

	For the year ended 31 December					
	2014		2015		2016	
	S\$'000	%	S\$'000	%	S\$'000	%
Revenue						
Human resources outsourcing services	32,475	89.6	42,150	93.2	40,766	93.3
• <i>Singapore</i>	32,265	89.0	42,144	93.2	40,765	93.3
• <i>Hong Kong</i>	210	0.6	6	0.0	1	0.0
Human resources recruitment services	3,739	10.3	2,919	6.5	2,810	6.4
• <i>Singapore</i>	3,622	10.0	2,680	5.9	2,381	5.4
• <i>Hong Kong</i>	117	0.3	239	0.6	429	1.0
Other human resources support services	26	0.1	126	0.3	123	0.3
	<u>36,240</u>	<u>100</u>	<u>45,195</u>	<u>100</u>	<u>43,699</u>	<u>100</u>
Total revenue	<u>36,240</u>	<u>100</u>	<u>45,195</u>	<u>100</u>	<u>43,699</u>	<u>100</u>

Our major source of revenue during the Track Record Period was derived from human resources outsourcing services. The human resources outsourcing services provided by us are the deployment of human resources to our clients by sourcing and employing suitable candidates for secondment to our clients. Our revenue derived from outsourcing services was approximately S\$32.5 million, S\$42.2 million and S\$40.8 million, accounting for approximately 89.6%, 93.2% and 93.3% of our total revenue for the years ended 31 December 2014, 2015 and 2016, respectively.

Other than human resources outsourcing services, we provide human resources recruitment services. Our revenue derived from recruitment services was approximately S\$3.7 million, S\$2.9 million and S\$2.8 million, accounting for approximately 10.3%, 6.5% and 6.4% of our total revenue for the years ended 31 December 2014, 2015 and 2016, respectively.

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Other human resources support services included referral services and parking services. For referral services, we refer suitable candidates sourced by our Group to BGC Malaysia, our connected person. For details, please refer to the section headed “Connected Transactions — Exempt Continuing Connected Transactions — B. Referral agreement” in this prospectus. In addition, we provide parking services where we handle the human resources and payroll matters of individuals whom our client requests us to employ and second to such client under a job order.

Our revenue derived from other human resources support services was approximately S\$26,000, S\$0.1 million and S\$0.1 million, accounting for approximately 0.1%, 0.3% and 0.3% of our total revenue for the years ended 31 December 2014, 2015 and 2016, respectively.

We generated revenue from clients in both the public and private sectors. The following table sets forth our revenue by business segment and client sector for the years indicated:

	For the year ended 31 December					
	2014		2015		2016	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Revenue						
Human resources outsourcing services	32,475	89.6	42,150	93.2	40,766	93.3
• <i>Public sector</i>	17,819	49.2	28,059	62.1	29,777	68.1
• <i>Private sector</i>	14,656	40.4	14,091	31.1	10,989	25.2
Human resources recruitment services	3,739	10.3	2,919	6.5	2,810	6.4
• <i>Public sector</i>	80	0.2	203	0.5	124	0.3
• <i>Private sector</i>	3,659	10.1	2,716	6.0	2,686	6.1
Other human resources support services	26	0.1	126	0.3	123	0.3
Total revenue	36,240	100	45,195	100	43,699	100

For the years ended 31 December 2014, 2015 and 2016, our revenue generated from clients in public sector accounted for approximately 49.4%, 62.6% and 68.4% of our total revenue, respectively, among which a substantial portion of revenue from public sector was derived from our human resources outsourcing services. On the other hand, a substantial portion of our revenue from the human resources recruitment services was generated from clients in private sector.

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Cost of services

Cost of services comprised (i) the labour cost directly associated with deployment of outsourced staff to provide services to our clients for our human resources outsourcing services; and (ii) other related costs associated with short-term benefits to our outsourced staff.

	For the year ended 31 December					
	2014		2015		2016	
	S\$'000	%	S\$'000	%	S\$'000	%
Labour cost	27,258	98.0	35,210	98.2	33,334	98.1
Other related cost	568	2.0	657	1.8	659	1.9
Total cost of services <i>(Note)</i>	27,826	100	35,867	100	33,993	100

Note: The cost of services represents gross cost of services net of the government subsidies received under the Singapore Credit Schemes.

Our labour cost was approximately S\$27.3 million, S\$35.2 million and S\$33.3 million, accounting for approximately 98.0%, 98.2% and 98.1% of our total cost of services for the years ended 31 December 2014, 2015 and 2016, respectively.

We had received government subsidies under the Singapore Credit Schemes and other similar government subsidies prior to the Track Record Period. For 2011 to 2013, based on the audited statutory financial statements of our subsidiaries, we received government subsidies under the Singapore Credit Schemes in the range of approximately S\$4,000 to S\$232,000, which represented approximately 0.02% to 0.8% of our gross cost of services. During the Track Record Period, we received government subsidies under the Singapore Credit Schemes from the Singapore Government in aggregate amount of approximately S\$0.9 million, S\$1.5 million and S\$2.5 million, representing approximately 3.1%, 4.0% and 6.7% of our gross cost of services for the years ended 31 December 2014, 2015 and 2016, respectively. The Singapore Credit Schemes are governed by regulations and guidelines published by Inland Revenue Authority of Singapore or MOM (as the case may be), which set out, among others, the qualifying criteria and the basis and computation of subsidies of the relevant schemes. The Singapore Credit Schemes are automatically available to Singapore companies which meet the respective qualifying criteria. For further details, please refer to the section headed “Regulatory Overview — Laws and Regulations relating to our Business in Singapore — Singapore Credit Schemes” in this prospectus. The Singapore Credit Schemes are automatically available to eligible employers and thus no application is required to be made by us. The relevant Singapore Government authorities will compute the amount of subsidies, notify the eligible employers of the amount they are entitled to, and pay the subsidies to the employers automatically by crediting to their bank account or by cheque in March, April, September and October of each year. In general, the amount of subsidies under the Singapore Credit Schemes vary and depend on, among others, the number of employees of a Singapore company and the amount of wages paid to these employees. According to the Inland Revenue Authority of Singapore, the Singapore Credit Schemes are regarded as revenue in nature and subject to tax.

During the Track Record Period, the subsidies under the Singapore Credit Schemes received by us included mainly the subsidies under the Wage Credit Scheme. Pursuant to the Wage Credit Scheme, the Singapore Government will (i) co-fund 40% of wage increases given to Singapore citizen employees in

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2013 to 2015; and (ii) co-fund 20% of wage increases given to Singaporean employees over the period of 2016 to 2017, in respect of Singaporean employees who (a) are earning a gross monthly wage of S\$4,000 and below; (b) received CPF contributions from a single employer for at least three calendar months in the preceding qualifying year; (c) have been on the employer's payroll for at least three calendar months in the qualifying year and have at least S\$50 gross monthly wage increase; and (d) must not be the business owner of the same entity. In addition, for wage increases given in 2015 which are sustained in 2016 and 2017 by the same employer, employers will continue to receive co-funding at 20% for 2016 and 2017. The subsidies under the Wage Credit Scheme are paid to the employers in the following year. As such, the impact of decrease in co-fund rate under the Wage Credit Scheme from 40% to 20% had not yet been reflected in our financial results during the Track Record Period. The Wage Credit Scheme will expire in December 2017, with last payout for 2017 to be made to eligible employers in March 2018, unless extended by the Singapore Government.

In determining the pricing of our services, we would take into consideration various factors including, inter alia, government policies related to labour costs. For further details of our pricing policy, please refer to the section headed "Business — Sales and Marketing — Pricing of our services" in this prospectus. To enhance our profitability, we endeavour to secure new service agreements with higher profit margin in the private sector, as well as make adjustment to wages of our outsourced staff as and when appropriate. Therefore, with the above measures of enhancing our profitability, we consider that the reduction of the co-fund rate under and the expiration of the Wage Credit Scheme as aforementioned is not expected to have material adverse impact on our profitability.

Gross profit

Gross profit represents the excess of revenue over cost of services. Our overall gross profit and gross profit margin was approximately S\$8.4 million and 23.2%, S\$9.3 million and 20.6%, and S\$9.7 million and 22.2% for the years ended 31 December 2014, 2015 and 2016, respectively. The gross profit and gross profit margin fluctuated due to the different gross profit margins for human resources outsourcing, human resources recruitment and other human resources support services segments. The table below sets forth a breakdown of our gross profit and gross profit margin by business segment for the years indicated:

	For the year ended 31 December					
	2014		2015		2016	
	<i>Gross profit Margin</i>	<i>Gross profit Margin</i>	<i>Gross profit Margin</i>	<i>Gross profit Margin</i>	<i>Gross profit Margin</i>	<i>Gross profit Margin</i>
	S\$'000	%	S\$'000	%	S\$'000	%
Gross Profit						
Human resources outsourcing services	4,652	14.3	6,288	14.9	6,773	16.6
• <i>Public sector</i>	2,195	12.3	3,748	13.4	4,587	15.4
• <i>Private sector</i>	2,457	16.8	2,540	18.0	2,186	19.9
Human resources recruitment services	3,739	100	2,919	100	2,810	100
Other human resources support services	<u>23</u>	88.5	<u>121</u>	96.0	<u>123</u>	100
Total	<u>8,414</u>	23.2	<u>9,328</u>	20.6	<u>9,706</u>	22.2

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Our overall gross profit increased by approximately S\$0.9 million or 10.7% from approximately S\$8.4 million for the year ended 31 December 2014 to approximately S\$9.3 million for the year ended 31 December 2015. The increase was mainly attributable to increase in our gross profit from human resources outsourcing services, partially offset by decrease in gross profit from human resources recruitment services. The gross profit derived from human resources outsourcing services increased from approximately S\$4.7 million for the year ended 31 December 2014 to approximately S\$6.3 million for the year ended 31 December 2015, mainly due to increase in revenue derived from human resources outsourcing services while the gross profit margin from human resources outsourcing services remained relatively stable during the years. Differing from human resources outsourcing services, there is no direct labour and related cost incurred for our human resources recruitment services. The expenses relating to our internal staff who take part in the provision of human resources recruitment services were recorded as our administrative expenses, as these internal staff are also responsible for overall operations, administration and business development of our business. As a result, the gross profit equals the revenue for human resources recruitment services, and the respective gross profit margin was 100% throughout the Track Record Period.

Our overall gross profit margin decreased from approximately 23.2% for the year ended 31 December 2014 to approximately 20.6% for the year ended 31 December 2015, mainly due to decrease in gross profit contribution from human resources recruitment services with margin of 100%. The gross profit margin of human resources outsourcing services remained relatively stable at approximately 14.3% and 14.9% for the years ended 31 December 2014 and 2015, respectively.

Our overall gross profit increased by approximately S\$0.4 million or 4.3%, from approximately S\$9.3 million for the year ended 31 December 2015 to approximately S\$9.7 million for the year ended 31 December 2016. The increase was mainly attributable to increase in our gross profit from human resources outsourcing services, while gross profit from human resources recruitment services remained relatively stable. The gross profit derived from human resources outsourcing services increased from approximately S\$6.3 million for the year ended 31 December 2015 to approximately S\$6.8 million for the year ended 31 December 2016, mainly due to an increase in gross profit margin of human resources outsourcing services, partially offset by a decrease in revenue derived from human resources outsourcing services during the year.

Our overall gross profit margin increased from approximately 20.6% for the year ended 31 December 2015 to approximately 22.2% for the year ended 31 December 2016, mainly attributable to increase in gross profit margin of human resources outsourcing services. The gross profit margin of human resources outsourcing services increased from approximately 14.9% for the year ended 31 December 2015 to approximately 16.6% for the year ended 31 December 2016, primarily attributable to (a) an increase in gross profit margin of human resources outsourcing services in the public sector as a result of the increase in service fees we charged our clients in public sector pursuant to our contract entered into with Vital in 2016, which entitled us to charge higher rate of service fees as compared with the previous contract entered into with Vital in 2014, and due to different job nature of outsourced staff procured by our clients in public sector; (b) an increase in government subsidies received from approximately 4.0% of our gross cost of services in 2015 to approximately 6.7% in 2016; and (c) an increase in gross profit margin of human resources outsourcing services in the private sector as a result of more new service agreements with higher profit margin in the private sector secured by us.

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During the Track Record Period, contracts from clients in public sector were generally awarded through tendering process, whereas most of the contracts from clients in private sector were secured through direct negotiation. Therefore, in view of the competitive nature of tenders, the gross profit margin of human resources outsourcing services in public sector was lower than that in the private sector during the Track Record Period. The gross profit margin for our human resources outsourcing services in public sector increased from approximately 12.3% for the year ended 31 December 2014 to approximately 13.4% for the year ended 31 December 2015 mainly because more job orders for services which charge-out rate was of higher margin were placed by clients in public sector in 2015. The gross profit margin for our human resources outsourcing services in public sector increased from approximately 13.4% for the year ended 31 December 2015 to approximately 15.4% for the year ended 31 December 2016. The increase was mainly attributable to (i) the increase in service fees we charged our clients in public sector (a) pursuant to our contract entered into with Vital in 2016, which entitled us to charge higher rate of service fees as compared with the previous contract entered into with Vital in 2014 and (b) due to different job nature of outsourced staff procured by our clients in public sector; and (ii) the increase in government subsidies received as mentioned above.

Our revenue derived from the contracts with Vital increased by approximately 93.8% from approximately S\$9.7 million for the year ended 31 December 2014 to approximately S\$18.8 million for the year ended 31 December 2015, and further increased by approximately 19.7% to approximately S\$22.5 million for the year ended 31 December 2016. Our revenue derived from the contracts with Vital for the year ended 31 December 2016 comprised revenue derived from contracts entered into with Vital in 2014 and 2016 which amounted to approximately S\$12.6 million and S\$9.9 million, respectively. In addition, the number of clients in public sector placing job orders with us under the contracts with Vital increased from approximately 25 for the year ended 31 December 2014 to approximately 36 for the year ended 31 December 2015 and further to approximately 38 for the year ended 31 December 2016. The gross profit margin for our human resources outsourcing services in public sector derived from contract with Vital for the year ended 31 December 2015 increased by approximately 14.7% compared to the year ended 31 December 2014 and that for the year ended 31 December 2016 increased by approximately 14.5% compared to the year ended 31 December 2015. In addition, the gross profit margin of outsourcing services derived from our contract entered into with Vital in 2016 increased by approximately 16.2% as compared to that derived from our previous contract with Vital in 2015.

The gross profit margin for our human resources outsourcing services in private sector increased from approximately 16.8% for the year ended 31 December 2014 to approximately 18.0% for the year ended 31 December 2015, and further to approximately 19.9% for the year ended 31 December 2016. The increase was mainly attributable to more new service agreements with higher profit margin in the private sector secured by us.

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Other income

The table below sets forth a breakdown of our other income for the years indicated:

	For the year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Other income			
Government grants ^(Note)	22	23	—
Service income	45	144	83
Interest income	21	10	19
Gain on disposal of plant and equipment	—	—	1
Reversal of provision for doubtful debt	—	—	842
Sundry income	<u>25</u>	<u>26</u>	<u>4</u>
	<u><u>113</u></u>	<u><u>203</u></u>	<u><u>949</u></u>

Note: Government grants included Productivity and Innovation Credit Scheme and Workplace Health Promotion Grant.

Other income comprised government grants, service income, interest income, gain on disposal of plant and equipment, reversal of provision for doubtful debt, and sundry income. Other income amounted to approximately S\$0.1 million, S\$0.2 million and S\$0.9 million for the years ended 31 December 2014, 2015 and 2016, respectively. During the years ended 31 December 2014 and 2015, we received government grants, which were initiatives of the Singapore Government to encourage corporate productivity and innovation and workplace health programmes through grants and incentives. Such government grants vary from year to year, depending on government policy and whether our business in a particular year is able to make use of such available grants. Therefore, they are non-recurring in nature. During the Track Record Period, we also received service income, which represented the fees we charged the related parties for our provision of finance, human resources and other administrative services. Interest income represented interest income from our bank deposits and interest income from a related company and a Director arising from amounts due from them during the Track Record Period which were in non-trade nature.

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Administrative expenses

The following table sets forth a breakdown of our administrative expenses for the years indicated:

	For the year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Staff costs and welfare	4,430	5,066	5,443
Office support and other administrative expenses	995	866	612
Rental expenses	673	979	984
Depreciation	300	315	319
	6,398	7,226	7,358

Our administrative expenses comprised staff costs and welfare, office support and other administrative expenses, rental expenses, and depreciation. Our administrative expenses amounted to approximately S\$6.4 million, S\$7.2 million and S\$7.4 million for the years ended 31 December 2014, 2015 and 2016, respectively.

Staff costs and welfare related to directors' remuneration, salaries of internal staff, CPF and MPF contributions, staff allowance of internal staff, and other welfare expenses. Our staff costs and welfare amounted to approximately S\$4.4 million, S\$5.1 million and S\$5.4 million, representing approximately 69.2%, 70.1% and 74.0% of our administrative expenses for the years ended 31 December 2014, 2015 and 2016, respectively.

Our office support and other administrative expenses included mainly impairment loss recognised on amount due from related companies, repair and maintenance expenses, legal and professional fee, general expenses, transportation and travelling expenses and utilities. Our office support and other administrative expenses remained relatively stable at approximately S\$1.0 million and S\$0.9 million for the years ended 31 December 2014 and 2015, respectively. The decrease in our office support and other administrative expenses to approximately S\$0.6 million for the year ended 31 December 2016 was mainly due to no impairment loss recognised for the year.

Rental expenses represented the rent we paid for our leased office premises in Singapore and our licensed office premises in Hong Kong. Our rental expenses were approximately S\$0.7 million, S\$1.0 million and S\$1.0 million for the years ended 31 December 2014, 2015 and 2016, respectively.

Our depreciation for plant and equipment remained relatively stable at approximately S\$0.3 million, S\$0.3 million and S\$0.3 million for the years ended 31 December 2014, 2015 and 2016, respectively.

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Listing expenses

Listing expenses, representing professional fees in relation to the Share Offer, amounted to nil, nil and S\$1.5 million for the years ended 31 December 2014, 2015 and 2016, respectively.

Finance costs

The following table sets forth a breakdown of our finance costs for the years indicated:

	For the year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Interest expense on bank borrowing	<u>12</u>	<u>3</u>	<u>—</u>

Our finance costs represented our interest on bank borrowing, which amounted to approximately S\$12,000, S\$3,000 and nil for the years ended 31 December 2014, 2015 and 2016, respectively.

Income tax expense

Since our operation is based in Singapore and Hong Kong, we are liable to pay corporate income tax in accordance with the tax regulations of Singapore and Hong Kong. The statutory corporate tax rate in Singapore was 17% throughout the Track Record Period. No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong during the Track Record Period. Our income tax expense amounted to approximately S\$0.2 million, S\$0.3 million and S\$0.4 million for the years ended 31 December 2014, 2015 and 2016, respectively.

Our corresponding effective tax rate were approximately 9.4%, 12.3% and 20.0% for the years ended 31 December 2014, 2015 and 2016, respectively. Our effective tax rate for the years ended 31 December 2014 and 2015 was lower than the statutory tax rate due to the availability of various tax reliefs, tax rebates, and enhanced tax allowance and deductions. Our effective tax rate for the year ended 31 December 2016 was higher than the statutory tax rate which was primarily due to the non-tax deductible listing expenses of approximately S\$1.5 million for the year ended 31 December 2016. During the Track Record Period, our subsidiaries in Singapore enjoyed various tax reliefs from the Inland Revenue Authority of Singapore which included (i) the Productivity and Innovation Credit (PIC) Scheme which allowed 400% tax deductions/allowances or 40% to 60% cash payout for investments made in any of six qualifying activities from Years of Assessment 2013 to 2018; (ii) 75% tax exemption on the first S\$10,000 of normal chargeable income, and a further 50% tax exemption on the next S\$290,000 of normal chargeable income; and (iii) the corporate income tax rebate which allowed 30% corporate income tax rebate capped at S\$30,000 for the financial year ended 31 December 2014 and 50% corporate income tax rebate capped at S\$20,000 and S\$25,000 per year for financial years ended 31 December 2015 and 2016, respectively. Our Directors confirmed that we have paid all relevant taxes and are not subject to any dispute or unresolved tax issues with the relevant tax authorities in Singapore and Hong Kong. For details, please refer to Note 13 of the Accountants' Report set out in Appendix I to this prospectus.

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PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year ended 31 December 2015 compared to year ended 31 December 2014

Revenue

Our revenue was derived from human resources outsourcing, human resources recruitment and other human resources support services. Our revenue increased by approximately S\$9.0 million or 24.9%, from approximately S\$36.2 million for the year ended 31 December 2014 to approximately S\$45.2 million for the year ended 31 December 2015. The increase was principally due to increase in revenue from our human resources outsourcing and other human resources support services, partially offset by a decrease in revenue from our human resources recruitment services.

Human resources outsourcing services

Our revenue from human resources outsourcing services increased from approximately S\$32.5 million for the year ended 31 December 2014 to approximately S\$42.2 million for the year ended 31 December 2015, which represented a growth of approximately 29.8%. The growth in the revenue from human resources outsourcing services was mainly attributable to increase in demand for our outsourcing services from clients in the public sector as we received more job orders from different Singapore Government agencies due to their new projects in government survey and sports activities, such as the Singapore Youth Olympic Festival 2015. As a result, the number of our outsourced staff seconded to clients in public sector increased from approximately 2,773 for the year ended 31 December 2014 to approximately 3,205 for the year ended 31 December 2015.

