ISP Global Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8487

Share Offer

Sole Sponsor

SUNWAH KINGSWAY
新華滙富

KINGSWAY CAPITAL LIMITED

Joint Bookrunners and Joint Lead Managers

SUNWAH KINGSWAY
新華滙富

KINGSWAY FINANCIAL SERVICES GROUP LIMITED

GREAT WALL SECURITIES LIMITED
長城證券有限公司

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

ISP Global Limited

(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	**:**	**200,000,000 Shares (subject to the Offer Size Adjustment Option)**
Number of Public Offer Shares	**:**	**20,000,000 Shares (subject to reallocation)**
Number of Placing Shares	**:**	**180,000,000 Shares (subject to reallocation and the Offer Size Adjustment Option)**
Offer Price	**:**	**Not more than HK$0.4 per Offer Share and not less than HK$0.3 per Offer Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars, subject to refund on final pricing)**
Nominal Value	**:**	**HK$0.01 per Share**
Stock Code	**:**	**8487**

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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 in "Documents Delivered to the Registrar of Companies and Available for inspection – Documents Delivered to the Registrar of Companies in Hong Kong" in Appendix VI to this prospectus, has been registered by 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 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.

The Offer Price is expected to be fixed by an agreement between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on the Price Determination Date which is expected to be on or about Friday, 5 January 2018 or such later date as may be agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), but in any event not later than Tuesday, 9 January 2018. The Offer Price will not be more than HK$0.4 per Offer Share and is expected to be not less than HK$0.3 per Offer Share. Applicants for the Public Offer Shares are required to pay, on application, the maximum Offer Price of HK$0.4 for each Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price finally determined is lower than HK$0.4 per Offer Share (the maximum Offer Price). If, for any reason, our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Offer Price by that date or such later date as agreed by our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Share Offer will not proceed and will lapse.

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this prospectus (which is HK$0.3 to HK$0.4 per Offer Share) at any time prior to the morning of the last day for lodging applications under the Public Offer. In such a case, notices of reduction in the number of Offer Shares and/or the indicative Offer Price range will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.ispg.hk**. Further details are set out in "Structure and Conditions of Share Offer" and "How to Apply for Public Offer Shares".

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 "Risk Factors" in this prospectus.

Prospective investors of the Share Offer should note that the Sole Sponsor and/or the Joint Bookrunners (for themselves and on behalf of the Underwriters) shall have the absolute right to terminate their obligations under the Public Offer Underwriting Agreement by notice in writing to our Company with immediate effect if any of the events set forth in "Underwriting – Underwriting arrangements, commissions and expenses – Public Offer – Grounds for termination" in this prospectus occurs at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is currently expected to be Tuesday, 16 January 2018).

The Offer Shares have not and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with Regulations S of the U.S. Securities Act.

No information on any website forms part of this prospectus.

29 December 2017

GEM has been positioned as a market designed to accommodate companies in 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 by 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 website of the Stock Exchange at www.hkexnews.hk in order to obtain up-to-date information on listed issuers.

***Date and Time*[(Note 1)]**

2018

Application Lists of Public Offer open[(Note 2)] . . . . . 11:45 a.m., on Thursday, 4 January

Latest time for lodging **WHITE** and **YELLOW** Application Forms . . . . . 12:00 noon, on Thursday, 4 January

Latest time for giving **electronic application instructions** to HKSCC[(Note 3)] . . . . . 12:00 noon, on Thursday, 4 January

Application Lists of Public Offer close[(Note 2)] . . . . . 12:00 noon, on Thursday, 4 January

Expected Price Determination Date[(Note 4)] . . . . . Friday, 5 January

(1) Announcement of the final Offer Price, the level of indication of interest in the Placing, level of applications in the Public Offer and basis of allotment of the Public Offer Shares under the Public Offer to be published on our Company's website at **www.ispg.hk**[(Note 5)] and the website of the Stock Exchange at **www.hkexnews.hk**[(Note 5)] on or before . . . . . Monday, 15 January