Human resources recruitment services

Our revenue from human resources recruitment services decreased by approximately S\$0.8 million or 21.6%, from approximately S\$3.7 million for the year ended 31 December 2014 to approximately S\$2.9 million for the year ended 31 December 2015, primarily attributable to the decrease in demand on new recruits from our clients in private sector in Singapore by around 72 placements.

Other human resources support services

Our revenue derived from other human resources support services increased by approximately S\$0.1 million or 384.6% from approximately S\$26,000 for the year ended 31 December 2014 to approximately S\$0.1 million for the year ended 31 December 2015, which was mainly attributable to increase in revenue derived from referral services and parking services.

Cost of Services

In line with the increase in our revenue from human resources outsourcing services, our cost of services, comprised the labour cost and other related cost, increased by approximately S\$8.1 million or 28.9%, from approximately S\$27.8 million for the year ended 31 December 2014 to approximately S\$35.9 million for the year ended 31 December 2015.

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Our labour cost increased from approximately S\$27.3 million for the year ended 31 December 2014 to approximately S\$35.2 million for the year ended 31 December 2015, which was in line with the increase in our revenue derived from human resources outsourcing services. The proportion of labour cost to total cost of services remained relatively stable at approximately 98.0% and 98.2% for the years ended 31 December 2014 and 2015, respectively.

Gross profit and gross profit margin

Our overall gross profit increased by approximately S\$0.9 million or 10.7%, from approximately S\$8.4 million for the year ended 31 December 2014 to approximately S\$9.3 million for the year ended 31 December 2015. Our overall gross profit margin decreased from approximately 23.2% for the year ended 31 December 2014 to approximately 20.6% for the year ended 31 December 2015.

Our increase in gross profit was mainly attributable to our increase in gross profit from human resources outsourcing services, partially offset by decrease in gross profit from human resources recruitment services.

The decrease in our overall gross profit margin was mainly due to decrease in gross profit contribution from human resources recruitment services with margin of 100%.

Other income

Our other income increased from approximately S\$0.1 million for the year ended 31 December 2014 to approximately S\$0.2 million for the year ended 31 December 2015. The increase was mainly due to an increase in our service income of approximately S\$99,000, primarily attributable to the increase in fees we charged the related parties for our provision of finance, human resources and other administrative services.

Administrative expenses

Administrative expenses increased by approximately S\$0.8 million or 12.5%, from approximately S\$6.4 million for the year ended 31 December 2014 to approximately S\$7.2 million for the year ended 31 December 2015. The increase in administrative expenses was primarily due to (i) increase in staff costs and welfare of approximately S\$0.6 million, mainly due to salary increment and increase in number of internal staff; and (ii) increase in rental expenses of approximately S\$0.3 million which was attributable to the relocation to our new office in Singapore with a higher monthly rental in August 2014 for our business expansion.

Finance costs

Our finance costs decreased from approximately S\$12,000 for the year ended 31 December 2014 to approximately S\$3,000 for the year ended 31 December 2015. The decrease of finance costs was mainly due to decrease in interest expenses for the bank borrowing we obtained in January 2014 to finance the relocation and renovation of our new office in Singapore, which was repaid in full in July 2015.

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Profit before tax

As a result of the foregoing, our profit before tax increased by approximately S\$0.2 million or 9.5%, from approximately S\$2.1 million for the year ended 31 December 2014 to approximately S\$2.3 million for the year ended 31 December 2015.

Income tax expense

Income tax expense increased by approximately S\$0.1 million, from approximately S\$0.2 million for the year ended 31 December 2014 to approximately S\$0.3 million for the year ended 31 December 2015. Our effective tax rate was approximately 9.4% for the year ended 31 December 2014 and approximately 12.3% for the year ended 31 December 2015. Our effective tax rate was lower than the statutory tax rate for the years ended 31 December 2014 and 2015 due to tax reliefs, tax rebates, and enhanced tax allowance and deductions. Our effective tax rate for the year ended 31 December 2014 was lower than that for the year ended 31 December 2015 as we were entitled to a higher capital allowance in 2014 due to the office relocation and purchases of new IT equipment and software systems in Singapore in 2014.

Profit for the year

Our profit for the year increased from approximately S\$1.9 million for the year ended 31 December 2014 to approximately S\$2.0 million for the year ended 31 December 2015. The increase was mainly attributable to the cumulative effects of the reasons aforementioned.

Net profit margin

Our net profit margin decreased from approximately 5.3% for the year ended 31 December 2014 to approximately 4.5% for the year ended 31 December 2015, mainly due to decrease in gross profit margin from approximately 23.2% for the year ended 31 December 2014 to 20.6% for the year ended 31 December 2015 coupled with increase in the administrative expenses due to our business expansion.

Year ended 31 December 2016 compared to year ended 31 December 2015

Revenue

Our revenue was derived from human resources outsourcing, human resources recruitment and other human resources support services. Our revenue decreased slightly from approximately S\$45.2 million for the year ended 31 December 2015 to approximately S\$43.7 million for the year ended 31 December 2016, primarily attributable to the slight decrease in our revenue derived from human resources outsourcing services.

Human resources outsourcing services

The revenue from our human resources outsourcing services decreased slightly from approximately S\$42.2 million for the year ended 31 December 2015 to approximately S\$40.8 million for the year ended 31 December 2016. The slight decrease was primarily attributable to decrease in revenue from outsourcing services in private sector mainly due to (i) decrease in number of outsourced staff required by some of our existing private clients; and (ii) the expiry of a service agreement with a major private

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client in April 2016, after which we subsequently renewed the service agreement with such client in October 2016. Such decrease was partially offset by increase in revenue from outsourcing services in public sector as a result of the increase in service fees we charged our clients in public sector (a) pursuant to our contract entered into with Vital in 2016, which entitled us to charge higher rate of service fees as compared with the previous contract entered into with Vital in 2014, and (b) due to different job nature of outsourced staff procured by our clients in public sector.

Human resources recruitment services

Our revenue derived from human resources recruitment services remained relatively stable at approximately S\$2.9 million and S\$2.8 million for the years ended 31 December 2015 and 2016, respectively.

Other human resources support services

Our revenue derived from other human resources support services remained relatively stable at approximately S\$0.1 million and S\$0.1 million for the years ended 31 December 2015 and 2016, respectively.

Cost of services

Our cost of services, comprised the labour cost and other related costs, decreased from approximately S\$35.9 million for the year ended 31 December 2015 to approximately S\$34.0 million for the year ended 31 December 2016.

Our labour cost decreased from approximately S\$35.2 million for the year ended 31 December 2015 to approximately S\$33.3 million for the year ended 31 December 2016, primarily due to decrease in the number of our outsourced staff, which was in line with the decrease in our revenue derived from human resources outsourcing services. The proportion of labour cost to total cost of services remained relatively stable at approximately 98.2% and 98.1% for the years ended 31 December 2015 and 2016, respectively.

Gross profit and gross profit margin

Our overall gross profit increased by approximately S\$0.4 million, from approximately S\$9.3 million for the year ended 31 December 2015 to approximately S\$9.7 million for the year ended 31 December 2016, mainly due to increase in gross profit from human resources outsourcing services, while gross profit from human resources recruitment services remained relatively stable. The gross profit derived from human resources outsourcing services increased from approximately S\$6.3 million for the year ended 31 December 2015 to approximately S\$6.8 million for the year ended 31 December 2016, mainly due to an increase in gross profit margin of human resources outsourcing services, partially offset by a decrease in revenue derived from human resources outsourcing services during the year.

Our overall gross profit margin increased from approximately 20.6% for the year ended 31 December 2015 to approximately 22.2% for the year ended 31 December 2016, mainly attributable to increase in gross profit margin of human resources outsourcing services. The gross profit margin of

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human resources outsourcing services increased from approximately 14.9% for the year ended 31 December 2015 to approximately 16.6% for the year ended 31 December 2016, primarily attributable to (a) an increase in gross profit margin of human resources outsourcing services in the public sector as a result of the increase in service fees we charged our clients in public sector pursuant to our contract entered into with Vital in 2016, which entitled us to charge higher rate of service fees as compared with the previous contract entered into with Vital in 2014, and due to different job nature of outsourced staff procured by our clients in public sector; (b) an increase in government subsidies received from approximately 4.0% of our gross cost of services in 2015 to approximately 6.7% in 2016; and (c) an increase in gross profit margin of human resources outsourcing services in the private sector due to more new service agreements with higher profit margin in the private sector secured by us.

Other income

Our other income increased from approximately S\$0.2 million for the year ended 31 December 2015 to approximately S\$0.9 million for the year ended 31 December 2016. The increase was mainly due to the reversal of provision for doubtful debt of approximately S\$0.8 million, which represented the amount due from related companies for which provision had previously been made but subsequently recovered by us in the year ended 31 December 2016.

Administrative expenses

Administrative expenses remained relatively stable at approximately S\$7.2 million and S\$7.4 million for the years ended 31 December 2015 and 2016, respectively.

Listing expenses

Listing expenses increased from nil for the year ended 31 December 2015 to approximately S\$1.5 million for the year ended 31 December 2016 as we engaged professional parties and incurred listing expenses in preparation for the Listing in 2016.

Finance costs

Our finance costs decreased from approximately S\$3,000 for the year ended 31 December 2015 to nil for the year ended 31 December 2016, as we had not obtained any bank borrowings after we fully repaid in July 2015 the bank borrowing that was used to finance the relocation and renovation of our new office in Singapore.

Profit before tax

As a result of the foregoing, our profit before tax decreased by approximately S\$0.5 million, from approximately S\$2.3 million for the year ended 31 December 2015 to approximately S\$1.8 million for the year ended 31 December 2016.

Income tax expense

Income tax expense remained relatively stable at approximately S\$0.3 million and S\$0.4 million for the years ended 31 December 2015 and 2016, respectively. Our effective tax rate increased from

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approximately 12.3% for the year ended 31 December 2015 to approximately 20.0% for the year ended 31 December 2016, primarily attributable to the non-tax deductible listing expenses of approximately S\$1.5 million for the year ended 31 December 2016.

Profit for the year

Our profit for the year decreased by approximately S\$0.6 million, from approximately S\$2.0 million for the year ended 31 December 2015 to approximately S\$1.4 million for the year ended 31 December 2016, which was mainly due to the cumulative effect of aforesaid reasons.

Net profit margin

Our net profit margin decreased from approximately 4.5% for the year ended 31 December 2015 to approximately 3.3% for the year ended 31 December 2016, which was mainly due to the increase in our listing expenses, partially offset by the increase in our gross profit margin.

LIQUIDITY AND CAPITAL RESOURCES

Financial resources

Our business operation depends on the sufficiency of working capital and effective cost management. Our source of funds is mainly generated from our operations. Our primary uses of cash are for payments to outsourced staff in relation to human resources outsourcing services, salaries for internal staff, office rental and working capital needs. Upon the Listing, our source of funds will be a combination of internal generated funds, bank facilities and net proceeds from the Share Offer.

Cash flows

The following table is a summary of our consolidated statements of cash flows for the years indicated:

	For the year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Net cash generated from/(used in) operating activities	3,452	1,040	(818)
Net cash used in investing activities	(715)	(51)	(275)
Net cash (used in)/generated from financing activities	(743)	(772)	1,390
Cash and cash equivalents at the beginning of the year	3,249	5,238	5,453
Effect of foreign exchange rate changes	(5)	(2)	22
Cash and cash equivalents at the end of the year	5,238	5,453	5,772

Operating activities

Net cash generated from/(used in) operating activities primarily contributed by profit before tax adjusted for non-cash items and non-operating activities items, such as reversal of provision for doubtful debt, depreciation of plant and equipment, finance costs, interest income, and loss/(gain) on disposal of

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plant and equipment. We derive our cash inflow from operations principally from our revenue. Our cash outflow used in operations is principally for payment for labour costs, administrative expenses and other working capital needs.

For the year ended 31 December 2014, our net cash generated from operating activities was approximately S\$3.5 million. The net cash from operating activities was mainly attributable to our profit before tax of approximately S\$2.1 million, which was positively adjusted for (i) approximately S\$0.3 million from depreciation of plant and equipment, (ii) finance cost of approximately S\$12,000 and (iii) loss on disposal of plant and equipment of approximately S\$9,000, partially offset by negative adjustment of interest income of approximately S\$21,000. These adjustments were non-cash items and non-operating activities items, and adjusted as they did not impact the cash flow or net cash generated from operating activities of our Group. The difference of approximately S\$1.0 million between the operating cash flows before movements in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) decrease in trade receivables of approximately S\$0.7 million; (ii) decrease in prepayments, deposits and other receivables of approximately S\$0.5 million; and (iii) increase in amount due to a director of approximately S\$0.6 million, partially offset by (i) decrease in other payables and accruals of approximately S\$0.6 million; and (ii) income tax paid of approximately S\$0.2 million.

For the year ended 31 December 2015, our net cash generated from operating activities was approximately S\$1.0 million. The net cash from operating activities was mainly attributable to our profit before tax of approximately S\$2.3 million, which was positively adjusted primarily for (i) approximately S\$0.3 million from depreciation of plant and equipment; and (ii) finance cost of approximately S\$3,000, partially offset by negative adjustment of interest income of approximately S\$10,000. These adjustments were non-cash items and non-operating activities items, and adjusted as they did not impact the cash flow or net cash generated from operating activities of our Group. The difference of approximately S\$1.6 million between the operating cash flows before movements in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) increase in trade receivables of approximately S\$1.3 million mainly due to increase in our revenue for the year; (ii) increase in amounts due from related companies and a director of approximately S\$0.2 million and S\$0.6 million, respectively; (iii) decrease in amount due to a related company and a director of approximately S\$30,000 and S\$0.4 million, respectively; (iv) increase in prepayments, deposits and other receivables of approximately S\$86,000; and (v) income tax paid of approximately S\$0.2 million, partially offset by increase in accrued labour costs of approximately S\$1.1 million.

For the year ended 31 December 2016, our net cash used in operating activities was approximately S\$0.8 million. The net cash used in operating activities was mainly attributable to our profit before tax of approximately S\$1.8 million, which was negatively adjusted primarily for (i) reversal of provision for doubtful debt of approximately S\$0.8 million; (ii) interest income of approximately S\$19,000; and (iii) gain on disposal of plant and equipment of approximately S\$1,000, and partially offset by positive adjustment of approximately S\$0.3 million from depreciation of plant and equipment. These adjustments were non-cash items and non-operating activities items, and adjusted as they did not impact the cash flow or net cash used in operating activities of our Group. The difference of approximately S\$2.0 million between the operating cash flows before movements in working capital and net cash used in operating activities was mainly attributable to the combined effect of (i) increase in prepayments, deposits and other receivables of approximately S\$0.4 million; (ii) an increase in trade receivables of approximately S\$0.3 million; (iii) increase in amount due from a director of approximately S\$0.3

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million; (iv) decrease in accrued labour costs of approximately S\$0.7 million; (v) decrease in other payables and accruals of approximately S\$0.3 million; and (vi) income tax paid of approximately S\$0.3 million, partially offset by decrease in amounts due from related companies of approximately S\$0.2 million.

Investing activities

Our cash used in investing activities is primarily for the purchase of plant and equipment for operation purpose. Our cash generated from investing activities represents proceeds from disposal of plant and equipment and interest income.

For the years ended 31 December 2014, 2015 and 2016, our net cash used in investing activities was approximately S\$0.7 million, S\$51,000 and S\$0.3 million, respectively, all of which were primarily attributable to our purchase of plant and equipment for operation purpose.

Financing activities

Our cash used in financing activities is for repayment of bank borrowing, payment of interest expense and payment of dividends. Our cash generated from financing activities includes proceeds from the issue of Shares by our Company and proceeds from bank borrowing.

For the year ended 31 December 2014, our net cash used in financing activities was approximately S\$0.7 million, mainly attributable to repayments of bank borrowing of approximately S\$0.4 million, payment of interest expense of approximately S\$12,000 and payment of dividends of approximately S\$1.0 million, partially offset by proceeds from bank borrowing of approximately S\$0.7 million.

For the year ended 31 December 2015, our net cash used in financing activities was approximately S\$0.8 million, mainly attributable to the repayment of bank borrowing of approximately S\$0.3 million, payment of dividends of approximately S\$0.5 million, and payment of interest expense of approximately S\$3,000.

For the year ended 31 December 2016, our net cash generated from financing activities was approximately S\$1.4 million, mainly attributable to the proceeds from the issue of Shares by our Company to Lotus Investments.

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INDEBTEDNESS

Bank borrowing

The table below sets out our interest-bearing bank borrowing as at the dates indicated:

	As at 31 December			As at
	2014	2015	2016	31 May
	S\$'000	S\$'000	S\$'000	2017 S\$'000
				(unaudited)
Bank borrowing	269	—	—	—

During the Track Record Period, we obtained bank borrowing in the principal amount of approximately S\$0.7 million for relocation and renovation of our Singapore office in 2014. The bank borrowing was secured by the personal guarantee of our Director, Mr. Chew. The effective interest rate of the bank borrowing was 2.91%. The bank borrowing was repaid in full in July 2015 and the personal guarantee of Mr. Chew had been released as at the Latest Practicable Date. As at 31 May 2017, we had available unutilised bank facilities of approximately S\$20,000, which were secured by charges on fixed deposits by our Group. These unutilised bank facilities will subsist after the Listing.

Amounts due to a related company and a Director

The table below sets out the amounts due to a related company and a Director as at the dates indicated:

	As at 31 December			As at
	2014	2015	2016	31 May
	S\$'000	S\$'000	S\$'000	2017 S\$'000
				(unaudited)
Amount due to a related company	30	—	—	—
Amount due to a Director	415	—	—	—

As at 31 December 2014, amount of approximately S\$30,000 was due to a related company, which was in trade nature, unsecured, interest-free and repayable on demand. In addition, as at 31 December 2014, amount of approximately S\$415,000 was due to our Director, Mr. Chew, which was in non-trade nature, unsecured, interest-free and repayable on demand. The above amounts due to a related company and a Director were settled in full by us during the year ended 31 December 2015.

Save as disclosed above, we did not have other outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities outstanding as at 31 May 2017.

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Our Directors confirmed that there has not been any material change in our indebtedness since 31 May 2017. Our Directors confirmed that we have not raised material external debt financing and unlikely to do so in the near future. Our Directors confirmed that we had neither experienced any difficulties in repayment nor breached any major covenant of our bank borrowing during the Track Record Period.

CONTRACTUAL COMMITMENTS

As at 31 December 2014, 2015 and 2016, we had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Within one year	896	896	736
In the second to fifth years, inclusive	<u>1,445</u>	<u>556</u>	<u>45</u>
	<u><u>2,341</u></u>	<u><u>1,452</u></u>	<u><u>781</u></u>

The above operating lease commitments were in relation to our Singapore office premises and Hong Kong office premises under non-cancellable operating lease agreements. The leases have varying terms and renewal rights. Subsequent to the Track Record Period, the Group had renewed the operating lease agreement of the Singapore office premise for another three years until 14 August 2020 and the operating lease agreement of the Hong Kong office premise for another one and a half years until 24 August 2018. As at the Latest Practicable Date, we only had the abovementioned operating lease commitments.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures have principally consisted of expenditures on leasehold improvement, computers and equipment, and furniture and fixtures. We incurred cash flows on capital expenditures for leasehold improvement, purchase of computers and equipment, furniture and fixtures in the amounts of approximately S\$0.7 million and S\$51,000 for the years ended 31 December 2014 and 2015, respectively. The higher amount of our capital expenditures in 2014 as compared with 2015 was mainly due to the relocation of our office in Singapore in 2014. In addition, we incurred capital expenditure for purchase of computers and equipment of approximately S\$0.3 million for the year ended 31 December 2016.

CAPITAL COMMITMENTS

We did not have capital commitments as at 31 December 2014, 2015 and 2016.

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NET CURRENT ASSETS

The table below sets forth our net current assets as at 31 December 2014, 2015 and 2016 and 31 May 2017, respectively:

	As at 31 December 2014 S\$'000	As at 31 December 2015 S\$'000	As at 31 December 2016 S\$'000	As at 31 May 2017 S\$'000 (unaudited)
CURRENT ASSETS				
Trade receivables	7,439	8,783	9,094	7,492
Prepayments, deposits and other receivables	475	561	955	1,057
Amounts due from related companies	29	202	—	71
Amount due from a director	—	582	118	123
Cash and cash equivalents	5,238	5,453	5,772	8,376
Total current assets	13,181	15,581	15,939	17,119
CURRENT LIABILITIES				
Accrued labour costs	3,004	4,102	3,436	3,437
Other payables and accruals	813	927	1,601	1,451
Amount due to a related company	30	—	—	—
Amount due to a director	415	—	—	—
Bank borrowing	269	—	—	—
Tax payables	168	309	328	409
Total current liabilities	4,699	5,338	5,365	5,297
NET CURRENT ASSETS	8,482	10,243	10,574	11,822

Our net current assets increased from approximately S\$8.5 million as at 31 December 2014 to approximately S\$10.2 million as at 31 December 2015. The increase was mainly due to (i) an increase in trade receivables of approximately S\$1.3 million which was in line with the increase in our revenue for the year; (ii) an increase in amounts due from related companies and a Director of approximately S\$0.2 million and S\$0.6 million, respectively; (iii) an increase in cash and cash equivalents of approximately S\$0.2 million; (iv) a decrease in amount due to a Director of approximately S\$0.4 million; and (v) a decrease in bank borrowing of approximately S\$0.3 million following our repayment of bank borrowing in full in July 2015. Such increase was partially offset by (i) an increase in accrued labour costs of approximately S\$1.1 million; (ii) an increase in other payables and accruals of approximately S\$0.1 million; and (iii) an increase in tax payables of approximately S\$0.1 million.

Our net current assets increased slightly from approximately S\$10.2 million as at 31 December 2015 to approximately S\$10.6 million as at 31 December 2016. The increase was mainly due to (i) an increase in trade receivables of approximately S\$0.3 million; (ii) an increase in prepayments, deposits and other receivables of approximately S\$0.4 million; (iii) an increase in cash and cash equivalents of

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approximately S\$0.3 million; and (iv) a decrease in accrued labour costs of approximately S\$0.7 million. Such increase was partially offset by (i) a decrease in amounts due from related companies of approximately S\$0.2 million; (ii) a decrease in amount due from a director of approximately S\$0.5 million; and (iii) increase in other payables and accruals of approximately S\$0.7 million.

Our net current assets increased from approximately S\$10.6 million as at 31 December 2016 to approximately S\$11.8 million as at 31 May 2017. The increase was mainly due to (i) an increase in cash and cash equivalents of approximately S\$2.6 million; (ii) an increase in prepayments, deposits and other receivables of approximately S\$0.1 million; and (iii) a decrease in other payables and accruals of approximately S\$0.2 million. Such increase was partially offset by a decrease in trade receivables of approximately S\$1.6 million.

CERTAIN BALANCE SHEET ITEMS

Trade receivables

	As at 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Trade receivables	7,439	8,783	9,094

Our trade receivables mainly represented receivables from our clients. Our balance of trade receivables increased from approximately S\$7.4 million as at 31 December 2014 to approximately S\$8.8 million as at 31 December 2015, mainly due to increase in revenue during the relevant period. Our trade receivables increased from approximately S\$8.8 million as at 31 December 2015 to approximately S\$9.1 million as at 31 December 2016, which was in line with the increase in revenue during the relevant period from public sector which require more time to review and approve payments. During the Track Record Period, trade receivables were denominated in Singapore dollars and Hong Kong dollars.

We generally grant our clients credit period of 30 to 60 days from the date of invoice. Our trade receivables are non-interest bearing.

The following table sets forth an aged analysis of the trade receivables as at the dates indicated, based on the invoice date:

	As at 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Less than 30 days	3,995	5,409	4,745
31 to 60 days	2,382	2,762	3,547
61 to 90 days	695	506	551
More than 90 days	367	106	251
Total	7,439	8,783	9,094

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The following table sets forth an aged analysis of trade receivables which are past due but not impaired as at the dates indicated:

	As at 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Less than 30 days past due	2,815	2,489	3,194
31 to 60 days past due	618	445	379
61 to 90 days past due	268	59	110
More than 90 days past due	141	43	90
Total	3,842	3,036	3,773

During the Track Record Period, there were instances of delayed payments from clients resulting in receivables being overdue. These delays are usually caused by clients in public sector and sizable companies in private sector which require more time to review and approve payments. As at 31 December 2014, 2015 and 2016, approximately S\$3.8 million, S\$3.0 million and S\$3.8 million of the trade receivables were past due, respectively. During the Track Record Period, we did not encounter any difficulties in collection of trade receivables. Therefore, no provision for impairment of trade receivables has been recorded during the Track Record Period.

The following table sets out the trade receivables turnover days for the Track Record Period:

	For the year ended 31 December		
	2014	2015	2016
Trade receivables turnover days (<i>Note</i>)	75	71	76

Note: Trade receivables turnover days were calculated based on the closing trade receivable balances as at the year end divided by total revenue for that year multiplied by the number of days for that year (i.e. 365 days for a full year).

Our trade receivables turnover days remained relatively stable for the years ended 31 December 2014, 2015 and 2016 at approximately 75 days, 71 days and 76 days, respectively. During the Track Record Period, our trade receivables turnover days were longer than the credit period we granted to our clients, mainly due to delays usually caused by clients in public sector and sizable companies in private sector which require more time to review and approve payments.

As at 31 March 2017, approximately 98.6% of our trade receivables as at 31 December 2016 had been settled.

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In our business operation cycle, the time taken to receive payments from our clients is longer than the time to pay our outsourced staff. In general, we have a working capital mismatch in our operation. We finance our business operation primarily through our internally generated funds. Our cash and cash equivalents remained relatively stable at approximately S\$5.2 million, S\$5.5 million and S\$5.8 million as at 31 December 2014, 2015 and 2016, respectively.

Prepayments, deposits and other receivables

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Prepayments	224	305	710
Deposits	250	245	242
Other receivables	1	11	3
	475	561	955

Prepayments mainly represented prepaid insurance, prepaid professional fees and other miscellaneous expenses. Prepayments increased from approximately S\$0.2 million as at 31 December 2014 to approximately S\$0.3 million as at 31 December 2015, mainly due to our prepayment of group hospitalisation and clinical outpatient insurance as we changed our insurance policy in 2015. Prepayments further increased from approximately S\$0.3 million as at 31 December 2015 to approximately S\$0.7 million as at 31 December 2016, mainly due to prepayment of professional fees incurred in relation to the Listing.

Our deposits mainly included deposits for rental and utilities, and remained relatively stable at approximately S\$0.3 million, S\$0.2 million and S\$0.2 million as at 31 December 2014, 2015 and 2016, respectively.

Amounts due from related companies and a director

	Maximum balance outstanding during year ended 31 December			As at 31 December		
	2014	2015	2016	2014	2015	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Related companies						
— Non-trade nature	437	807	1,019	437	807	—
— Trade nature	134	237	311	134	237	—
Provision for doubtful debt				571	1,044	—
				(542)	(842)	—
				29	202	—
Director (non-trade nature)	625	582	977	—	582	118

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Our amounts due from related companies mainly represented (i) fees to be received from related companies for finance, human resources and other administrative services provided to them which were non-trade nature, unsecured, interest-free and repayable on demand; and (ii) referral fees to be received from BGC Malaysia which were in trade nature, unsecured, interest-free and repayable on demand. As disclosed in the section headed “Connected Transactions” in this prospectus, these transactions are expected to continue after the Listing.

During the Track Record Period, we had amounts due from a Director, Mr. Chew, which were non-trade nature, unsecured and repayable on demand. Save for the amount of approximately S\$0.5 million due from the Director for the year ended 31 December 2014 that was interest bearing at 5.35%, all the amounts due from the Director were interest-free. The outstanding amount due from the Director as at 31 December 2016 of approximately S\$0.1 million will be settled before Listing.

The outstanding amounts due from related companies as at 31 December 2015 of approximately S\$1.0 million had been settled in the year ended 31 December 2016, and thus there was no outstanding amount due from related companies as at 31 December 2016, and the provision for doubtful debt of approximately S\$0.8 million as at 31 December 2015 previously made was reversed accordingly. During the Track Record Period, provision for doubtful debt was made for amounts due from related companies as we considered that the related companies might have financial difficulties in making payments to us at the material time. Going forward, to ensure that we will be able to recover service fees from the related companies, we have adopted a policy, pursuant to which we will assess the net asset value, debt recoverability and liquidity level of the related companies based on their latest management accounts, and approval from our Board shall be obtained before entering into transactions with our related companies if the amount of a single transaction is in excess of S\$10,000 or the amount of the transactions with the same related company in a month in aggregate is in excess of S\$10,000.

Accrued labour costs

	As at 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Accrued labour costs	3,004	4,102	3,436

Our accrued labour costs increased from approximately S\$3.0 million as at 31 December 2014 to approximately S\$4.1 million as at 31 December 2015, primarily due to salary increment of outsourced staff. Our accrued labour costs decreased to approximately S\$3.4 million as at 31 December 2016, primarily due to the decrease in number of outsourced staff.

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Other payables and accruals

Other payables and accruals as at 31 December 2014, 2015 and 2016 were approximately S\$0.8 million, S\$0.9 million and S\$1.6 million, respectively, of which a breakdown is set out below:

	As at 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Other payables	151	311	199
Dividend payable	—	—	227
GST payables	399	544	518
Receipt in advance	203	13	40
Other accrued expenses	<u>60</u>	<u>59</u>	<u>617</u>
	<u>813</u>	<u>927</u>	<u>1,601</u>

Our other payables and accruals comprised other payables, dividend payable, GST payables, receipt in advance, and other accrued expenses.

Our other payables amounted to approximately S\$0.2 million, S\$0.3 million and S\$0.2 million as at 31 December 2014, 2015 and 2016, respectively. The other payables mainly represented IT infrastructure support and maintenance service fee payables, rental payables and job advertisement payable.

The dividend payable of approximately S\$0.2 million as at 31 December 2016 represented part of the dividend declared during the Track Record Period, which is expected to be settled before Listing.

Our GST payables, representing net goods and service tax collected on behalf of the tax authority, amounted to approximately S\$0.4 million, S\$0.5 million and S\$0.5 million as at 31 December 2014, 2015 and 2016, respectively.

Receipt in advance represented invoices issued to our clients in Hong Kong relating to our human resources recruitment services after the entering into of employment contracts between our clients and successful candidates, but before the commencement of the employment of the candidates.

Other accrued expenses mainly represented provision for audit fees and listing expenses. Our accrued expenses remained relatively stable at approximately S\$60,000 and S\$59,000 as at 31 December 2014 and 2015, respectively. Our accrued expenses increased to approximately S\$0.6 million as at 31 December 2016, mainly due to increase in provision for listing expenses for the year ended 31 December 2016.

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FINANCIAL RATIOS

The following table sets forth the key financial ratios of our Group during the Track Record Period:

	As at 31 December		
	2014	2015	2016
Current ratio ⁽¹⁾	2.8	2.9	3.0
Gearing ratio ⁽²⁾	7.9%	—	—
	For the year ended 31 December		
	2014	2015	2016
Return on total assets ⁽³⁾	13.9%	12.7%	8.8%
Return on equity ⁽⁴⁾	21.3%	19.2%	13.2%
Gross profit margin	23.2%	20.6%	22.2%
Net profit margin	5.3%	4.5%	3.3%

Notes:

- (1) Current ratio is calculated by dividing current assets by current liabilities as at the respective year end.
- (2) Gearing ratio is calculated by dividing total borrowings (including bank borrowing, amount due to a related company and a Director) by total equity as at the respective year end.
- (3) Return on total assets is calculated by dividing profit for the year by the total assets as at the respective year end.
- (4) Return on equity is calculated by dividing profit for the year by the total equity as at the respective year end.

Current ratio

Our current ratio remained relatively stable at approximately 2.8, 2.9 and 3.0 as at 31 December 2014, 2015 and 2016, respectively.

Gearing ratio

Our gearing ratio was approximately 7.9% as at 31 December 2014. Gearing ratio was not applicable to our Group as at 31 December 2015 and 2016 since we did not have any outstanding borrowings as at 31 December 2015 and 2016.

Return on total assets

Our return on total assets decreased from approximately 13.9% for the year ended 31 December 2014 to approximately 12.7% for the year ended 31 December 2015, which was primarily due to the increase in our trade receivables as at 31 December 2015, partially offset by the slightly increase in our net profit during the year. Our return on total assets further decreased to approximately 8.8% for the year ended 31 December 2016, which was mainly due to the decrease in net profit for the year ended 31 December 2016 as a result of the listing expenses.

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Return on equity

Our return on equity decreased from approximately 21.3% for the year ended 31 December 2014 to approximately 19.2% for the year ended 31 December 2015, primarily due to the increase in our reserves as at the year end as a result of the retained profits recorded for the year, partially offset by the slightly increase in our net profit during the year. Our return on equity further decreased to approximately 13.2% for the year ended 31 December 2016, mainly due to decrease in net profit for the year ended 31 December 2016 as a result of the listing expenses.

Gross profit margin and net profit margin

Our gross profit margin was approximately 23.2%, 20.6% and 22.2% for the years ended 31 December 2014, 2015 and 2016, respectively, while our net profit margin was approximately 5.3%, 4.5% and 3.3% for the corresponding periods, respectively. For further details, please refer to the sections headed “Financial Information — Principal Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Gross profit” and “Financial Information — Period to Period Comparison of Results of Operations — Net profit margin” in this prospectus.

WORKING CAPITAL

Our Directors are of the opinion that, taking into consideration the financial resources presently available to us, including cash flows from our operations, unutilised bank facilities and the estimated net proceeds from the Share Offer, we have sufficient working capital for our present requirements for at least the next 12 months from the date of this prospectus.

RELATED PARTY TRANSACTIONS

We entered into transactions with our related parties during the Track Record Period. Our Directors are of the view that each of the related party transactions set out in Note 30 to our financial statements included in the Accountants’ Report in Appendix I to this prospectus was conducted in the ordinary course of business and on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

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UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of our Group prepared in accordance with Rule 7.31 of the GEM Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Share Offer on the audited consolidated net tangible assets of our Group as at 31 December 2016 as if the Share Offer had been completed on 31 December 2016.

This unaudited pro forma adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the net tangible assets of our Group as at 31 December 2016 or at any future dates following the Share Offer. The unaudited pro forma adjusted consolidated net tangible assets does not form part of the Accountants' Report.

	Audited consolidated net tangible assets of our Group as at 31 December 2016 ⁽¹⁾ S\$'000	Estimated net proceeds from the Share Offer ⁽²⁾ S\$'000	Unaudited pro forma adjusted consolidated net tangible assets of our Group ⁽³⁾ S\$'000	Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽⁴⁾ S\$	HK\$
Based on an Offer Price of HK\$0.45 per Offer Share	10,813	8,537	19,350	0.0323	0.1828
Based on an Offer Price of HK\$0.55 per Offer Share	10,813	11,102	21,915	0.0365	0.2066

Notes:

- (1) The audited consolidated net tangible assets of our Group as at 31 December 2016 is based on the net assets of our Group attributable to owners of our Company as extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Share Offer are based on 150,000,000 new Shares to be issued under the Share Offer at an indicative Offer Price of HK\$0.45 and HK\$0.55 per Offer Share, respectively, after deduction of the underwriting fees and related expenses payable by our Group in connection with the Share Offer, other than those expenses which had been recognised in profit or loss for the period up to 31 December 2016. The estimated net proceeds are converted into S\$ at the rate of S\$0.1767 = HK\$1.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of our Group does not take into account the effect of any trading result and other transactions of our Group entered into subsequent to 31 December 2016.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on 600,000,000 Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer, but does not take into account any Shares which may be allotted or issued pursuant to the exercise of the Offer Size Adjustment Option or any option which may be granted under the Share Option Scheme or any Shares which may be allotted, issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of Shares. The unaudited pro forma adjusted consolidated net tangible assets per Share is converted into HK\$ based on the exchange rate of S\$0.1767 to HK\$1.

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DISTRIBUTABLE RESERVES

The aggregate amount of our distributable reserves as at 31 December 2014, 2015 and 2016 were approximately S\$7.4 million, S\$9.0 million and S\$7.8 million, respectively.

DIVIDENDS

For the years ended 31 December 2014, 2015 and 2016, we declared dividends of S\$1.0 million, S\$0.5 million and S\$2.6 million, respectively. Save for part of the dividend declared in August 2016 amounting to approximately S\$0.2 million which is expected to be settled before Listing, all the above dividends had been settled as at the Latest Practicable Date, among which part of the dividend of approximately S\$0.5 million declared in 2014 and part of the dividend of approximately S\$2.3 million declared in 2016 had been settled by setting off an amount due from a Director, whereas the remaining dividend of approximately S\$0.5 million declared in 2014 and the dividend of S\$0.5 million declared in 2015 had been settled in cash. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following Listing.

We currently do not have any pre-determined dividend distribution ratio. Our Board may declare dividends in the future after taking into account our operations, earnings, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Law, including the approval of our Shareholders. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board.

We cannot assure you that we will be able to distribute dividends in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and its subsidiaries have entered into or may enter into in the future.

FINANCIAL RISK MANAGEMENT

Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to our Group. The major classes of financial assets of our Group are cash and cash equivalents, trade receivables and other receivables. For trade receivables, we adopt the policy of dealing only with clients of appropriate credit history. For other financial assets, we adopt the policy of dealing only with high credit quality counterparties.

As we do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. Please refer to note 6 of the Accountants' Report in Appendix I to this prospectus for further details.

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Liquidity risk management

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity risk is to ensure, as far as possible, we will always have sufficient liquidity to meet our liabilities when due, such as maintaining sufficient cash and cash equivalents. Please refer to note 6 of the Accountants' Report in Appendix I to this prospectus for further details.

Capital risk management

For the purpose of our capital management, capital includes borrowings and equity attributable to the owners of our Company.

Our objectives for managing capital are to safeguard our ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value. In order to maintain or achieve an optimal capital structure, we may adjust the amount of dividend payment, return capital to the shareholder, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or procedures for capital management during the Track Record Period. Please refer to note 32 of the Accountants' Report in Appendix I to this prospectus for further details.

We have a working capital mismatch in our operation. In general, we do not receive any upfront payments or deposits from our clients prior to the commencement of services, and will issue invoices and receive payments only after the performance of our services, for which we would have incurred costs, particularly labour costs associated with deployment of outsourced staff. In addition, we generally grant our clients credit period of 30 to 60 days from the date of invoice. As a result, in our business operation cycle, the time taken to receive payments from our clients is longer than the time to pay our outsourced staff. To ensure our working capital is maintained at an adequate level for our needs from time to time, including payment of labour costs, it is our policy to monitor our capital level and budget our capital requirements on a monthly basis. Our finance department would prepare cash flow forecast and budget forecast on a monthly basis, based on which we can review and estimate our level of working capital, and obtain short-term financing, if and when necessary.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances which would have given rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

OFF-BALANCE SHEET ARRANGEMENT

As at the Latest Practicable Date, we had not entered into any off-balance sheet arrangement.

LISTING EXPENSES

Our estimated listing expenses include underwriting commissions, professional fees and other fees and expenses in connection with the Share Offer. Assuming an Offer Price of HK\$0.50 per Share, being the mid-point of our indicative Offer Price range, the total listing expenses will be approximately HK\$23.0 million (equivalent to approximately S\$4.1 million), of which approximately HK\$6.9 million

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(equivalent to approximately S\$1.3 million) is directly attributable to the Share Offer and is expected to be capitalised after the Share Offer. The remaining amount of approximately HK\$16.1 million (equivalent to approximately S\$2.8 million) has been or is to be charged to our consolidated statements of profit or loss and other comprehensive income, of which (i) approximately HK\$8.5 million (equivalent to approximately S\$1.5 million) was incurred and charged for the year ended 31 December 2016; and (ii) approximately HK\$7.6 million (equivalent to approximately S\$1.3 million) is expected to be charged and incurred for the year ending 31 December 2017. The estimated listing expenses are subject to adjustments based on the actual amount incurred or to be incurred. Our Directors expect that our financial results for the year ending 31 December 2017 will be negatively affected by the non-recurring listing expenses to be charged to our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

During the period from 1 January 2017 up to the Latest Practicable Date, we have submitted five tenders to Singapore Government agencies in respect of provision of human resources outsourcing services, among which one tender had been cancelled by the relevant Singapore Government agency subsequently and the results of three other tenders were available as at the Latest Practicable Date. Among these three tenders, we have been awarded two tenders, the results of which have been confirmed but the contracts have not yet been entered into as at the Latest Practicable Date. In addition, during the period from 1 January 2017 up to the Latest Practicable Date, we have entered into 19 contracts with clients in private sector in respect of provision of human resources outsourcing and recruitment services. As at the Latest Practicable Date, we had not less than 200 and 800 subsisting contracts with clients in public and private sectors, respectively.

Subsequent to the Track Record Period, based on the unaudited financial information of our Group, our revenue increased slightly from approximately S\$10.1 million for the three months ended 31 March 2016 to approximately S\$10.9 million for the three months ended 31 March 2017.

The financial information disclosed above is extracted from the unaudited consolidated financial statements for the three months ended 31 March 2016 and 2017 prepared by our Directors in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board, which are unaudited but have been reviewed by our reporting accountants in accordance with the Hong Kong Standards on Review Engagements 2410 “Review on Interim Financial Information performed by the Independent Auditor of the Entity”.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, save for (a) the listing expenses to be incurred as stated in the paragraph headed “Listing expenses” in this section; (b) the anticipated significant increase in our administrative expenses including staff costs to cope with our business expansion, professional fees and Directors’ remuneration after the Listing; (c) the absence of the reversal of provision for doubtful debt; and (d) the decrease in the subsidies under the Wage Credit Scheme received by our Group as disclosed in the paragraph headed “Principal components of consolidated statements of profit or loss and other comprehensive income — Cost of services” in this section, (i) there were no material adverse changes in the market conditions or the industry and environment in which we operate that materially and adversely affect our financial or operating position since 31 December 2016 and up to the date of this prospectus; (ii) there was no material adverse change in the

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trading and financial position or prospects of our Group since 31 December 2016 and up to the date of this prospectus; and (iii) no event had occurred since 31 December 2016 and up to the date of this prospectus that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

UNDERWRITING

PUBLIC OFFER UNDERWRITER

Pacific Foundation Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is initially offering 15,000,000 Offer Shares for subscription by public in Hong Kong at the Offer Price on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to (i) the Listing Division granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus; and (ii) certain other conditions set out in the Public Offer Underwriting Agreement (including, among others, the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company agreeing on the Offer Price), the Public Offer Underwriter has agreed to subscribe for, or procure subscribers to subscribe for the Public Offer Shares on the terms and subject to the conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement. The Public Offer Shares are fully underwritten pursuant to the Public Offer Underwriting Agreement.