(2) Results of allocations in the Public Offer (with successful applicants' identification document or business registration numbers, where appropriate) to be available through a variety of channels as described in "How to Apply for the Public Offer Shares –Publication of results" in this prospectus including our Company's website at **www.ispg.hk**[(Note 5)] and the website of the Stock Exchange at **www.hkexnews.hk**[(Note 5)] on or before . . . . . Monday, 15 January

(3) A full announcement containing (1) and (2) above to be published on our Company's website at **www.ispg.hk**[(Note 5)] and the website of the Stock Exchange at **www.hkexnews.hk**[(Note 5)] from . . . . . Monday, 15 January

Results of allocations in the Public Offer will be available at **www.ewhiteform.com.hk/results** with a "search by ID" function from . . . . . Monday, 15 January

Despatch/collection of Share certificates of the Offer Shares or deposit of Share certificates of the Offer Shares into CCASS in respect of wholly or partially successful applications under the Public Offer on or before[(Notes 6 and 8)] ..... Monday, 15 January

Despatch/collection of refund cheques in respect of wholly or partially successful applications if the Offer Price is less than the price payable on application (if applicable) and wholly or partially unsuccessful applications under the Public Offer on or before[(Notes 7 and 8)] ..... Monday, 15 January

Dealings in Shares on GEM to commence at 9:00 a.m. on ..... Tuesday, 16 January

Notes:

1. All times and dates refer to Hong Kong local times and dates unless otherwise stated in this prospectus.

2. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 4 January 2018, the application lists will not open or close on that day. Please refer to the section headed "How to apply for the Public Offer Shares – 9. Effect of bad weather on the opening of the application lists" in this prospectus. If the application lists do not open and close on Thursday, 4 January 2018, the dates mentioned in this section may be affected.

3. Applicants who apply by giving **electronic application instructions** to HKSCC should refer to the section headed "How to apply for the Public Offer Shares – 5. Applying by giving **electronic application instructions** to HKSCC via CCASS" in this prospectus.

4. The Price Determination Date is expected to be on or around Friday, 5 January 2018 and, in any event, not later than Tuesday, 9 January 2018. If, for any reason, the Offer Price is not agreed between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company by Tuesday, 9 January 2018, the Share Offer (including the Public Offer) will not proceed and will lapse.

5. None of the websites or any information contained therein form part of this prospectus.

6. Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. on Tuesday, 16 January 2018 provided that (i) the Share Offer has become unconditional in all respects; and (ii) none of the Underwriting Agreements has been terminated in accordance with their respective terms. Investors who trade the Offer Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk. If the Share Offer does not become unconditional or the Underwriting Agreements are terminated in accordance with their terms, we will make an announcement as soon as possible.

7. Refund cheques will be issued 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 purpose. Banks may require verification of an applicant's Hong Kong identity card number or passport number before cashing the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may lead to delay in encashment of or may invalidate the refund cheque.

8. Applicants who have applied on **WHITE** Application Forms for 1,000,000 or more Public Offer Shares under the Public Offer and have indicated in their Application Forms that they wish to collect any refund cheques and share certificates (if applicable) in person, may do so from our Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, between 9:00 a.m. to 1:00 p.m. on Monday, 15 January 2018. Applicants being individuals who opt for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations who opt for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporation's chop. Both individuals and representatives of corporations must produce, at the time of collection, identification and (where applicable) documents acceptable to Hong Kong Branch Share Registrar at the time of collection.

   Applicants who have applied on **YELLOW** Application Forms for 1,000,000 or more Public Offer Shares under the Public Offer may collect their refund cheques, if any, in person but may not elect to collect their share certificates which will be deposited into CCASS for the credit of their designated CCASS participants' stock accounts or CCASS investor participant stock accounts, as appropriate. 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 should refer to "How to Apply for the Public Offer Shares – 13. Despatch/collection of Share certificates and refund monies – Personal collection – (iii) If you apply via **electronic application instructions** to HKSCC" for details.

   Applicants who have applied for less than 1,000,000 Public Offer Shares or have applied for 1,000,000 Public Offer Shares or more but do not collect their Share certificates and/or refund cheques, the Share certificates and/or refund cheques will be despatched by ordinary posts, at the applicants' own risk, to the address specified on the applications on Monday, 15 January 2018.