The Public Offer Underwriting Agreement is conditional upon and subject to the Placing Underwriting Agreement having been signed and becoming unconditional and not having been terminated.

Grounds for termination of the Public Offer Underwriting Agreement

If any of the events set out below shall occur at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, the Sole Bookrunner shall be entitled by notice (orally or in writing) given to our Company to terminate the Public Offer Underwriting Agreement with immediate effect:

- (a) there shall develop, occur or come into force:
 - (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Singapore, Hong Kong, the BVI, the Cayman Islands or any other jurisdiction(s) relevant to our Company and our subsidiaries or any other similar event which in the sole and absolute opinion of the Sole Bookrunner has or is likely to have a material adverse effect on the business or financial conditions or prospects of our Group or which may be expected to adversely affect the business or financial condition or prospects of our Group in a material way; or
 - (ii) any change (whether or not permanent) in national, regional, international, financial, military, industrial or economic conditions or prospects, stock market, fiscal or political conditions, regulatory or market conditions and matters and/or disasters in Singapore, Hong Kong, the BVI, the Cayman Islands or any other jurisdiction(s) relevant to our

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Company and our subsidiaries or any other similar event which in the sole and absolute opinion of the Sole Bookrunner has or is likely to have a material adverse effect on the business or financial conditions or prospects of our Group or which may be expected to adversely affect the business or financial condition or prospects of our Group in a material way; or

- (iii) without prejudice to sub-paragraph (i) of paragraph above, the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (iv) any event, or series of events, beyond the control of the Public Offer Underwriter (including, without limitation, acts of government, strikes, lockout, fire, explosion, flooding, civil commotion, acts of war or acts of God or accident) would or might adversely affect any member of our Group or its present or prospective shareholders in their capacity as such; or
- (v) any change or development occurs involving a prospective change in taxation or in exchange control in Singapore, Hong Kong, the BVI, the Cayman Islands or any other jurisdiction(s) to which any member of our Group is subject or the implementation of any exchange controls which in the sole and absolute opinion of the Sole Bookrunner would or might adversely affect any member of our Group or its present or prospective shareholders in their capacity as such in a material way; or
- (vi) any litigation or claim of material importance to the business, financial or operations of our Group being threatened or instituted against any member of our Group; or
- (vii) the imposition of economic sanctions, in whatever form, directly or indirectly, in Singapore, Hong Kong, the BVI, the Cayman Islands or any other jurisdiction(s) relevant to our Company and our subsidiaries; or
- (viii) any government authority, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organisation or other non-government regulatory authority, or any court, tribunal or arbitrator, whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign, or a political body or organisation in any relevant jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any members of our Group or Director; or
- (ix) order or petition for the winding up of any members of our Group or any composition or arrangement made by any members of our Group with its creditors or a scheme of arrangement entered into by any members of our Group or any resolution for the winding up of any members of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any members of our Group or anything analogous thereto occurring in respect of any members of our Group; or

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- (x) any such event, which, individually, or in the aggregate, in the sole and absolute opinion of the Sole Bookrunner, (i) has or may have a material adverse effect on the success of the Share Offer, or the level of applications under the Public Offer or the level of interest under the Placing; or (ii) has or will or may have a material adverse effect on the assets, liabilities, business, prospects, trading or financial position of our Group as a whole; or (iii) makes it inadvisable or inexpedient to proceed with the Share Offer; or (iv) has or will or may have the effect of making any part of the Public Offer Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Share Offer or pursuant to the underwriting thereof; or
- (b) there comes to the notice of the Sole Bookrunner any matter or event showing any of the representations and warranties contained in the Public Offer Underwriting Agreement to be untrue or inaccurate in any material respect or, if repeated immediately after the occurrence thereof, would be untrue or inaccurate in any respect considered by the Sole Bookrunner in its sole and absolute opinion to be material or showing any of the obligations or undertakings expressed to be assumed by or imposed on our Company or the other warrantors under the Public Offer Underwriting Agreement not to have been complied with in any respect considered by the Sole Bookrunner in its sole and absolute opinion to be material; or
- (c) there comes to the notice of the Sole Bookrunner any material breach on the part of our Company or any of the other warrantors of any provisions of the Public Offer Underwriting Agreement in any respect which is considered by the Sole Bookrunner in its sole and absolute opinion to be material; or
- (d) any statement contained in this prospectus, notices, advertisements, announcements, application proof prospectus, post hearing information pack, the submissions, documents or information provided to the Sole Sponsor, the Sole Bookrunner, the Stock Exchange, the legal adviser to the Sole Sponsor, the Sole Bookrunner and the Underwriters and any other parties involved in the Share Offer which in the sole and absolute opinion of the Sole Bookrunner has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect; or
- (e) matters have arisen or have been discovered which would, if this prospectus, notices, advertisements, announcements, application proof prospectus, post hearing information pack was to be issued at that time, constitute, in the sole and absolute opinion of the Sole Bookrunner a material omission of such information; or
- (f) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of our Group which in the sole and absolute opinion of the Sole Bookrunner is material; or
- (g) the approval of the Stock Exchange of the listing of, and permission to deal in, the Shares in issue or to be issued pursuant to the Capitalisation Issue and under the Share Offer is refused or not granted, other than subject to customary conditions, on or before 8:00 a.m. (Hong Kong time) on the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

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- (h) any expert, who has given opinion or advice which are contained in this prospectus, has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, opinions or advices and references to its name included in the form and context in which it respectively appears prior to the issue of this prospectus; or
- (i) our Company withdraws this prospectus (and/or any other documents issued or used in connection with the Share Offer) or the Share Offer; or
- (j) there comes to the notice of the Sole Sponsor or the Sole Bookrunner any information, matter or event which in the sole and absolute opinion of the Sole Bookrunner:
 - (i) is inconsistent in any material respect with any information contained in the Declaration and Undertaking with regard to Directors given by any Directors pursuant to the Share Offer; or
 - (ii) would cast any serious doubt on the integrity or reputation of any Director or the reputation of our Group.

Undertakings to the Stock Exchange

Undertaking by our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that except pursuant to the Share Offer (including the Offer Size Adjustment Option), no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of our Shares or our securities will be completed within six months from the Listing Date), except in certain circumstances prescribed by Rule 17.29 of the GEM Listing Rules.

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Undertaking by our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of the Controlling Shareholders undertakes to the Stock Exchange and to our Company that except pursuant to the Share Offer (including the Offer Size Adjustment Option), they will not at any time:

- (a) during the period commencing on the date by reference to which disclosure of his/her/its interests in our Company is made in this prospectus and ending on the date falling six months from the Listing Date (the “**First Six-month Period**”), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of our Company in respect of which he/she/it is shown by this prospectus to be the beneficial owners; or
- (b) in the six-month period commencing on the expiry of the First Six-month Period set out in paragraph (a) above (the “**Second Six-month Period**”), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities mentioned in paragraph (a) if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Controlling Shareholders, collectively, would cease to be a controlling shareholder of our Company for the purposes of the GEM Listing Rules.

Pursuant to Rule 13.19 of the GEM Listing Rules, each of our Controlling Shareholders has further undertaken to the Stock Exchange and to our Company that within the period commencing on the date by reference to which disclosure of his/her/its shareholdings is made in this prospectus and to the date which is 12 months from the Listing Date, they will:

- (a) when they pledge or charge any securities of our Company or interests therein beneficially owned by them in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Rule 13.18(1) of the GEM Listing Rules, immediately inform our Company of such pledge or charge together with the number of securities so pledged or charged; and
- (b) when they receive indications, either verbal or written, from the pledgee or chargee that any of the securities of our Company pledged or charged will be disposed of, immediately inform our Company of such indications.

Undertakings pursuant to the Public Offer Underwriting Agreement

Each of the Controlling Shareholders, jointly and severally, has given an undertaking to each of our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter that, without the prior written consent of the Sole Sponsor and the Sole Bookrunner and unless in compliance with the requirements of the GEM Listing Rules, none of the Controlling Shareholders will, and will procure that none of its associates will:

- (i) during the period commencing on the date of the Public Offer Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “**First Six Month Period**”), (a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or

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purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable) (the foregoing restriction is expressly agreed to include the Controlling Shareholders from engaging in any hedging or other transactions which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of any Shares even if such Shares would be disposed of by someone other than the Controlling Shareholders, respectively. Such prohibited hedging or other transactions would include without limitation any put or call option with respect to any Shares or with respect to any security that includes, relates to or derives any significant part of its value from such Shares); or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above, or (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of Shares or such other securities of our Company or shares or other securities of such other members of our Group, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforementioned period); and

- (ii) he, she or it will not, during the period of six months commencing on the date on which the First Six Month Period expires and including, the date that is six months after the end of the First Six Month Period (the “**Second Six Month Period**”), enter into any of the transactions specified in (a), (b) or (c) under paragraph (i) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, the Controlling Shareholders, collectively, will cease to be a “controlling shareholder” (as the term is defined in the GEM Listing Rules) of our Company or cease to hold, directly or indirectly, a controlling interest of over 30% or such lower amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer, in any of the companies controlled by him, her or it and/or any of his, her or its associate which owns such Shares or interests as aforesaid; and
- (iii) until the expiry of the Second Six Month Period, in the event that he, she or it enters into any of the transactions specified in (a), (b) or (c) under paragraph (i) above or offers to or agrees to or announces any intention to effect any such transaction, he, she or it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

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Except for the offer of the Offer Shares pursuant to the Share Offer (including pursuant to the Offer Size Adjustment Option) and the issue and allotment of Shares pursuant to the Capitalisation Issue as disclosed in this prospectus, during the First Six Month Period, our Company undertakes to each of the Sole Bookrunner, the Sole Lead Manager, the Sole Sponsor and the Public Offer Underwriter not to, and to procure each member of our Group not to, without the prior written consent of the Sole Sponsor and the Sole Bookrunner and unless in compliance with the requirements of the GEM Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any shares or other securities of such other members of our Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such other members of our Group, as applicable); or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company or any shares or other securities of such other members of our Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such members of our Group, as applicable); or
- (iii) enter into any transaction with the same economic effect as any transaction specified in paragraphs (i) or (ii) above; or
- (iv) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in paragraphs (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or shares or other securities of such members of our Group, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforementioned period). In the event that, during the Second Six Month Period, our Company enters into any of the transactions specified in paragraphs (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company. Each of our Company, our Controlling Shareholders and executive Directors undertakes to each of the Sole Bookrunner, the Sole Lead Manager, the Sole Sponsor and the Public Offer Underwriter to procure our Company to comply with the undertakings in this paragraph.

Each of our Company, our Controlling Shareholders and executive Directors undertakes to and covenants with the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter that save with the prior written consent of the Sole Bookrunner, no company in our Group will during the First Six Month Period purchase any securities of our Company.

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Without prejudice to the above, each of our Controlling Shareholders undertakes and covenants with our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter that:

- (i) save with the prior written consent from the Sole Sponsor and the Sole Bookrunner and to the extent as allowed under the GEM Listing Rules, during the period commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholders is made in this prospectus and ending on the date which is 12 months from the Listing Date, he, she or it shall not and shall procure that none of his, her or its associates shall pledge or charge or create any other rights or encumbrances in any Shares or any interest therein owned by him, her or it or any of their associates or in which he, she or it or any of their associates is, directly or indirectly, interested immediately following completion of the Share Offer (or any other Shares or securities of or interest in our Company arising or deriving therefrom as a result of capitalisation issue or scrip dividend or otherwise) or any share or interest in any company controlled by him, her or it or any of their associates which is the beneficial owner (directly or indirectly) of such Shares or interest therein as aforesaid (or any other shares or securities of or interest in the company arising or deriving therefrom as a result of capitalisation issue or scrip dividend or otherwise); and
- (ii) in the event that notification is given to the Sole Sponsor and the Sole Bookrunner, when he, she or it or any of their associates shall pledge, charge or create any encumbrance or other right or any of the Shares or interests referred to in (i) above, he, she or it shall give prior written notice of not less than two business days to the Stock Exchange, our Company, the Sole Sponsor and the Sole Bookrunner giving details of the number of Shares, shares in the company which is the beneficial owner of such Shares, or the interests as aforementioned, the identities of the pledgee or person (the “**Mortgagee**”) in favour of whom the pledge, charge, encumbrance or interest is created and further if he, she or it or any of their associates is aware of or receives indications or notice, either verbal or written, from the Mortgagee that the Mortgagee will dispose of or transfer any of the Shares or interests referred to in (i) above, he, she or it will immediately notify the Stock Exchange, our Company, the Sole Sponsor and the Sole Bookrunner in writing of such indications and provide details of such disposal or transfer to the Stock Exchange, our Company, the Sole Sponsor and the Sole Bookrunner as they may require.

Our Company undertakes and covenants with the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter that our Company shall forthwith inform the Sole Bookrunner and the Stock Exchange in writing immediately after our Company has been informed of the matters referred to in paragraph (ii) above and our Company shall, if so required by the Stock Exchange or the GEM Listing Rules, disclose such matters by way of an announcement and shall comply with all requirements of the Stock Exchange.

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company and the Placing Underwriter(s) will enter into the Placing Underwriting Agreement. Under the Placing Underwriting Agreement, our Company will offer our Placing Shares for subscription and purchase by professional, institutional and other investors at the Offer Price payable in full on subscription and purchase in Hong Kong dollars, on

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and subject to the terms and conditions set out in the Placing Underwriting Agreement and the placing documents. It is expected that the Placing Underwriter(s) will agree to underwrite for our Placing Shares.

Commissions and expenses

According to the Public Offer Underwriting Agreement, the Public Offer Underwriter will receive an underwriting commission of 5.0% of the aggregate Offer Price in respect of all of the Public Offer Shares (excluding any Placing Shares reallocated to the Public Offer and any Public Offer Shares reallocated to the Placing).

In consideration of the Sole Sponsor's services in sponsoring the Share Offer, the Sole Sponsor will receive a financial advisory fee. Such underwriting commission and financial advisory fee, together with the Stock Exchange listing fee, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Share Offer which are currently estimated to be approximately HK\$23.0 million in aggregate (assuming an Offer Price of HK\$0.50 per Offer Share (being the midpoint of the indicative Offer Price of HK\$0.45 to HK\$0.55 per Offer Share)), are to be borne by us, without taking into account the commissions and expenses relating to the exercise of Offer Size Adjustment Option.

Underwriters' interest in our company

Save for the interests and obligations under the Underwriting Agreements, none of the Underwriters is interested legally or beneficially in the shares of any of our Group's members or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any members of our Group.

Sole Sponsor's interest in our Company

Save for (i) the advisory and documentation fees to be paid to the Sole Sponsor in connection with the Share Offer; (ii) the financial advisory fee to be paid to the Sole Sponsor as our Company's compliance adviser pursuant to the requirements under Rules 6A.19 of the GEM Listing Rules; and (iii) their interests and obligations under the Underwriting Agreements, neither the Sole Sponsor nor any of its close associates has or may have, as a result of the Share Offer, any interest in any class of securities in our Company or any of its subsidiaries (including options or rights to subscribe for such securities).

No director or employee of the Sole Sponsor who is involved in providing advice to our Company has or may have, as a result of the Share Offer, any interest in any class of securities of our Company or any of its subsidiaries (including options or rights to subscribe for such securities that may be subscribed for or purchased by any such director or employee pursuant to the Share Offer). No director or employee of the Sole Sponsor has a directorship in the Company or any of its subsidiaries. The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 6A.07 of the GEM Listing Rules.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE SHARE OFFER

This prospectus is published in connection with the Public Offer as part of the Share Offer. The Share Offer consists of:

- (i) the Public Offer of 15,000,000 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below under the paragraph headed “The Public Offer” in this section; and
- (ii) the Placing of 135,000,000 Offer Shares (subject to Offer Size Adjustment Option and reallocation as mentioned below) which will be conditionally placed with selected professional, institutional, and other investors under the Placing.

Investors may apply for the Offer Shares under the Public Offer or indicate an interest, if qualified to do so, for the Placing Shares under the Placing, but may not do both. The Offer Shares will represent approximately 25% of the enlarged issued share capital of our Company immediately after completion of the Share Offer and the Capitalisation Issue (but without taking into account any Shares which may be issued pursuant to the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme). The number of Offer Shares to be offered under the Public Offer and the Placing, respectively, may be subject to reallocation as mentioned below.

CONDITIONS OF THE SHARE OFFER

The Share Offer is conditional upon, among others:

- (i) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein on GEM;
- (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including the waiver of any condition(s) by the Sole Bookrunner on behalf of the Underwriters) and not being terminated in accordance with the terms of that agreement or otherwise; and
- (iii) the Price Determination Agreement having been executed on or before the Price Determination Date;

in each case, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 28 July 2017, being the date which is 30 days after the date of this prospectus.

If such conditions have not been fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Share Offer will be published by our Company on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at bgc-group.com on the next business day following such lapse.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE PUBLIC OFFER

Number of Shares initially offered

Our Company is initially offering 15,000,000 Public Offer Shares at the Offer Price, representing 10% of the Shares initially available under the Share Offer, for subscription by the public in Hong Kong. Subject to reallocation of Offer Shares between the Placing and the Public Offer, the number of Shares initially offered under the Public Offer will represent approximately 2.5% of our Company's enlarged issued share capital immediately after completion of the Share Offer and the Capitalisation Issue, and without taking into account Shares which may be issued pursuant to the Offer Size Adjustment Option and upon exercise of options as may be granted under the Share Option Scheme. The Public Offer is open to members of the public in Hong Kong as well as to professional, institutional and other investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing shares and other securities and corporate entities which regularly invest in shares and other securities. Completion of the Public Offer is subject to the conditions as set out in the paragraph headed "Conditions of the Share Offer" in this section.

Allocation

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of the Public Offer Shares validly applied for by applicants. Allocation of the Public Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Multiple or suspected multiple applications under the Public Offer and any application for more than 15,000,000 Public Offer Shares initially available for subscription will be rejected. Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not received any Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

The final Offer Price, the level of indication of interest in the Placing, level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be announced on 14 July 2017 through a variety of channels as described in section headed "How to apply for Public Offer Shares — 11. Publication of Results" in this prospectus.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Reallocation

Allocation of the Offer Shares between the Public Offer and the Placing is subject to adjustment which would have the effect of increasing the number of Offer Shares under the Public Offer to a certain percentage of the total number of Offer Shares offered under the Share Offer if certain prescribed total demand levels are reached. In the event of over-applications in the Public Offer, the Sole Bookrunner shall apply a clawback mechanism following the closing of the application lists on the following basis:

- if the number of Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times of the number of Offer Shares initially available for subscription under the Public Offer, then 30,000,000 Offer Shares will be reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 45,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Share Offer;
- if the number of Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times of the number of Offer Shares initially available for subscription under the Public Offer, then 45,000,000 Offer Shares will be reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 60,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Share Offer; and
- if the number of Offer Shares validly applied for under the Public Offer represents 100 times or more of the number of Offer Shares initially available for subscription under the Public Offer, then 60,000,000 Offer Shares will be reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 75,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Share Offer.

In each case, based on the additional Offer Shares reallocated to the Public Offer, the number of Offer Shares allocated to the Placing will be correspondingly reduced, in such manner as the Sole Bookrunner deems appropriate. In addition, the Sole Bookrunner may in its sole and absolute discretion reallocate Offer Shares from the Placing to the Public Offer to satisfy valid applications under the Public Offer.

If the Public Offer is not fully subscribed, the Sole Bookrunner will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed Public Offer Shares in such amount as the Sole Bookrunner deems appropriate.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Public Offer.

THE PLACING

Number of the Offer Shares initially offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the Placing will be 135,000,000 Shares, representing 90% of the total number of the Offer Shares initially available under the Share Offer. Subject to the reallocation of the Offer Shares between the

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Placing and the Public Offer, the number of Shares initially offered under the Placing will represent approximately 22.5% of our Company's enlarged issued share capital immediately after the completion of the Share Offer and the Capitalisation Issue, but without taking into account Shares which may be issued pursuant to the Offer Size Adjustment Option and upon exercise of options granted under the Share Option Scheme.

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed by the Placing Underwriter(s). The Placing Shares will be selectively placed to certain professional and institutional and other investors anticipated to have a sizeable demand for such Placing Shares in Hong Kong. The Placing is subject to the Public Offer being unconditional.