   Further information is set out under the sub-sections headed "How to apply for the Public Offer Shares – 12. Refund of application monies" and "How to apply for the Public Offer Shares – 13. Despatch/collection of Share certificates and refund monies" in this prospectus.

The expected timetable above is a summary only. For details of the structure of the Share Offer, including the conditions thereto and the procedures for application for the Public Offer Shares, please refer to "Structure and Conditions of the Share Offer" and "How to Apply for the Public Offer Shares".

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer 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 other jurisdiction other than Hong Kong or in any other circumstances. No action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdiction are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdiction pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers 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 Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective affiliates, directors, officers, employees, agents or representatives or any other person or party involved in the Share Offer.

*The information contained on our website at **www.ispg.hk** do not form part of this prospectus.*

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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 this prospectus in its entirety 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. Various expressions used in this summary are defined in the section headed "Definitions" in this prospectus.

OVERVIEW OF OUR BUSINESS

We are a sound and communication services solution provider in Singapore, with more than 15 years of experience in providing such solutions for various systems in Singapore buildings. We primarily provide (i) sale of sound and communication systems and related services; (ii) integrated services of sound and communication systems; and (iii) AAS services. During the Track Record Period, our Group tendered for projects by (i) open tender through GeBiz as a main contractor; and (ii) invitations from other private companies as a subcontractor.

As at the Latest Practicable Date, we had a total of 86 projects on hand with a total contract value of approximately S$19.6 million. These 86 projects on hand comprise of (i) 82 sale of sound and communication systems and related services projects of approximately S$10.9 million in total contract value; (ii) two integrated services of sound and communication systems projects of approximately S$3.0 million in total contract value; and (iii) two AAS services projects of approximately S$5.8 million in total contract value.

The following table sets forth a breakdown of our revenue by tender type during the Track Record Period:

	For the year ended 30 June			
	2016		2017	
	S$ million	*%*	*S$ million*	*%*
Revenue derived by tender type:				
(i) Open tender (through GeBiz)	1.81	22.6	1.48	17.1
(ii) Invited tender	6.19	77.4	7.15	82.9
Total	8.00	100.00	8.63	100.00

The following table sets forth a breakdown of our revenue by service types during the Track Record Period:

	For the year ended 30 June			
	2016		2017	
	S$ million	*%*	*S$ million*	*%*
Revenue derived by service type:				
(i) Sale of sound and communication systems and related services	5.95	74.4	7.13	82.6
(a) Sale of sound and communication systems	5.28	66.0	6.33	73.3
(b) Related services	0.67	8.4	0.80	9.3
(ii) Integrated services of sound and communication systems	1.17	14.6	0.62	7.2
(iii) AAS services	0.88	11.0	0.88	10.2
Total	8.00	100	8.63	100

The following table sets forth a breakdown of our revenue by projects types during the Track Record Period:

	For the year ended 30 June			
	2016		2017	
	S$ million	*%*	*S$ million*	*%*
Revenue derived by project type:				
(i) Public sector projects[1]	7.47	93.4	7.15	82.9
(ii) Private sector projects	0.27	3.3	0.67	7.7
(iii) Non-profit agencies' projects	0.26	3.3	0.81	9.4
Total	8.00	100.0	8.63	100.0

Note:

1. Among the public sector projects, approximately 68.3% and 70.4% of our revenue attributable to public sector projects for each of the two years ended 30 June 2017, respectively were attributable to contracts awarded to us by private companies through invited tenders. Our Directors consider that public sector projects are projects controlled by Singapore Government agencies and involve building systems that are used for providing various governmental services.

OUR SERVICES

During the Track Record Period, our sound and communication services solution projects in Singapore may cover more than one sound and communication system such as, including but not limited to, nurse call systems, AAS, two-way intercom systems, public address systems, Global Positioning Systems clocks and voice enhancement systems.