Allocation of Offer Shares pursuant to the Placing will be based on a number of factors, including the level and timing of demand, and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Sole Bookrunner may require any investor who has been offered Placing Shares under the Placing, and who has made an application under the Public Offer, to provide sufficient information to the Sole Bookrunner so as to allow them to identify the relevant applications under the Public Offer and to ensure that they are excluded from any application of Offer Shares under the Public Offer.

OFFER PRICE

Offer Price range

The Offer Price will not be more than HK\$0.55 per Offer Share and is expected to be not less than HK\$0.45 per Offer Share. The Offer Price will fall within the indicative Offer Price range as stated in this prospectus unless otherwise announced not later than the morning of the last day for lodging applications under the Public Offer.

Price payable on application

The Offer Price will not be more than HK\$0.55 per Offer Share and is expected to be not less than HK\$0.45 per Offer Share. Applicants under the Public Offer should pay, on application, the maximum Offer Price of HK\$0.55 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy, amounting to a total of HK\$2,777.71 per board lot of 5,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK\$0.55 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Determination of the Offer Price

The Offer Price will be fixed by the Price Determination Agreement on the Price Determination Date, which is expected to be on or around Tuesday, 4 July 2017, or such later date as may be agreed by the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company. If, for any reason, the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on the Price Determination Date, the Share Offer will not become unconditional and will not proceed.

Reduction in Offer Price Range

The Sole Bookrunner (for itself and on behalf of the Underwriters) may, with the consent of our Company, reduce the indicative Offer Price range to below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such a case, our Company will, as soon as practicable following the decision to make such reduction and in any event not later than the morning of the last day for lodging applications under the Public Offer, cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at bgc-group.com a notice of the reduction in the indicative Offer Price range. Upon issue of such a notice, the Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company, will be fixed within such revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Share Offer statistics, and any other financial information in this prospectus which may change as a result of any such reduction.

Before submitting applications for the Public Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Public Offer. Applicants who have submitted their applications for Public Offer Shares before such an announcement is made may subsequently withdraw their applications in the event that such an announcement is subsequently made. In the absence of any notice being published in relation to a reduction in the indicative Offer Price range as stated in this prospectus on or before the morning of the last day for lodging applications under the Public Offer, the Offer Price, if agreed upon by the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Offer Price and basis of allocation

Announcement of the final Offer Price, together with the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares is expected to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at bgc-group.com on Friday, 14 July 2017.

OFFER SIZE ADJUSTMENT OPTION

Pursuant to the Placing Underwriting Agreement, our Company will grant to the Sole Bookrunner the Offer Size Adjustment Option, which is exercisable by the Sole Bookrunner (for itself and on behalf of the Placing Underwriter(s)) on or before the business day immediately before the date of allotment results announcement in writing, to require our Company to allot and issue up to an aggregate of

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

22,500,000 additional new Shares at the Offer Price, representing 15% of the total number of Offer Shares initially available under the Share Offer. Any such additional Shares may be issued to cover any excess demand in the Placing at the discretion of the Sole Bookrunner.

For the avoidance of doubt, the purpose of the Offer Size Adjustment Option is to provide flexibility for the Sole Bookrunner to meet any excess demand in the Placing. The Offer Size Adjustment Option will not be associated with any price stabilisation activities of the Shares in the secondary market after the listing of the Shares on GEM and will not be subject to the Securities and Futures (Price Stabilising) Rules of the SFO (Chapter 571W of the Laws of Hong Kong). No purchase of the Shares in the secondary market will be effected to cover any excess demand in the Placing which will only be satisfied by the exercise of the Offer Size Adjustment Option in full or in part.

Our Company will disclose in its allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, if the Offer Size Adjustment Option is not exercised by then, the Offer Size Adjustment Option will lapse and cannot be exercised on any future date. The allotment results announcement will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at bgc-group.com.

In the event that the Offer Size Adjustment Option is exercised in full, 22,500,000 additional Shares will be issued resulting in a total number of 622,500,000 Shares in issue and the shareholding of our Shareholders will be diluted by approximately 3.6%. If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, on a pro-rata basis.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Monday, 17 July 2017 under the GEM stock code 8462. The Shares will be traded in board lots of 5,000 Shares each.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus on GEM and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on GEM or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

In respect of the dealings in the Shares which may be settled through CCASS, investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

HOW TO APPLY FOR PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **HK eIPO WHITE Form** service at www.hkeipo.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the **HK eIPO WHITE Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO WHITE Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company, the Sole Sponsor, the Sole Bookrunner and Sole Lead Manager may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO WHITE Form** service for the Public Offer Shares.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you:

- are an existing beneficial owner of Shares in our Company and/or any of its subsidiaries;
- are a Director or chief executive officer of our Company and/or any of its subsidiaries;
- are a connected person or a core connected person (as defined in the GEM Listing Rules) of our Company or will become a connected person or a core connected person of our Company immediately upon completion of the Share Offer;
- are an associate or a close associate (as defined in the GEM Listing Rules) of any of the above; and
- have been allocated or have applied for any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which application channel to use

For Public Offer Shares to be issued in your own name, either (i) use a **WHITE** Application Form; or (ii) apply online through the designated website of the **HK eIPO WHITE Form** Service Provider at www.hkeipo.hk under the **HK eIPO WHITE Form** service.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, either (i) complete and sign the **YELLOW** Application Form; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Where to collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, 28 June 2017 to 12:00 noon on Monday, 3 July 2017 from:

- (i) the following office of the Public Offer Underwriter:

Pacific Foundation Securities Limited
11/F, New World Tower II
16–18 Queen's Road Central
Hong Kong

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (ii) any of the following branches of DBS Bank (Hong Kong) Limited, the receiving bank for the Public Offer:

District	Branch Name	Address
Hong Kong Island	United Centre Branch	Shops 1015–1018 on 1/F & Shops 2032–2034 on 2/F, United Centre, 95 Queensway, Admiralty
	North Point Branch	G/F, 391 King’s Road, North Point
Kowloon	Nathan Road — SME Banking Centre	2/F, Wofoo Commercial Building, 574–576 Nathan Road, Mongkok
	San Po Kong — SME Banking Centre	Units 01 & 02, G/F, Winning Centre, 29 Tai Yau Street, San Po Kong
	Kowloon Bay — SME Banking Centre	Shop 6, G/F, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay
New Territories	Tuen Mun Town Plaza — SME Banking Centre	Shop 23, G/F, Tuen Mun Town Plaza (II), 3 Tuen Lung Street, Tuen Mun

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, 28 June 2017 until 12:00 noon on Monday, 3 July 2017 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker’s cashier order attached and marked payable to “Ting Hong Nominees Limited — Omnibridge Public Offer” for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- Wednesday, 28 June 2017 — 9:00 a.m. to 5:00 p.m.
- Thursday, 29 June 2017 — 9:00 a.m. to 5:00 p.m.
- Friday, 30 June 2017 — 9:00 a.m. to 5:00 p.m.
- Monday, 3 July 2017 — 9:00 a.m. to 12:00 noon

HOW TO APPLY FOR PUBLIC OFFER SHARES

The application lists will be open from 11:45 a.m. to 12:00 noon on Monday, 3 July 2017, the last application day or such later time as described in “Effect of bad weather on the opening of the applications lists” in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO WHITE Form** service, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company, the Sole Sponsor and/or the Sole Bookrunner and/or the Sole Lead Manager (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Memorandum and Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any of the Placing Shares nor participated in the Placing;
- (viii) agree to disclose to our Company, our Hong Kong Share Registrar, the receiving bank, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to deposit any share certificate(s) into CCASS and/or to send any share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company, the Directors, the Sole Sponsor, the Sole Bookrunner and Sole Lead Manager will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **HK eIPO WHITE Form** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or

HOW TO APPLY FOR PUBLIC OFFER SHARES

YELLOW Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH HK EIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in “Who can apply” section, may apply through the **HK eIPO WHITE Form** service for the Public Offer Shares to be allotted and registered in their own names through the designated website at www.hkeipo.hk.

Detailed instructions for application through the **HK eIPO WHITE Form** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **HK eIPO WHITE Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO WHITE Form** service.

Time for submitting applications under the HK eIPO WHITE Form

You may submit your application online to the **HK eIPO WHITE Form** Service Provider through the designated website at www.hkeipo.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Wednesday, 28 June 2017 until 11:30 a.m. on Monday, 3 July 2017 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, 3 July 2017 or such later time under the “Effect of bad weather on the opening of the applications lists” in this section.

No multiple applications

If you apply by means of **HK eIPO WHITE Form**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO WHITE Form** service to make an application for Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **HK eIPO WHITE Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO WHITE Form** service or by any other means, all of your applications are liable to be rejected.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Centre

1/F, One & Two Exchange Square

8 Connaught Place

Central

Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are **not a CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and our Hong Kong Share Registrar.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Giving electronic application instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;
 - (if the electronic application instructions are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, the Directors, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
 - confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
 - confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- agree that none of our Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, the receiving bank, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters and/or their respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Memorandum and Articles of Association of our Company; and

HOW TO APPLY FOR PUBLIC OFFER SHARES

- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of giving electronic application instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum purchase amount and permitted numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions for a minimum of 5,000 Public Offer Shares. Instructions for more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for inputting electronic application instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Wednesday, 28 June 2017 — 9:00 a.m. to 8:30 p.m.⁽¹⁾
- Thursday, 29 June 2017 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Friday, 30 June 2017 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Monday, 3 July 2017 — 8:00 a.m.⁽¹⁾ to 12:00 noon

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

HOW TO APPLY FOR PUBLIC OFFER SHARES

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, 28 June 2017 until 12:00 noon on Monday, 3 July 2017 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Monday, 3 July 2017, the last application day or such later time as described in “Effect of bad weather on the opening of the application lists” in this section.

No multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit.

Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving banker, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Public Offer Shares through the **HK eIPO WHITE Form** service is also only a facility provided by the **HK eIPO WHITE Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO WHITE Form** service will be allotted any Public Offer Shares.

HOW TO APPLY FOR PUBLIC OFFER SHARES

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Monday, 3 July 2017.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO WHITE Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

HOW TO APPLY FOR PUBLIC OFFER SHARES

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO WHITE Form** service in respect of a minimum of 5,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.hkeipo.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, please see the section headed “Structure and Conditions of the Share Offer — Offer Price” of this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, 3 July 2017. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Monday, 3 July 2017 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer on Friday, 14 July 2017 on our Company’s website at bgc-group.com and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where appropriate) of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company’s website at bgc-group.com and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m. on Friday, 14 July 2017;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- from the designated results of allocations website at www.tricor.com.hk/ipo/result with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Friday, 14 July 2017 to 12:00 midnight on Thursday, 20 July 2017;
- by telephone enquiry line by calling 852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 14 July 2017 to Wednesday, 19 July 2017 (excluding Saturday, Sunday and public holiday);
- in the special allocation results booklets which will be available for inspection during opening hours from Friday, 14 July 2017 to Tuesday, 18 July 2017 at all the receiving bank branches and sub-branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed “Structure and Conditions of the Share Offer” of this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

- (i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **HK eIPO WHITE Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person’s responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

HOW TO APPLY FOR PUBLIC OFFER SHARES

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

The Company, the Sole Sponsor, the Sole Bookrunner, the Sole Lead Manager, the **HK eIPO WHITE Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Division of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **HK eIPO WHITE Form** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company, the Sole Sponsor or the Sole Bookrunner, or the Sole Lead Manager believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 100% of the Public Offer Shares initially offered under the Public Offer.

HOW TO APPLY FOR PUBLIC OFFER SHARES

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$0.55 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Public Offer are not fulfilled in accordance with the paragraph headed “Structure and Conditions of the Share Offer — Conditions of the Share Offer” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on Friday, 14 July 2017.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Public Offer Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Friday, 14 July 2017. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s). Share certificates will only become valid at 8:00 a.m. on Monday, 17 July 2017 provided that the Share Offer has become unconditional and the right of

HOW TO APPLY FOR PUBLIC OFFER SHARES

termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal collection

(i) *If you apply using a WHITE Application Form*

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, 14 July 2017 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Friday, 14 July 2017, by ordinary post and at your own risk.

(ii) *If you apply using a YELLOW Application Form*

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Friday, 14 July 2017, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant’s stock account as stated in your Application Form on Friday, 14 July 2017, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS Participant (other than a CCASS Investor Participant)*

For Public Offer Shares credited to your designated CCASS Participant’s stock account (other than a CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS Participant.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- *If you are applying as a CCASS Investor Participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 14 July 2017 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the HK eIPO WHITE Form service

If you apply for 1,000,000 Public Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, 14 July 2017, or such other date as notified by our Company in the newspapers as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Friday, 14 July 2017 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via electronic application instructions to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Friday, 14 July 2017, or, on any other date determined by HKSCC or HKSCC Nominees.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in “Publication of Results” above on Friday, 14 July 2017. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 14 July 2017 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time) on Friday, 14 July 2017. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Friday, 14 July 2017.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the GEM Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

28 June 2017

The Directors
Omnibridge Holdings Limited
CLC International Limited

Dear Sirs,

We set out below our report on the financial information of Omnibridge Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), comprising the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the years ended 31 December 2014, 2015 and 2016 (the “Track Record Period”), and the consolidated statements of financial position of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016 and the statement of financial position of the Company as at 31 December 2016, together with the notes thereto (the “Financial Information”), prepared on the basis set out in Notes 2 and 4 to the Financial Information of Section II below, for inclusion in prospectus of the Company dated 28 June 2017 (the “Prospectus”) in connection with the listing of the shares of the Company on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 August 2016. Pursuant to a group reorganisation, as more fully explained in the section headed “Reorganisation” to the Prospectus (the “Reorganisation”), the Company became the holding company of the Group on 12 August 2016.

As at the date of this report, no audited financial statements have been prepared for the Company since its date of incorporation as there is no statutory requirements for the Company to prepare audited financial statements.

During the Track Record Period and as at the date of this report, the Company has the following subsidiaries comprising the Group:

Name of subsidiaries	Place and date of incorporation	Issued and fully paid share capital/registered capital at the date of this report	Attributable equity interest and voting power held by the Company			At the date of this report	Principal activities
			As at 31 December 2014	2015	2016		
			%	%	%	%	
<i>Directly held:</i>							
Omniconnect Holdings Limited ("Omniconnect")	The British Virgin Islands (the "BVI"), 8 August 2016	Ordinary share US\$1	—	—	100	100	Investment holding
<i>Indirectly held:</i>							
BGC Group Pte. Ltd. ("BGC Group")	Singapore, 18 March 2005	Ordinary shares S\$1,500,000	—	—	100	100	Provision of human resources outsourcing services and recruitment services
BGC Search Pte. Ltd. ("BGC Search")	Singapore, 29 July 2009	Ordinary shares S\$150,000	—	—	100	100	Provision of human resources outsourcing services and recruitment services
BGC Group (HK) Limited ("BGC HK")	Hong Kong, 10 December 2008	Ordinary shares HK\$2	—	—	100	100	Provision of human resources outsourcing services and recruitment services

All companies now comprising the Group have adopted 31 December as their financial year end date.

As at the date of this report, no audited financial statements have been prepared for Omniconnect as there is no statutory requirement for Omniconnect to prepare audited financial statements.

The audited statutory financial statements of the Company's subsidiaries incorporated in Singapore and Hong Kong were prepared in accordance with the Singapore Financial Reporting Standards and Hong Kong Financial Reporting Standards ("HKFRSs") respectively and were audited by:

Name of subsidiaries	Financial year	Name of auditor
BGC Group	Years ended 31 December 2014 and 2015	Tan Choon Chye & Co., Singapore (Chartered Accountants)
	Year ended 31 December 2016	Foo Kon Tan LLP
BGC Search	Years ended 31 December 2014 and 2015	Tan Choon Chye & Co., Singapore (Chartered Accountants)
	Year ended 31 December 2016	Foo Kon Tan LLP
BGC HK	Years ended 31 December 2014 and 2015	William Lee, Paul Tang & Co.
	Year ended 31 December 2016	HLB Hodgson Impey Cheng Limited

BASIS OF PREPARATION

For the purpose of this report, the directors of the Company have prepared the Financial Information for the Track Record Period based on the audited financial statements or unaudited financial statements of the Group, in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and the Hong Kong Companies Ordinance. The Financial Information for each of the Track Record Period were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The Financial Information set out in this report has been prepared from the audited financial statements or unaudited financial statements with no adjustments made thereon.

RESPONSIBILITY OF THE DIRECTORS

The directors of the Company are responsible for the contents of the Prospectus, including the preparation of the Financial Information that gives a true and fair view in accordance with the basis set out in Note 2 of Section II. The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with IFRSs and the disclosure requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance, and for such internal control as the directors determination is necessary to enable the preparation of the Financial Information that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF REPORTING ACCOUNTANTS

For the Financial Information for the Track Record Period, it is our responsibility to form an independent opinion on the Financial Information based on our examination and to report our opinion to you. We examined the relevant audited financial statements or, where appropriate, the relevant unaudited financial statements of the Group for the Track Record Period and carried out such procedures as are necessary in accordance with Auditing Guideline 3.340 “Prospectuses and the Reporting Accountant” issued by the HKICPA.

OPINION

In our opinion, the Financial Information for the Track Record Period, for the purpose of this report and on the basis of presentation and preparation set out in Note 2 of the Financial Information of Section II below, gives a true and fair view of the financial position of the Company as at 31 December 2016 and the consolidated financial position of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016, and of the consolidated financial performance and cash flows of the Group for the Track Record Period.

I. FINANCIAL INFORMATION

Consolidated Statements of Profit or Loss and Other Comprehensive Income

		Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2016
	<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
REVENUE	8	36,240	45,195	43,699
Cost of services		<u>(27,826)</u>	<u>(35,867)</u>	<u>(33,993)</u>
Gross profit		8,414	9,328	9,706
Other income	8	113	203	949
Administrative expenses		(6,398)	(7,226)	(7,358)
Listing expenses		—	—	(1,519)
Finance costs	10	<u>(12)</u>	<u>(3)</u>	<u>—</u>
PROFIT BEFORE TAX	9	2,117	2,302	1,778
Income tax expense	13	<u>(199)</u>	<u>(284)</u>	<u>(355)</u>
PROFIT FOR THE YEAR		<u>1,918</u>	<u>2,018</u>	<u>1,423</u>
OTHER COMPREHENSIVE (EXPENSE)/INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference arising on translation		<u>(8)</u>	<u>(2)</u>	<u>22</u>
Other comprehensive (expense)/income for the year, net of tax		<u>(8)</u>	<u>(2)</u>	<u>22</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,910</u>	<u>2,016</u>	<u>1,445</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company		<u>1,918</u>	<u>2,018</u>	<u>1,423</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company		<u>1,910</u>	<u>2,016</u>	<u>1,445</u>
Earnings per share				
— Basic and diluted (Singapore cents)	14	<u>0.43</u>	<u>0.45</u>	<u>0.32</u>

Consolidated Statements of Financial Position

		As at 31 December 2014 <i>S\$'000</i>	As at 31 December 2015 <i>S\$'000</i>	As at 31 December 2016 <i>S\$'000</i>
	<i>Notes</i>			
ASSETS				
NON-CURRENT ASSET				
Plant and equipment	15	<u>573</u>	<u>309</u>	<u>284</u>
CURRENT ASSETS				
Trade receivables	16	7,439	8,783	9,094
Prepayments, deposits and other receivables	17	475	561	955
Amounts due from related companies	18	29	202	—
Amount due from a director	19	—	582	118
Cash and cash equivalents	20	<u>5,238</u>	<u>5,453</u>	<u>5,772</u>
		<u>13,181</u>	<u>15,581</u>	<u>15,939</u>
CURRENT LIABILITIES				
Accrued labour costs		3,004	4,102	3,436
Other payables and accruals	21	813	927	1,601
Amount due to a related company	22	30	—	—
Amount due to a director	23	415	—	—
Bank borrowing	24	269	—	—
Tax payables		<u>168</u>	<u>309</u>	<u>328</u>
		<u>4,699</u>	<u>5,338</u>	<u>5,365</u>
NET CURRENT ASSETS		<u>8,482</u>	<u>10,243</u>	<u>10,574</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,055</u>	<u>10,552</u>	<u>10,858</u>
NON-CURRENT LIABILITY				
Deferred tax liabilities	25	<u>43</u>	<u>24</u>	<u>45</u>
NET ASSETS		<u>9,012</u>	<u>10,528</u>	<u>10,813</u>
EQUITY				
Share capital	26	1,650	1,650	—
Reserves		<u>7,362</u>	<u>8,878</u>	<u>10,813</u>
TOTAL EQUITY		<u>9,012</u>	<u>10,528</u>	<u>10,813</u>

Statement of Financial Position of the Company

	<i>Notes</i>	As at 31 December 2016 S\$'000
ASSETS		
Non-current asset		
Investment in a subsidiary		—
CURRENT ASSETS		
Prepayments		430
Amount due from a fellow subsidiary		104
		<u>534</u>
CURRENT LIABILITIES		
Accruals		552
Amount due to a fellow subsidiary		159
		<u>711</u>
NET CURRENT LIABILITIES		<u>(177)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(177)</u>
NET LIABILITIES		<u>(177)</u>
EQUITY		
Share capital	26	—
Reserves	28	(177)
TOTAL EQUITY		<u>(177)</u>

Consolidated Statements of Changes in Equity

	Share capital S\$'000	Share premium S\$'000	Other reserves S\$'000	Exchange reserves S\$'000	Retained earnings S\$'000	Total S\$'000
As at 1 January 2014	1,650	—	—	(76)	6,528	8,102
Profit for the year	—	—	—	—	1,918	1,918
Other comprehensive income for the year	—	—	—	(8)	—	(8)
Total comprehensive income for the year	—	—	—	(8)	1,918	1,910
Dividend declared (<i>note 27</i>)	—	—	—	—	(1,000)	(1,000)
As at 31 December 2014 and 1 January 2015	1,650	—	—	(84)	7,446	9,012
Profit for the year	—	—	—	—	2,018	2,018
Other comprehensive income for the year	—	—	—	(2)	—	(2)
Total comprehensive income for the year	—	—	—	(2)	2,018	2,016
Dividend declared (<i>note 27</i>)	—	—	—	—	(500)	(500)
As at 31 December 2015 and 1 January 2016	1,650	—	—	(86)	8,964	10,528
Profit for the year	—	—	—	—	1,423	1,423
Other comprehensive income for the year	—	—	—	22	—	22
Total comprehensive income for the year	—	—	—	22	1,423	1,445
Share issued	—	1,390	—	—	—	1,390
Effect of reorganisation	(1,650)	—	1,650	—	—	—
Dividend declared (<i>note 27</i>)	—	—	—	—	(2,550)	(2,550)
As at 31 December 2016	—	1,390	1,650	(64)	7,837	10,813

Consolidated Statements of Cash Flows

	Year ended 31 December 2014 S\$'000	Year ended 31 December 2015 S\$'000	Year ended 31 December 2016 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	2,117	2,302	1,778
Adjustments for:			
Reversal of provision for doubtful debt	—	—	(842)
Depreciation of plant and equipment (<i>note 15</i>)	300	315	319
Finance costs (<i>note 10</i>)	12	3	—
Interest income (<i>note 8</i>)	(21)	(10)	(19)
Loss/(gain) on disposal of plant and equipment	9	—	(1)
Operating cash flows before movements in working capital	2,417	2,610	1,235
Decrease/(increase) in trade receivables	694	(1,344)	(311)
Decrease/(increase) in prepayments, deposits and other receivables	479	(86)	(394)
Decrease/(increase) in amounts due from related companies	4	(163)	202
Increase in amount due from a director	—	(582)	(294)
Increase/(decrease) in accrued labour costs	111	1,098	(666)
(Decrease)/increase in other payables and accruals	(626)	114	(275)
Increase/(decrease) in amount due to a related company	12	(30)	—
Increase/(decrease) in amount due to a director	589	(415)	—
Cash generated from/(used in) operating activities	3,680	1,202	(503)
Income tax paid	(228)	(162)	(315)
Net cash generated from/(used in) operating activities	3,452	1,040	(818)

	Year ended 31 December 2014 <i>S\$'000</i>	Year ended 31 December 2015 <i>S\$'000</i>	Year ended 31 December 2016 <i>S\$'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	(715)	(51)	(295)
Proceeds from disposal of plant and equipment	—	—	1
Interest income	—	—	19
	<u>—</u>	<u>—</u>	<u>19</u>
Net cash used in investing activities	<u>(715)</u>	<u>(51)</u>	<u>(275)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares	—	—	1,390
Proceeds from bank borrowing	685	—	—
Repayments of bank borrowing	(416)	(269)	—
Interest paid	(12)	(3)	—
Dividend paid	(1,000)	(500)	—
	<u>(1,000)</u>	<u>(500)</u>	<u>—</u>
Net cash (used in)/generated from financing activities	<u>(743)</u>	<u>(772)</u>	<u>1,390</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
	1,994	217	297
Cash and cash equivalents at the beginning of the year	3,249	5,238	5,453
Effect of foreign exchange rate changes	(5)	(2)	22
	<u>(5)</u>	<u>(2)</u>	<u>22</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>5,238</u></u>	<u><u>5,453</u></u>	<u><u>5,772</u></u>

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 August 2016. Its parent is Omnipartners Holdings Limited (the “Omnipartners”), a company incorporated in the BVI. Its ultimate controlling parties are Mr. Chew Chee Kian (“Mr. Chew”) and Ms. Yong Yuet Han (“Ms. Yong”), who are also the directors of the Company. Omnipartners does not produce financial statements available for public use. The respective addresses of the registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” of the Prospectus.

The Company is an investment holding company. During the Track Record Period, the Group mainly provided human resources outsourcing services and human resources recruitment services.

The functional currency of the Company is Hong Kong dollars (“HK\$”). The Financial Information is presented in Singapore dollars (“S\$”), which is the functional currency of its principal subsidiaries. All values are rounded to the nearest thousand (“S\$’000”) except when otherwise indicated.

2. REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL INFORMATION

Prior to the Reorganisation, Mr. Chew held 100% of the equity interests of both BGC Group and BGC HK. Ms. Yong held 100% of the equity interests of BGC Search. Mr. Chew and Ms. Yong (the “Controlling Shareholders”) are acting in concert, throughout the Track Record Period and beyond on their ownerships and exercise their control collectively over the companies now comprising the Group.

Pursuant to the Reorganisation as fully explained in the section headed “Reorganisation” of the Prospectus, the Company became the holding company of the companies now comprising the Group on 12 August 2016. The companies now comprising the Group were under the common control of the Controlling Shareholders throughout the Track Record Period or since their respective date of incorporation where there is a shorter period. Accordingly, the Financial Information has been prepared on the basis by applying the principles of merger accounting as if the Reorganisation has been completed at the beginning of the Track Record Period.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the Track Record Period or since their respective date of incorporation, where there is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2014, 2015 and 2016 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganisation had been in existence as at those dates, taking into account the respective dates of incorporation.

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

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

For the purpose of preparing and presenting the Financial Information for the Track Record Period, the Group has consistently applied the relevant IFRSs, International Accounting Standards (“IASs”), amendments and interpretations which are effective for financial periods beginning on 1 January 2016 (the “new and revised IASs”) throughout the Track Record Period.

At the date of this report, the Group has not early adopted the following new and revised standards and amendments that have been issued but not yet effective:

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers ¹
IFRS 16	Leases ²
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transaction ¹
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ¹
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers ¹
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS	Annual Improvements to IFRSs 2014–2016 Cycle ⁴
Amendments to IAS 7	Disclosure Initiative ⁴
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to IAS 40	Transfers of Investment Property ¹
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after the date to be determined. Early adoption is permitted.

⁴ Effective for annual periods beginning on or after 1 January 2017

Except as described below, the Directors consider that the application of the other new IFRSs and amendments is unlikely to have a material impact on the Group’s financial position and performance as well as disclosure to be set out in the future financial statement of the group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in respect of revenue and costs in the Group's consolidated financial statements. The Group is in the process of allocating the transaction price to the performance obligation in the contracts.

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As set out in note 29, total operating lease commitments of the Group as at 31 December 2016 amounted to S\$781,000. The Directors do not expect the adoption of IFRS 16 would result in significant impact on the Group's financial performance, but it is expected that certain portion of the lease commitments will be regarded to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Financial Information has been prepared in accordance with IFRSs issued by the IASB. In addition, the Financial Information includes applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

Basis of preparation

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IAS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Merger accounting for common control combination

The Financial Information incorporates the financial statement items of the combining entities or business in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or business are combined using the existing book values from the controlling party's perspective. No amount is recognised with respect to goodwill or any excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over its cost at the time of common control combination, to the extent of the contribution of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income include the results of each of the combining entities or business from the earliest date presented or since the date when combining entities or business first came under common control, where this is a shorter period, regardless of the date of common control combination.

Basis of consolidation

The Financial Information incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The equity method of accounting is used to account for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

Under the equity method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed

in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of profit or loss and other comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policy adopted by the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Revenue from the rendering of services is recognised when the services are rendered and when it is probable that benefits associated with the transaction will flow to the group entities.

Interest income from a financial asset is recognised when it is probable that benefits associated with the transaction will flow to the group, the amount of income can be measured reliably and using the effective interest method.

Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are included.

Employee benefits*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 they become payable in accordance with the scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, employees are required to contribute 5% of their monthly salaries or up to a maximum of HK\$1,500 and they can choose to make additional contributions. Employers’ monthly contributions are calculated at 5% of the employee’s monthly salaries or up to a maximum of HK\$1,500 (the “mandatory contributions”). Employees are entitled to 100% of the employer’s mandatory contributions upon their retirement at the age of 65, death or total incapacity.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current income tax

The tax currently payable is based on taxable profit for the Track Record Period. Taxable profit differs from “profit before tax” as reported in the consolidated statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(c) Current and deferred tax for the Track Record Period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(d) 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.

Receivables and payables 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 other receivables or payables in the consolidated statements of financial position.

Plant and equipment

Plant and equipment are stated in the consolidated statements of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The plant and equipment are depreciated over their estimated useful lives on a straight-line basis as follow:

Leasehold improvement	3 years
Computers and equipment	2–3 years
Furniture and fixtures	3 years

Impairment of assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, other receivables, amount due from a related company, amount due from a director and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

*Financial liabilities and equity instruments**Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities including accrued labour costs, other payables and accruals, amount due to a related company, amount due to a director and bank borrowing are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it that is no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Related parties transactions

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

- (a) A person or a close member of that person's family is related to the Group if 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;
- (b) an entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others);

- (ii) one entity is an associate or joint venture of the other entity for an associate or joint venture of a member of a group (which the other entity is a member);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture 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);
- (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); or
- (viii) the entity or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

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 that 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, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

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

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Dividends

Dividends proposed by the Directors are classified as a separate allocation of retained profits within the equity section of the statement 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.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) *Impairment of plant and equipment*

The Group reviews its plant and equipment for indications of impairment at each reporting period. In analysing potential impairments identified, the Group uses projections of future cash flows from the assets based on management's assignment of a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(b) *Impairment of trade receivables*

In determining whether there is objective evidence of impairment loss, the Group takes into consideration the credit history of the customers and the current market condition. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Management reassesses the adequacy of impairment on a regular basis. Where the actual cash flows are less than expected, a material impairment loss may arise.

(c) *Depreciation*

Items of plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(d) *Income taxes*

The Group has exposure to income taxes in Singapore and Hong Kong. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and applicable tax incentives. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax recognised in the period in which such determination is made. The carrying amounts of the Group's current income tax liabilities and deferred tax liabilities as at 31 December 2014, 2015 and 2016 were approximately S\$168,000, S\$309,000 and S\$328,000, S\$43,000, S\$24,000 and S\$45,000 respectively.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Financial assets			
Loans and receivables:			
— Trade receivables	7,439	8,783	9,094
— Deposits and other receivables	251	256	245
— Amounts due from related companies	29	202	—
— Amount due from a director	—	582	118
— Cash and cash equivalents	5,238	5,453	5,772
	<u>12,957</u>	<u>15,276</u>	<u>15,229</u>

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Financial liabilities			
Financial liabilities measured at amortised cost:			
— Other payables	354	324	239
— Amount due to a related company	30	—	—
— Amount due to a director	415	—	—
— Bank borrowing	269	—	—
	<u>1,068</u>	<u>324</u>	<u>239</u>

(b) Financial risk management and fair values

The directors of the Group monitor and manage the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including interest risk), credit risk and liquidity risk.

The Group's major financial instruments include trade receivables, other receivables, amounts due from/(to) related companies, amount due from/(to) a director, cash and cash equivalents, other payables and bank borrowing. Details of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group has no significant concentrations of credit risk with exposure spread over a large number of counterparties and customers. The carrying amounts of cash and cash equivalents, trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. In order to minimise the credit risk, the management monitors the level of exposure to ensure that follow-up actions are taken to recover overdue debts. In addition, the management reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the management considers the Group does not expose to significant credit risk.

Credit risk concentration profile

The Group assesses concentration of credit risk by monitoring the individual profile of its trade receivables on an ongoing basis.

At 31 December 2014, 2015 and 2016, approximately 20.4%, 28.4% and 29.7% of the Group's trade receivables were due from the top three clients.

(i) Financial assets that are neither past due nor impaired

Cash at bank that are neither past due nor impaired are placed with reputable financial institutions with high credit-ratings. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due but not impaired

Trade receivables that are past due but not impaired are substantially due from companies with recognised and creditworthy counterparties. The balances are monitored on an ongoing basis to ensure the exposure to credit risk is minimal. Information regarding financial assets that are past due but not impaired is disclosed in note 16 to the Financial Information.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets, mainly the interest bearing bank balances and interest bearing bank borrowing. The Group monitors the interest rate exposure on a continuous basis and adjusts the portfolio of bank saving balances and borrowings where necessary.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the bank borrowing. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease throughout the reporting period is used internally for assessment of possible change in interest rate.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year would decrease/increase by approximately S\$11,000, nil and nil for the years ended 31 December 2014, 2015 and 2016. This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

Liquidity risk

The Group is exposed to minimal liquidity risk as a substantial portion of its financial assets and financial liabilities are due within one year and it can finance its operations from existing shareholders' funds and internally generated cash flows.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effect of fluctuations in cash flows. Management monitors current and expected liquidity requirements on a regular basis.

The following table detail the Group's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average interest rate %	On demand or within one year S\$'000	More than one year but less than two years S\$'000	More than two years but less than five years S\$'000	Total undiscounted cash flow S\$'000	Carrying amount S\$'000
As at 31 December 2014						
Financial liabilities:						
Accrued labour costs	—	3,004	—	—	3,004	3,004
Other payables and accruals	—	813	—	—	813	813
Amount due to a related company	—	30	—	—	30	30
Amount due to a director	—	415	—	—	415	415
Bank borrowing	4.4	272	—	—	272	269
		<u>4,534</u>	<u>—</u>	<u>—</u>	<u>4,534</u>	<u>4,531</u>
As at 31 December 2015						
Financial liabilities:						
Accrued labour costs	—	4,102	—	—	4,102	4,102
Other payables and accruals	—	927	—	—	927	927
		<u>5,029</u>	<u>—</u>	<u>—</u>	<u>5,029</u>	<u>5,029</u>
As at 31 December 2016						
Financial liabilities:						
Accrued labour costs	—	3,436	—	—	3,436	3,436
Other payables and accruals	—	1,601	—	—	1,601	1,601
		<u>5,037</u>	<u>—</u>	<u>—</u>	<u>5,037</u>	<u>5,037</u>

7. SEGMENT INFORMATION

The Group mainly provides human resources outsourcing services and human resources recruitment services. Information reported to the Group's management for the purpose of resources allocation and performance assessment presents the operating results of the Group as a whole since the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

In addition, the Group's operation is principally situated in Singapore during the Track Record Period and most of the Group's assets and liabilities are located in Singapore. Accordingly, no geographical segment information is presented.

Information about major clients

For the year ended 31 December 2014, 2015 and 2016, revenue generated from nil, one and three of the clients of the Group amounting to approximately nil, S\$5,339,000 and S\$14,736,000 has individually accounted for over 10% of the Group's total revenue respectively. No other single client contributed 10% or more to the Group's revenue for the years ended 31 December 2014, 2015 and 2016.

Revenue from a major clients, it amounted to 10% or more of the Group's revenue is set out below:

	Year ended 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Client A	2,175	5,339	5,499
Client B	1,226	4,298	4,492
Client C	2,315	3,048	4,745
	<u>2,315</u>	<u>3,048</u>	<u>4,745</u>

8. REVENUE AND OTHER INCOME

Revenue represents the value of services rendered during the year.

An analysis of revenue and other income are as follows:

	Year ended 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Revenue			
Human resources outsourcing services	32,475	42,150	40,766
Human resources recruitment services	3,739	2,919	2,810
Other human resources support services (<i>Note</i>)	26	126	123
	<u>36,240</u>	<u>45,195</u>	<u>43,699</u>

Note: Other human resources support services included referral services and parking services.

	Year ended 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Other income			
Government grants (<i>Note</i>)	22	23	—
Service income	45	144	83
Interest income	21	10	19
Gain on disposal of plant and equipment	—	—	1
Reversal of provision for doubtful debt	—	—	842
Sundry income	25	26	4
	<u>113</u>	<u>203</u>	<u>949</u>

Note: Government grants included Productivity and Innovation Credit Scheme and Workplace Health Promotion Grant.

9. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Year ended 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Cost of services			
Salaries and bonuses	23,625	30,204	28,961
CPF or MPF contributions	3,633	5,006	4,373
Short-term benefits	568	657	659
	<u>27,826</u>	<u>35,867</u>	<u>33,993</u>
Directors' emoluments (<i>note 11</i>)	402	364	382
Other staff costs:			
Salaries and bonuses	3,330	3,885	4,276
CPF or MPF contributions	325	372	481
Short-term benefits	373	446	304
	<u>4,028</u>	<u>4,703</u>	<u>5,061</u>
	<u>32,256</u>	<u>40,934</u>	<u>39,436</u>
Auditors' remuneration	38	45	48
Depreciation of plant and equipment	300	315	319
Impairment loss recognised on amounts due from related companies	204	300	—
Loss on disposal of plant and equipment	9	—	—
Operating lease rental expenses in respect of:			
— rented premises	673	979	984
	<u>673</u>	<u>979</u>	<u>984</u>

10. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Interest expense on:			
Bank borrowing wholly repayable within five years	12	3	—
	<u>12</u>	<u>3</u>	<u>—</u>

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Track Record Period.

Notes:

- (a) Mr. Chew was director of BGC Group, BGC Search and BGC HK during the Track Record Period and has been appointed as chief executive of the Company on 8 August 2016.
- (b) Ms. Yong was director of BGC Search during the Track Record Period and has been appointed as executive director of the Company on 8 August 2016.
- (c) Ms. Lo has been appointed as executive director of the Company on 19 September 2016.
- (d) During the Track Record Period, no emolument was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.
- (e) There were no arrangement under which a director waived or agreed to waived any emoluments during the Track Record Period.

12. EMPLOYEES EMOLUMENTS AND SENIOR MANAGEMENT EMOLUMENTS

The five highest paid individuals included two, two and one executive directors of the Company for the years ended 31 December 2014, 2015 and 2016 respectively, details of whose emoluments are set out in note 11 above. The emoluments of the remaining individuals for the years ended 31 December 2014, 2015 and 2016 are three, three and four respectively and individuals disclosed are as follows:

	Year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Salaries and bonuses	878	379	871
CPF or MPF contributions	46	34	70
	<u>924</u>	<u>413</u>	<u>941</u>

The number of non-director highest paid employees whose emoluments fell within the following bands is as follows:

	Year ended 31 December		
	2014	2015	2016
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>
Nil to HK\$1,000,000	1	1	—
HK\$1,000,001 to HK\$1,500,000	1	1	4
HK\$1,500,001 to HK\$2,000,000	—	1	—
HK\$2,000,001 to HK\$2,500,000	1	—	—
	<u>3</u>	<u>3</u>	<u>4</u>

The number of senior management (excluding directors) whose emoluments fell within the following bands is as follows:

	Year ended 31 December		
	2014	2015	2016
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>
Nil to HK\$1,000,000	4	4	4
HK\$1,000,001 to HK\$1,500,000	—	—	—
HK\$1,500,001 to HK\$2,000,000	—	—	1
	<u>4</u>	<u>4</u>	<u>5</u>

During the Track Record Period, no emoluments were paid by the Group to the three highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the three highest paid individuals have waived any remuneration during the Track Record Period.

13. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong during the Track Record Period.

The Singapore statutory income tax rate was 17% during the Track Record Period. Income tax expense for the Group relates wholly to the profits of the subsidiaries, which were taxed at a statutory tax rate of 17% in Singapore. Major components of income tax expense for the years ended 31 December 2014, 2015 and 2016 are:

	Year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Current tax — Singapore:			
Charge for the year	196	300	332
(Overprovision)/underprovision in prior years	(13)	3	2
Deferred tax (<i>note 25</i>)	16	—	21
Overprovision in prior years	—	(19)	—
	<u>199</u>	<u>284</u>	<u>355</u>

The income tax expense can be reconciled to the profit before tax per consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Profit before tax	<u>2,117</u>	<u>2,302</u>	<u>1,778</u>
Tax at the applicable income tax rate	361	392	311
Adjustments in respect of previous years			
— Current tax	(13)	3	2
— Deferred tax	—	(19)	—
Income not subject to tax	(2)	(2)	(146)
Expenses not deductible for tax	62	51	291
Effect of partial tax exemption	(52)	(52)	(26)
Tax rebate	(60)	(40)	(25)
Enhanced allowances and deductions	(123)	(60)	(83)
Tax losses not recognised	<u>26</u>	<u>11</u>	<u>31</u>
	<u>199</u>	<u>284</u>	<u>355</u>

14. EARNINGS PER SHARE

	Year ended 31 December		
	2014	2015	2016
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Profit for the year attributable to the owners of the Company	<u>1,918</u>	<u>2,018</u>	<u>1,423</u>
	<i>'000</i>	<i>'000</i>	<i>'000</i>
Number of ordinary shares for the purpose of calculating basic earnings per share	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and the capitalisation issue as described in Appendix V to the Prospectus had been effective on 1 January 2014.

No diluted earnings per share for the Track Record Period was presented as there were no potential dilutive ordinary shares in issue during the Track Record Period.

15. PLANT AND EQUIPMENT

	Leasehold improvement <i>S\$'000</i>	Computers and equipment <i>S\$'000</i>	Furniture and fixtures <i>S\$'000</i>	Total <i>S\$'000</i>
Cost				
As at 1 January 2014	260	547	127	934
Additions	355	281	79	715
Disposal	(254)	(99)	—	(353)
As at 31 December 2014 and 1 January 2015	361	729	206	1,296
Additions	—	46	5	51
Written-off	—	(14)	—	(14)
As at 31 December 2015 and 1 January 2016	361	761	211	1,333
Additions	—	295	—	295
Disposal	—	(1)	—	(1)
Written-off	—	(8)	—	(8)
As at 31 December 2016	<u>361</u>	<u>1,047</u>	<u>211</u>	<u>1,619</u>
Accumulated depreciation				
As at 1 January 2014	241	411	115	767
Provided for the year	97	171	32	300
Disposal	(246)	(98)	—	(344)
As at 31 December 2014 and 1 January 2015	92	484	147	723
Provided for the year	118	169	28	315
Written-off	—	(14)	—	(14)
As at 31 December 2015 and 1 January 2016	210	639	175	1,024
Provided for the year	118	173	28	319
Written-off	—	(8)	—	(8)
As at 31 December 2016	<u>328</u>	<u>804</u>	<u>203</u>	<u>1,335</u>
Net book values				
As at 31 December 2014	<u>269</u>	<u>245</u>	<u>59</u>	<u>573</u>
As at 31 December 2015	<u>151</u>	<u>122</u>	<u>36</u>	<u>309</u>
As at 31 December 2016	<u>33</u>	<u>243</u>	<u>8</u>	<u>284</u>

16. TRADE RECEIVABLES

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Trade receivables	7,439	8,783	9,094

Trade receivables are non-interest-bearing and are generally allows a credit period of 30–60 days to its clients.

An aged analysis of the trade receivables at the end of the reporting periods, based on the invoice date, is as follows:

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Less than 30 days	3,995	5,409	4,745
31 to 60 days	2,382	2,762	3,547
61 to 90 days	695	506	551
More than 90 days	367	106	251
Total	7,439	8,783	9,094

Before accepting any new client, the Group assesses the potential clients' credit quality and defines credit limit by client. Credit limits attributed to clients and credit term granted to clients are reviewed regularly. The majority of the trade receivables that are neither past due nor impaired have no history of defaulting on repayments.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately S\$3,842,000, S\$3,036,000 and S\$3,773,000 as at 31 December 2014, 31 December 2015 and 31 December 2016 respectively which were past due at the end of the reporting period for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on historical experience. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables which are past due but not impaired at the end of the reporting period:

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Less than 30 days past due	2,815	2,489	3,194
31 to 60 days past due	618	445	379
61 to 90 days past due	268	59	110
More than 90 days past due	141	43	90
Total	3,842	3,036	3,773

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Prepayments	224	305	710
Deposits	250	245	242
Other receivables	1	11	3
	<u>475</u>	<u>561</u>	<u>955</u>

18. AMOUNTS DUE FROM RELATED COMPANIES

Name of company	Maximum balance outstanding during the year ended 31 December			As at 31 December		
	2014	2015	2016	2014	2015	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Happy Benefits Pte. Ltd. ("Happy Benefits")	4	33	33	4	33	—
Ohana Pte. Ltd. (formerly known as "BGC Outsourcing Pte. Ltd.") ("Ohana")	—	1	2	—	1	—
PT Bridging Growing Careers in Indonesia ("BGC Indonesia")	43	166	233	43	166	—
PayrollHero.com Pte. Ltd. ("PayrollHero")	—	198	287	—	198	—
Agensi Pekerjaan BGC Group (Malaysia) SDN. BHD. ("BGC Malaysia")	524	646	775	<u>524</u>	<u>646</u>	<u>—</u>
Provision for doubtful debt				<u>571</u> (542)	<u>1,044</u> (842)	<u>—</u>
				<u>29</u>	<u>202</u>	<u>—</u>

The amount due from BGC Malaysia approximately S\$134,000, S\$237,000 and nil during the years ended 31 December 2014, 2015 and 2016 respectively which was in trade nature is unsecured, interest-free and repayable on demand.

The amount due from BGC Malaysia approximately S\$390,000, S\$409,000 and nil during the years ended 31 December 2014, 2015 and 2016 respectively which was in non-trade nature is unsecured, interest bearing at 6% and repayable on demand.

The amounts due from Happy Benefits, Ohana, BGC Indonesia and PayrollHero which were in non-trade nature is unsecured, interest-free and repayable on demand.

19. AMOUNT DUE FROM A DIRECTOR

Name of director	Maximum balance outstanding during the year ended					
	31 December			As at 31 December		
	2014	2015	2016	2014	2015	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Mr. Chew	625	582	977	—	582	118

The amount due from a director approximately S\$515,000 during the year ended 31 December 2014 which was in non-trade nature is unsecured, interest bearing at 5.35% and repayable on demand.

The amount due from a director during the years ended 31 December 2015 and 2016 which was in non-trade nature is unsecured, interest-free and repayable on demand.

20. CASH AND CASH EQUIVALENTS

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Hong Kong dollars	108	39	96
Singapore dollars	5,130	5,414	5,676
	<u>5,238</u>	<u>5,453</u>	<u>5,772</u>

Cash at banks carrying interest at variable rates which range from 0.01% to 0.14% per annum for the years ended 31 December 2014, 2015 and 2016.

21. OTHER PAYABLES AND ACCRUALS

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Other payables	151	311	199
Dividend payable	—	—	227
GST payables	399	544	518
Receipt in advance	203	13	40
Other accrued expenses	60	59	617
	<u>813</u>	<u>927</u>	<u>1,601</u>

22. AMOUNT DUE TO A RELATED COMPANY

As at 31 December 2014, the amount due to BGC Malaysia which was in trade nature is unsecured, interest-free and repayable on demand.

23. AMOUNT DUE TO A DIRECTOR

As at 31 December 2014, the amount due to Mr. Chew which was in non-trade nature is unsecured, interest-free and repayable on demand.

24. BANK BORROWING

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Bank borrowing — repayable within one year	269	—	—

The bank borrowing was guaranteed by the personal guarantee of the director, Mr. Chew. The effective interest rate is 2.91%.

25. DEFERRED TAX LIABILITIES

	Excess of net book values of plant and equipment over tax value	Total
	S\$'000	S\$'000
As at 1 January 2014	27	27
Charged to profit or loss during the year (note 13)	<u>16</u>	<u>16</u>
As at 31 December 2014 and 1 January 2015	43	43
Over provision in prior year (note 13)	<u>(19)</u>	<u>(19)</u>
As at 31 December 2015 and 1 January 2016	24	24
Charged to profit or loss during the year (note 13)	<u>21</u>	<u>21</u>
As at 31 December 2016	<u><u>45</u></u>	<u><u>45</u></u>

26. SHARE CAPITAL

For the purpose of the presentation of the consolidated statements of financial position, the balance of the share capital as at 31 December 2014 and 31 December 2015 represent the aggregate amount of issued share capital of BGC Group, BGC Search and BGC HK comprising the Group prior to establishment of the Company.

Details of movements of share capital of the Company are as follows:

	Number of shares	Amount HK\$
Authorised:		
Ordinary shares of HK\$0.01 each	<u>38,000,000</u>	<u>380,000</u>
Issued and fully paid:		
Issue of shares upon incorporation on 8 August 2016	1	—
Issue of 999 shares upon Reorganisation on 12 August 2016	<u>999</u>	<u>10</u>
As at 31 December 2016	<u><u>1,000</u></u>	<u><u>10</u></u>

The Company was incorporated on 8 August 2016 with authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the date of incorporation, 1 ordinary share was allotted and issued to the initial subscribe of the Company upon its incorporation. On the same day, such Share was transferred to Omnipartners, a company controlled by Mr. Chew and Ms. Yong. On 12 August 2016, 130 ordinary shares and 869 shares were allotted and issued to Lotus Global Investments Ltd. and Omnipartners respectively.

27. DIVIDENDS

No dividend has been paid or proposed by the Company since its date of incorporation.

Prior to the Group Reorganisation, BGC Group had declared dividends in aggregate amounts of S\$1,000,000 during the year ended 31 December 2014, and special dividends of S\$2,550,000 were declared during the year ended 31 December 2016 to its then shareholder respectively.

Prior to the Group Reorganisation, BGC Search had declared dividends in aggregate amounts of S\$500,000 to its then shareholder during the year ended 31 December 2015.

The rates of dividend and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of this Financial Information.

28. RESERVES OF THE COMPANY

	Share premium S\$'000	Exchange reserve S\$'000	Accumulated loss S\$'000	Total S\$'000
As at 8 August 2016 (date of incorporation)	—	—	—	—
Loss for the period	—	—	(1,592)	(1,592)
Other comprehensive income for the period	—	25	—	25
Total comprehensive income for the period	—	25	(1,592)	(1,567)
Share issued	1,390	—	—	1,390
As at 31 December 2016	<u>1,390</u>	<u>25</u>	<u>(1,592)</u>	<u>(177)</u>

29. OPERATING LEASE ARRANGEMENTS**As lessee**

The Group leases certain of its office premises under operating lease arrangements. Leases are negotiated for a term of 1–3 years, with a renewal option.

At the end of the reporting periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 31 December		
	2014 S\$'000	2015 S\$'000	2016 S\$'000
Within one year	896	896	736
In the second to fifth years, inclusive	<u>1,445</u>	<u>556</u>	<u>45</u>
	<u>2,341</u>	<u>1,452</u>	<u>781</u>

30. RELATED PARTIES TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in this Financial Information, the Group has the following transactions with related parties during the Track Record Period.

Name of related company/party	Nature	Relationship with the Group	Notes	For the year ended 31 December		
				2014 S\$'000	2015 S\$'000	2016 S\$'000
BGC Malaysia	Referral fee income (note 8)	Common director	(i)	2	81	66
BGC Malaysia	Referral fee expense (note 8)	Common director	(i)	4	5	—
BGC Malaysia	Interest income (note 8)	Common director	(i)	10	10	19
Mr. Chew	Interest income (note 8)	Director of the Company	(i)	11	—	—
PayrollHero	Service income (note 8)	Common director	(i)	—	116	51
BGC Indonesia	Service income (note 8)	Common director	(i)	—	8	7
BGC Malaysia	Service income (note 8)	Common director	(i)	45	20	26
PayrollHero	Professional fee	Common director	(i)	—	3	8
PayrollHero	Purchase of software	Common director	(i)	—	—	210
				72	243	387

Note:

- (i) Mr. Chew is the director of BGC Malaysia, PayrollHero, BGC Indonesia and the Company.

Mr. Chew, who is director of the Company, had been provided personal guarantee for the bank borrowing of the Group during the Track Record Period without any charge. The personal guarantees of Mr. Chew had been released as at 3 November 2016.

(b) Compensation of key management personnel

The remuneration of directors and chief executive who are key management personnel are disclosed in notes 11 and 12 to the Financial Information.

31. MAJOR NON-CASH TRANSACTIONS

The Group entered into the following major non-cash transactions which are not reflected in the consolidated statements of cash flows:

During the year ended 31 December 2014, dividend of approximately S\$520,000 was settled with amount due from a director.

During the year ended 31 December 2016, dividend of approximately S\$2,223,000 was settled with amount due from a director.

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of total borrowings and equity attributable to owners of the Company, comprising share capital, reserves and retained earnings as disclosed in the Financial Information.

The directors of the Company review the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and balance its overall capital structure through the payment of dividends and injection of capital.

	As at 31 December		
	2014	2015	2016
	S\$'000	S\$'000	S\$'000
Total borrowings (<i>note (a)</i>)	714	—	—
Total equity (<i>note (b)</i>)	<u>9,012</u>	<u>10,528</u>	<u>10,813</u>
Gearing ratio	<u>7.9%</u>	<u>N/A</u>	<u>N/A</u>

Notes:

- (a) Total borrowings represent bank borrowing, amount due to a related company and a director.
- (b) Total equity includes share capital and reserves at the end of each reporting period.

III. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group had no significant events occurred.

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2016.

Yours faithfully,
HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex

Practising Certificate Number: P05029
 Hong Kong

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION
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The information set out below does not form part of the Accountants' Report received from the Company's reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, as set out in Appendix I, and is included in this prospectus for information purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" to this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the Share Offer on the audited consolidated net tangible assets of the Group as if the Share Offer had taken place on 31 December 2016.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the financial position of the Group as at 31 December 2016 or any future date following the Share Offer.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2016 as shown in the Accountants' Report set out in Appendix I to this prospectus and the adjustments described below.

	Audited consolidated net tangible assets of the Group as at 31 December 2016 S\$'000 (note 1)	Estimated net proceeds from the Share Offer S\$'000 (note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group S\$'000 (note 3)	Unaudited pro forma adjusted consolidated net tangible assets per Shares S\$ (note 4)
Based on an Offer Price of HK\$0.45 per Offer Share	10,813	8,537	19,350	0.0323
Based on an Offer Price of HK\$0.55 per Offer Share	10,813	11,102	21,915	0.0365

Notes:

- (1) The audited consolidated net tangible assets of the Group as at 31 December 2016 is based on the net assets of the Group attributable to owners of the Company as extracted from the Accountants' Report set out in Appendix I to this prospectus.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (2) The estimated net proceeds from the issue of the New Shares pursuant to the Share Offer are based on 150,000,000 new Shares at the Offer Price of lower limit and upper limit of HK\$0.45 and HK\$0.55 per Offer Share, respectively, after deduction of the underwriting commissions and fees and other related fees expenses payable by the Group in connection with the Share Offer, other than those expenses which had been recognised in profit or loss for the periods up to 31 December 2016. The estimated net proceeds are converted into S\$ at the rate of S\$0.1767 = HK\$1.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group does not take into account the effect of any trading result and other transactions of the Group entered into subsequent to 31 December 2016.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on 600,000,000 Shares in issue immediately following the completion of the Share Offer and does not take into account of any Shares which may be issued upon the exercise of the Offer Size Adjustment Option or any options that may be granted under the Share Option Scheme or any shares which may be allotted, issued or repurchase by the Company pursuant to the general mandates for the allotment and issue or repurchase of shares.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this prospectus, received from the independent reporting accountants of the Company, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information.



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

28 June 2017

The Board of Directors
Omnibridge Holdings Limited

Dear Sirs,

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Omnibridge Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2016 and the related notes (the “Unaudited Pro Forma Financial Information”) as set out in Section A of Appendix II to the prospectus of the Company dated 28 June 2017 (the “**Prospectus**”) issued by the Company in connection with the listing of the Company's shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described on Section A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the proposed Share Offer of the Company on the Group's financial position as at 31 December 2016 as if the proposed Share Offer had taken place on the same date. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's financial statements included in the accountants' report set out in Appendix I to the Prospectus.

Directors' Responsibility for the Pro Forma Financial Information

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event or transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex

Practising Certificate Number: P05029
Hong Kong

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 August 2016 under the Cayman Companies Law. The Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 21 June 2017 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares.

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share

certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the

Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he resigns by notice in writing delivered to the Company;
- (bb) he becomes of unsound mind or dies;
- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra

remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefore in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also

cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given held in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) days and not less than twenty (20) business days. All other general meetings must be called by notice of at least fourteen (14) days and not less than ten (10) business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting, particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition notice of every general meeting, must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address, by advertisement in newspapers in accordance with the requirements of the Stock Exchange or by placing it on the Company's website or the website of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
 - (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
 - (cc) the election of directors in place of those retiring;
 - (dd) the appointment of auditors and other officers;
 - (ee) the fixing of the remuneration of the directors and of the auditors;
 - (ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and
 - (gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.
- (v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is

an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforementioned and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to

members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the “**Court**”), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right

shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the

purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforementioned tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 23 August 2016.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within sixty (60) days of any change in such directors or officers.

(p) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(q) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to

the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 August 2016.

As our Company is incorporated in the Cayman Islands, we are subject to the relevant law of the Cayman Islands and our constitution which comprises a memorandum of association and an articles of association. A summary of the relevant aspects of the Cayman Islands company law and certain provisions of our constitution are set out in Appendix III.

2. Changes in share capital of our Company

- (a) On 8 August 2016, our Company was incorporated with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. Upon incorporation, one Share was subscribed at par value by the initial subscriber, an Independent Third Party, which was then transferred at par to Omnipartners on the same date.
- (b) On 12 August 2016, our Company allotted and issued 130 Shares to the Pre-IPO Investor at the consideration of HK\$8,000,000. On the same day, our Company allotted and issued 869 Shares to Omnipartners at par value. Upon the completion of such allotment, the total number of issued Shares was 1,000 Shares.
- (c) Pursuant to a resolution in writing passed by all Shareholders on 21 June 2017, the authorised share capital of our Company was increased from HK\$380,000 to HK\$15,000,000 by the creation of a further 1,462,000,000 Shares.

Immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account the Shares to be allotted and issued pursuant to the exercise of any options that may be granted under the Share Option Scheme or granted under the Offer Size Adjustment Option), 600,000,000 Shares will be issued fully paid or credited as fully paid, and 900,000,000 Shares will remain unissued. Our Directors do not have any present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in paragraphs 3 and 4 below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of all Shareholders passed on 21 June 2017

On 21 June 2017, pursuant to resolutions in writing passed by all the Shareholders:

- (a) our authorised share capital was increased from HK\$380,000 to HK\$15,000,000 by the creation of a further 1,462,000,000 Shares;
- (b) the Memorandum of Association was adopted with immediate effect;
- (c) the Articles of Association were conditionally adopted with effect from the Listing Date; and

- (d) conditional on the Listing Division granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on the GEM and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of those agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:
- (i) the Share Offer and the grant of the Offer Size Adjustment Option by our Company were approved and our Directors were authorised to approve the allot and issue the Share Offer Shares pursuant to the Share Offer and such number of Shares as may be required to be allotted and issued upon the exercise of the Offer Size Adjustment Option;
 - (ii) the rules of the Share Option Scheme were approved and adopted and the Directors or any such committee thereof were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for the Shares thereunder, to allot, issue and deal with the Shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary or desirable to implement the Share Option Scheme;
 - (iii) conditional on the share premium account being credited as a result of the Share Offer, our Directors were authorised to capitalise HK\$4,499,990 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 449,999,000 Shares for allotment and issue to Shareholder(s) whose name(s) appear(s) on the register of members of our Company at the close of business on 21 June 2017 (or as it/they may direct) in proportion (as nearly as possible without involving fractions) to its/their then existing shareholdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares (other than the right to participate in the Capitalisation Issue) and our Directors be and they are hereby authorised to give effect to such capitalisation;
 - (iv) a general unconditional mandate was given to our Directors to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the Articles of Association, or pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme, or under the Share Offer or the Capitalisation Issue, Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued under the Offer Size Adjustment Option or pursuant to the exercise of the options which may be granted under the Share Option Scheme, and (bb) the aggregate nominal amount of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in subparagraph (vi) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Law or any

applicable laws of the Cayman Islands to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to our Directors, whichever occurs first (the “**Applicable Period**”);

- (v) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to purchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued under the Offer Size Adjustment Option or pursuant to the exercise of the options which may be granted under the Share Option Scheme until expiry of the Applicable Period; and
- (vi) the extension of the general mandate to allot, issue and deal with Shares to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (v) above.

4. Corporate reorganisation

We underwent the Reorganisation to rationalise the Group’s structure in preparation for the Listing and our Company became the holding company of our Group. Please refer to “History and Development” for further details.

5. Particulars of our subsidiaries

Our Group comprises our Company and four subsidiaries. Please refer to the accountants’ report set out in Appendix I to this prospectus for a summary of the corporate information of these companies.

6. Changes in share capital of our subsidiaries

Save as disclosed in “History and Development”, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

7. Repurchase by our Company of our own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) Shareholders’ approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(b) Core connected persons

The GEM Listing Rules prohibit a company from knowingly repurchasing securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or his or her close associates and a core connected person shall not knowingly sell his securities to such a company.

(c) Source of funds

Repurchases must be paid out of funds legally available for the purpose in accordance with the Memorandum and the Articles, the GEM Listing Rules and the Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Under the laws of the Cayman Islands, any repurchases by our Company may be made either (1) out of profits of our Company; or (2) out of the share premium account of our Company; or (3) out of the proceeds of a fresh issue of Shares made for the purpose of the purchase; (4) out of capital, if so authorised by the Articles and subject to the provisions of the Companies Law. Any premium payable on the purchase over the par value of the Shares to be purchased must be provided for out of the profits of our Company, from sums standing to the credit of the share premium account of our Company or if so authorised by the Articles and subject to the provisions of the Companies Law out of capital.

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 600,000,000 Shares in issue immediately after the Listing, would result in up to 60,000,000 Shares being repurchased by us during the period in which the Repurchase Mandate remains in force.

(d) Status of repurchased Shares

The listing of all repurchased Shares (whether offered on the Stock Exchange or otherwise) on GEM will automatically be cancelled and the certificates for those Shares shall be cancelled and destroyed.

(e) Trading restrictions

The total number of shares which a listed company may repurchase on GEM is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days

immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on GEM. The GEM Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant minimum prescribed percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(f) Suspension of repurchase

A listed company may not make any repurchase of securities on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of a listed company's results for any year, half-year, quarter-year or any other interim period (whether or not required under the GEM Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year, half-year or quarter-year under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on GEM if a listed company has breached the GEM Listing Rules.

(g) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(h) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(i) *General*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

No core connected person (as defined in the GEM Listing Rules) of our Company has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

8. Registration under the Companies Ordinance

Our Company is a registered non-Hong Kong company as defined under the Companies Ordinance with a principal place of business in Hong Kong at 3rd Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong. Ms. Lo Wing Yan Emmy, the executive Director, the chief financial officer and company secretary of our Company, has been appointed as the authorised representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process and notices on our Company is the same as the address of our principal place of business in Hong Kong.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

9. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) the subscription agreement entered into between our Company and the Pre-IPO Investor on 12 August 2016, pursuant to which our Company agreed to allot and issue and the Pre-IPO Investor agreed to subscribe for 130 Shares at the consideration of HK\$8,000,000 (the "**Subscription Agreement**");
- (b) the letter agreement entered into between our Company, BGC HK and the Pre-IPO Investor on 12 August 2016, pursuant to which our Company agreed to nominate BGC HK to receive the subscription money pursuant to the Subscription Agreement for and on behalf of our Company from the Pre-IPO Investor;

- (c) the deed of undertaking dated 12 August 2016 executed by our Company in favour of the Pre-IPO Investor in connection with the stamping of transfer documents relating to the Reorganisation;
- (d) the Deed of Non-competition;
- (e) the Deed of Indemnity; and
- (f) the Public Offer Underwriting Agreement.

10. Intellectual property rights of our Group

Trademarks

As at the Latest Practicable Date, our Group had registered the following trademark which is material to our business:

Trademark	Registered owner	Place of registration	Class	Registration number	Expiry date
	BGC Group	Singapore	35 ^(Note)	T1304239I	13 March 2023

Note: The services covered under class 35 include advertising; business management; business administration; office functions.

Domain name

As at the Latest Practicable Date, our Group was the registrant of the following domain name:

No.	Domain name	Registrant	Registration date	Expiry date
1.	bgc-group.com	BGC Group	31 August 2010	25 April 2019

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF AND EXPERTS**11. Directors***(a) Disclosure of interests*

- (i) Our executive Directors are interested in the Reorganisation. Please refer to the section headed “Reorganisation” of this prospectus for further details.
- (ii) None of our Directors or their associates was engaged in any dealings with our Group during the two years preceding the date of this prospectus.

(b) Particulars of service contracts

Each of our executive Directors has entered into a service contract with our Company pursuant to which each of them agreed to act as an executive Director for an initial term of three years commencing from the Listing Date.

Each of these executive Directors is entitled to a basic salary subject to an annual review by the remuneration committee of the Board during the term. In addition, each of our executive Directors is also entitled to a discretionary management bonus to be recommended by the remuneration committee of the Board and as approved by the majority of the Board. An executive Director may not vote on any resolution of our Directors regarding the amount of the management bonus payable to him. The annual salaries of the executive Directors (excluding any discretionary bonus) provided under the service contracts are as follows:

Name	Annual salary (HK\$)
Mr. Chew	1,358,000
Ms. Yong	679,000
Ms. Lo Wing Yan Emmy	1,500,000

Each of the independent non-executive Directors has been appointed for an initial term of two years commencing from the Listing Date. Our Company intends to pay an aggregate directors' fees of about HK\$720,000 per annum to all our independent non-executive Directors. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(c) Directors' remuneration

The remuneration of each Director is determined by reference to market terms, seniority, his experiences, duties and responsibilities within our Group. Our Directors are entitled to statutory benefits as required by applicable laws from time to time.

- (i) During the years ended 31 December 2014, 31 December 2015 and 31 December 2016, the aggregate emoluments paid by our Group to our Directors were approximately S\$402,000, S\$364,000 and S\$382,000 respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding any discretionary bonus) payable by our Group to our Directors for the year ending 31 December 2017 are estimated to be approximately S\$683,000.
- (iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money during the Track Record Period as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments during the Track Record Period.

(d) Interests and short positions of Directors and chief executive in the shares, underlying shares or debentures of our Company and our associated corporations

Immediately following the completion of the Capitalisation Issue and the Share Offer (but without taking into account any Shares which may be allotted and issued pursuant to the Share Option Scheme or the exercise of the Offer Size Adjustment Option), the interests and short positions of our Directors and chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify

our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, will be as follows:

Name	Nature of interest	Number of Shares upon Listing ⁽¹⁾	Percentage of shareholding upon Listing
Mr. Chew	Interest in a controlled corporation and interest of spouse ⁽²⁾	391,500,000	65.25%
Ms. Yong	Interest in a controlled corporation and interest of spouse ⁽²⁾	391,500,000	65.25%

Notes:

- (1) All interests stated are long positions.
- (2) The entire issued share capital of Omnipartners is owned as to 80% by Mr. Chew and 20% by Ms. Yong. Mr. Chew and Ms. Yong are deemed to be interested in the Shares held by Omnipartners under the SFO. Mr. Chew is the spouse of Ms. Yong and both of them are executive Directors.

12. Interest discloseable under the SFO and substantial shareholders

So far as is known to our Directors and chief executive of our Company, immediately following the completion of the Capitalisation Issue and the Share Offer (but without taking account any Shares which may be taken up under the Share Offer and any Shares which may be allotted and issued pursuant to the Share Option Scheme or the exercise of the Offer Size Adjustment Option), the following persons (other than our Directors or chief executive officer of our Company) will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

Name	Nature of interest	Number of Shares ⁽¹⁾	Percentage of shareholding in the Company
Omnipartners	Beneficial owner ⁽²⁾	391,500,000	65.25%

Notes:

- (1) The letter “L” denotes the long position in the Shares.
- (2) The entire issued share capital of Omnipartners is owned as to 80% by Mr. Chew and 20% by Ms. Yong.

13. Related party transactions

Save as disclosed in note 30 of the accountants’ report set out in Appendix I, during the two years immediately preceding the date of this prospectus, our Group has not engaged in any other material related party transactions.

14. Disclaimers

- (a) Taking no account of any Shares which may be taken up or acquired under the Share Offer or the options granted or which may be granted under the Share Option Scheme or the Offer Size Adjustment Option, our Directors are not aware of any person who, save as disclosed in paragraph 12 in this appendix, will, immediately following the completion of the Capitalisation Issue and the Share Offer, have an interest or a short position in Shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group;
- (b) Save as disclosed in paragraph 11(d) in this appendix, none of our Directors has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the GEM Listing Rules, nor is any of them taken to or deemed to have under such provisions of the SFO, any interests or short position in the Shares or underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, once the Shares are listed on the GEM;
- (c) None of our Directors nor the experts named in paragraph 21 of this appendix has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this prospectus, or which are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for Shares either in his own name or in the name of a nominee;
- (d) Save in connection with the Underwriting Agreements, the material contracts referred to in paragraph 9 of this appendix and the service agreements and letters of appointments referred to in paragraph 11(b) of this appendix, none of our Directors nor the experts named in paragraph 21 of this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole; and
- (e) none of the experts named in paragraph 21 in this appendix has any shareholding in any member in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in our Group.

OTHER INFORMATION**15. Share option scheme***(a) Summary of terms*

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by a resolution in writing passed by our Shareholders on 21 June 2017:

(i) Purpose of the scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group.

(ii) Who may join

Our Directors (which expression shall, for the purpose of this paragraph 15, include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”), to take up options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries (“**Subsidiaries**”) or any entity (“**Invested Entity**”) in which our Group holds an equity interest (“**Eligible Employee**”);
- (bb) any non-executive director (including independent non-executive director) of our Company, any Subsidiary or any Invested Entity;
- (cc) any supplier of goods or services to any member of our Group or any Invested Entity;
- (dd) any customer of any member of our Group or any Invested Entity;
- (ee) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (ff) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (hh) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more Eligible Participants. For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any

person who falls within any of the above classes of Eligible Participants shall not, by itself, unless our Directors otherwise determined, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the Eligible Participants to the grant of options shall be determined by our Directors from time to time on the basis of our Directors' opinion as to his contribution to the development and growth of our Group.

(iii) *Maximum number of Shares*

- (aa) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by our Group shall not exceed 30% of the Shares in issue from time to time.
- (bb) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue on the day on which dealings in the Shares first commence on the Stock Exchange (i.e. not exceeding 60,000,000 Shares) (the “**General Scheme Limit**”) provided that:
 - (aaa) Subject to paragraph (aa) above and without prejudice to paragraph (bbb) below, our Company may issue a circular to its Shareholders and seek approval of its Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to its Shareholders shall contain, among other information, the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.
 - (bbb) Subject to paragraph (aa) above and without prejudice to paragraph (aaa) above, our Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in paragraph (aaa) above to Eligible Participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a generic description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to

how the terms of the options serve such purpose and such other information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.

(iv) Maximum entitlement of each participant

Subject to paragraph (v)(bb) below, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares in issue for the time being (“**Individual Limit**”). Where any further grant of options to a grantee under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of our Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. Our Company must send a circular to the Shareholders and the circular must disclose the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rules 23.02(4) of the GEM Listing Rules. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 23.03(9) of the GEM Listing Rules.

(v) Grant of options to connected persons

- (aa) Without prejudice to paragraph (bb) below, any grant of options under the Share Option Scheme to a Director, chief executive or substantial shareholder of our Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the option).
- (bb) Without prejudice to paragraph (aa) above, where any grant of options to a substantial shareholder or an independent non-executive Director of our Company or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1 % of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by the Shareholders in general meeting. Our Company must send a circular to the Shareholders. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of our Company or any of their respective associates must be approved by the Shareholders in general meeting.

(vi) Time of acceptance and exercise of option

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on the date on which the offer for the grant of option is made but shall end in any event not later than 10 years from the date on which the offer for the grant of the option is made subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(vii) Performance targets

Unless our Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

(viii) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme shall be determined at the absolute discretion of our Directors, provided that it shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the offer for the grant of option is made, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date on which the offer for the grant of option is made; and (iii) the nominal value of the Shares.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(ix) Ranking of Shares

- (aa) Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles of Association and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if

the record date therefore shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the completion of the registration of the grantee on the register of members of our Company as the holder thereof.

- (bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary share capital of our Company of such nominal amount as shall result from a sub-division, consolidation, re-classification, reduction or re-construction of the share capital of our Company from time to time.

(x) Restrictions on the time of grant of options

Our Company may not make any offer for grant of options after inside information has come to our knowledge until our Company has announced the information. In particular, our Company may not make any offer during the period commencing one month immediately before the earlier of (aa) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for approving our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and (bb) the deadline for our Company to announce our results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules) and ending on the date of the results announcement.

Our Directors may not make any offer to an Eligible Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(xi) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

(xii) Rights on ceasing employment

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (xiv) below before exercising his option in full, the option (to the extent not already exercised) shall lapse on the date of cessation and will not be exercisable unless our Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with our Company, the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not.

Eligible Employee means any employee (whether full time or part time employee, including any executive director but not any non-executive director) of our Company, any of its Subsidiaries or any Invested Entity.

(xiii) Rights on death, ill-health or retirement

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with our Company, the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as our Directors may determine.

(xiv) Rights on dismissal

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of persistent and serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or our Group or the Invested Entity into disrepute), his option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(xv) Rights on breach of contract

If our Directors shall at their absolute discretion determine that (aa) the grantee of any option (other than an Eligible Employee) or his close associates (or his associates if the grantee is a connected person) has committed any breach of any contract entered into between the grantee or his close associate on the one part and our Group or any Invested Entity on the other part; or (bb) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (cc) the grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by other reason whatsoever, then the option granted to the grantee under the Share Option scheme shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above.

(xvi) Rights on a general offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders of our Company. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case

may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes or the relevant record date for entitlements under the scheme of arrangement, as the case may be.

(xvii) Rights on winding up

In the event of a resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to our Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and our Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of our Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of our Company.

(xviii) Grantee being a company wholly owned by Eligible Participants

If the grantee is a company wholly owned by one or more Eligible Participants:

- (i) sub-paragraphs (xii), (xiii), (xiv) and (xv) shall apply to the grantee and to the options to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (xii), (xiii), (xiv) and (xv) shall occur with respect to the relevant Eligible Participant; and
- (ii) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that our Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(xix) Adjustments to the subscription price

In the event of a rights issue, subdivision or consolidation of Shares or reduction of the share capital of our Company or otherwise howsoever but shall not in any event exceed the limits imposed by the GEM Listing Rules whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to our Company as fair and reasonable will be made to the number or nominal amount of Shares, the subscription price of any option, and/or (unless the relevant grantee elects to waive such adjustment) the number of Shares consisted in an option or which remains consisted in an option, provided that (i) any adjustments shall give a grantee the same proportion of the issued Share for which he would have been entitled subscribe had he exercised the options held by him immediately prior to such adjustment; (ii) no adjustment shall be made the effect of which would be to enable a

Share to be issued at less than its nominal value; and (iii) the issue of Shares or other securities of our Group as consideration in a transaction shall not be regarded as a circumstance requiring any adjustment. In addition, in respect of any such adjustments, such auditors or independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules and such other applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Stock Exchange.

(xx) Cancellation of options

Any cancellation of options granted but not exercised must be subject to the consent of the relevant grantee and the approval of our Directors.

When our Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraphs (iii) (aaa) and (bbb) above.

(xxi) Termination of the Share Option Scheme

Our Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(xxii) Rights are personal to the grantee

An option is personal to the grantee and shall not be transferable or assignable.

(xxiii) Lapse of options

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (vi);
- (bb) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvii) and (xviii);
- (cc) the date on which our Directors shall exercise our Company's right to cancel the option by reason of a breach of paragraph (xxii) above by the grantee in respect of that or any other options.

(xxiv) Others

- (aa) The Share Option Scheme is conditional, among others, on the Stock Exchange granting the listing of and permission to deal in, such number of Shares to be allotted and issued by our Company pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (bb) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature shall be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (dd) The amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules, the “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” set out in the letter from the Stock Exchange to all listed issuers dated 5 September 2005 and other relevant guidance of the Stock Exchange.
- (ee) Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

(b) Present status of the Share Option Scheme*(i) Approval of the Listing Division required*

The Share Option Scheme, which complies with Chapter 23 of the GEM Listing Rules, is conditional on the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.

(ii) Application for approval

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares to be allotted and issued within the General Scheme Limit pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(iii) Grant of option

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

(iv) *Value of options*

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

16. Estate duty, tax and other indemnities

Omnipartners, Mr. Chew and Ms. Yong (collectively the “**Indemnifiers**”) have executed the Deed of Indemnity in favour of our Company (for itself and as trustee for each of its present subsidiaries).

Pursuant to the Deed of Indemnity, the Indemnifiers have agreed to jointly and severally indemnify each of the members of our Group against the following:

- (a) any liability for Hong Kong estate duty which might be incurred by us by reason of any transfer of property (within the meaning of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong)) to us on or before the date on which the Share Offer becomes unconditional (the “**Effective Date**”);
- (b) taxation which might fall on us in respect of any income, profits or gains earned, accrued or received on or before the Effective Date, subject to certain exceptions set out below; and
- (c) any damages, losses, liabilities, claims, fines, penalties, orders, expenses and costs, or loss of profits, benefits which are or become payable or suffered by us in connection with the incidents referred to in “Business — Non-compliance Incident”.

The Indemnifiers will, however, not be liable in respect of any taxation referred to in paragraph (b) above:

- (1) to the extent that provision or reserve has been made for such taxation in the audited accounts of our Group for the Track Record Period and to the extent that such taxation is incurred or accrued since 31 December 2016 which arises in our ordinary course of business; or
- (2) to the extent that such taxation falls on us in respect of the accounting period commencing on or after 1 January 2017 unless such taxation would not have arisen but for an act or omission of, or transaction voluntarily effected by the Indemnifiers or us otherwise than in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets, before the Effective Date; or
- (3) to the extent that such taxation would not have arisen but for a voluntary act or transaction carried out or effected (other than pursuant to a legally binding commitment created on or before the date of the Deed of Indemnity) by us after the date of the Deed of Indemnity; or

- (4) to the extent that such taxation arises as a consequence of any retrospective change in the law, rules and regulations, or the interpretation or practice thereof by any relevant authority coming into force after the date of the Deed of Indemnity or to the extent that such taxation arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect; or
- (5) to the extent of any provision or reserve made for taxation in the audited accounts of our Group up to 31 December 2016 and which is finally established to be an over-provision or an excessive reserve.

17. Litigation

Neither our Company nor any of its subsidiaries is engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company or any of its subsidiaries, that would have a material adverse effect on the results of operations or financial condition of our Group.

18. Sole Sponsor

The Sole Sponsor has made an application for and on behalf of our Company to the Listing Division for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and any Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme. The Sole Sponsor is independent of our Company in accordance with Rule 6A.07 of the GEM Listing Rules.

The Sole Sponsor will be paid by the Company a total fee of HK\$4.5 million to act as the sponsor to the Company in connection with the Share Offer.

19. Preliminary expenses

The preliminary expenses incurred by our Company are approximately US\$6,260 and are payable by our Company.

20. Promoters

Our Company has no promoter for the purpose of the GEM Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoters of our Company in connection with the Share Offer or the related transactions described in this prospectus.

21. Qualifications of experts

The qualifications of the experts who have given opinions or advice in this prospectus are as follows:

Name	Qualifications
CLC International Limited	Licensed corporation under the SFO permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity
HLB Hodgson Impey Cheng Limited	Certified Public Accountants
Grace Y.C. Tam	Barrister-at-law in Hong Kong
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Colin Ng & Partners LLP	Qualified legal advisers as to Singapore law
Ipsos Limited	Independent industry consultant

22. Consent of experts

Each of the experts named in paragraph 21 has given and has not withdrawn its written consents to the issue of this prospectus with the inclusion of its report, letter, valuation, opinion or summaries of opinion (as the case may be) and the references to its names included herein in the form and context in which they respectively appear.

23. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

24. Exemption from requirement of a property valuation report

For the purpose of Chapter 8 of the GEM Listing Rules, as the carrying amount no single property interest that formed part of our non-property activities had a carrying amount of 15% or more of our total assets, this prospectus is not required to include any valuation report of our property interests.

Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our Group's assets in land or buildings.

25. Taxation of holders of Shares

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Under present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty.

Potential holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasised that none of our Company, our Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

26. Miscellaneous

- (i) Save as disclosed in "History and Development" and "Structure and Conditions of the Share Offer" and paragraph 2 in this appendix within two years immediately preceding the date of this prospectus:
 - (aa) no share or loan capital of our Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries; and
 - (cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Share in our Company or any of its subsidiaries;
- (ii) No share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) There has been no material adverse change in the financial position or prospects of our Group since 31 December 2016 (being the date to which the latest audited consolidated financial statements of our Group were made up);
- (iv) There has not been any interruption in the business of our Group which may have or has had a material adverse effect on the financial position of our Group;
- (v) There is no arrangement under which future dividends are waived or agreed to be waived;

- (vi) There are no founder, management or deferred shares in our Company or any of its subsidiaries;
- (vii) We do not have any outstanding convertible debt securities or debentures;
- (viii) No securities of our Group are listed, and no listing of any such securities is proposed to be sought, on any other stock exchange;
- (ix) All necessary arrangements have been made to enable the Shares to be admitted into CCASS; and
- (x) None of the debt and equity securities of the companies comprising our Group is presently listed on any stock exchange or traded on any trading system.

27. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration include:

- (a) the Application Forms;
- (b) the written consents referred to in “Appendix IV — Other information — 22. Consent of experts” in this prospectus; and
- (c) a copy of each of the material contracts referred to in “Appendix IV — Further information about the business of our Group — 9. Summary of material contracts” in this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Loeb & Loeb LLP at 21st Floor, CCB Tower, 3 Connaught Road Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) our Memorandum and Articles;
- (b) the accountants’ report prepared by HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix I in this prospectus;
- (c) the letter from HLB Hodgson Impey Cheng Limited in respect of the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II in this prospectus;
- (d) the consolidated audited financial statements of our Company and the companies comprising our Group for the years ended 31 December 2014, 2015 and 2016;
- (e) the letter of advice prepared by Conyers Dill & Pearman, summarising the constitution of our Company and certain aspects of the Cayman Islands company law, referred to in Appendix III in this prospectus;
- (f) the legal opinion prepared by Grace Y.C. Tam, barrister-at-law, legal counsel to our Company as to Hong Kong law;
- (g) the legal opinion prepared by Colin Ng & Partners, legal counsel to our Company as to Singapore law;
- (h) the industry report prepared by Ipsos Limited referred to in the section headed “Industry Overview” in this prospectus;
- (i) the written consents referred to in “Appendix IV — Other information — 22. Consent of experts” in this prospectus;

- (j) the service agreements and letters of appointment referred to in “Appendix IV — Further information about Directors, management and staff and experts — 11. Directors — (b) Particulars of service contracts” in this prospectus;
- (k) the material contracts referred to in “Appendix IV — Further information about the business of our Group — 9. Summary of material contracts” in this prospectus;
- (l) the rules of the Share Option Scheme; and
- (m) the Companies Law.

OMNIBRIDGE HOLDINGS LIMITED
橋英控股有限公司