Sale of sound and communication systems and related services

Our sale of sound and communication systems and related services segment involves the sales of our sound and communication systems and/or maintenance of various sound and communication systems in Singapore. For sales of our sound and communication systems, we typically make recommendations to our customers based on their requirements. Further, after putting in place, if requested by our customers, the sound and communication systems (which does not include conduit laying, cable installation and/or electrical works), we may provide certain after-sale services such as testing and commissioning services to ensure that our systems are performing as they should.

Our maintenance services include repairs and servicing (including preventive and scheduled maintenance as well as breakdown maintenance) to ensure that existing sound and communication systems of our customers function properly.

A typical sound and communication systems maintenance services contract has a contract period ranging from one to four years. We generally derive recurrent revenue from our maintenance services during the contract period as preventive and scheduled maintenance services are normally required regularly.

Integrated services of sound and communication systems

The provision of our integrated services of sound and communication systems involves providing a range of solutions to our customers, which typically includes designing, customising and installing (which may include conduit laying, cable installation and/or electrical works) sound and communication systems in buildings. We provide design services for customers who have difficulties in their existing sound and communication systems and/or who require us to design appropriate systems to meet their needs. Installation services are applicable where either the existing systems are required to be replaced, or where new sound and communication systems are required to be integrated into new buildings. Customisation works are required when specific requirements of our customers necessitate additional modification on the systems we provide.

A typical contract for this service has a specified contract period of six months to two years, during which our Group may be required to perform different services for different sound and communication systems at a specified building or at various premises. The contract value and the scope of work for some of our contracts are fixed. We may be given variation order to conduct variation works on the scope of work originally contracted to us. Such variation will be negotiated separately.

We engage subcontractors to assist us in performing certain works, such as when these works and services require specialised licences, skill and/or machinery and equipment, or at times when we have limited capacity or when we deem it more cost efficient to have subcontractors carry out such work and services. In respect of our integrated services of sound and communication systems projects during the Track Record Period, we generally engaged subcontractors for conduit laying, cable installation and electrical works.

AAS services

Our AAS services projects involve installing and managing alert alarm systems in selected housing rental blocks managed by a Singapore Government statutory board under the Life Improvement and Facilities Enhancement for the elderly project. This is a project jointly implemented by several Singapore Government agencies and a statutory board since August 1993. Under the project, features such as the AAS, support handle bars, non-slip tiles in the toilets, and water taps with accessible handles are retrofitted in selected one-room rental flats with a relatively high concentration of elderly residents. The AAS allows the elderly residents to call for help as an emergency response system when they face emergencies in their flats.

The Ministry of Social and Family Development arranges for voluntary welfare organisations managing senior activity centres that are situated in residential blocks in the vicinity of the AAS installed rental blocks, to monitor these AAS during their operational hours. After the operational hours, each of the senior activity centres has its own arrangement to handle distress calls from the AAS they oversee.

As an AAS service provider, our Group is required to provide, among others, the following:

(i) installation services to replace previously installed AAS to meet our customers' requirements, in addition to which we also conduct trainings to the tenants and senior activity centre(s) personnel on the operation of the AAS we supply; and

(ii) 24-hour emergency servicing of AAS in response to any fault; carrying out bi-monthly preventive maintenance and submitting maintenance reports to the relevant Singapore Government statutory board, and necessary documentation and provision of refresher training to affected tenants and senior activity centre(s) personnel.

Our AAS services contracts have been awarded by a statutory board of the Singapore Government, in relation to a range of six to nine housing rental blocks, for a period of approximately five to eight years each.

SALES AND MARKETING

Marketing activities

During the Track Record Period, we did not engage in any material marketing activities other than liaising with our private sector customers. The majority of our revenue was derived from public sector projects that were awarded to us by private companies through invited tenders; our roles in invited tenders are that of a subcontractor. In public sector projects, our roles as a main contractor are awarded to us through open tenders that are sourced from GeBIZ. We monitor GeBIZ, the Singapore Government's one-stop e-procurement portal where all public sector's invitations for quotations and tenders (except for security-sensitive contracts) are posted, on a daily basis for tenders put up by Singapore Government agencies.

For projects with private customers, tenders are either via open tender or by invitation. We obtain information on new business opportunities from private customers through the contacts of our Directors and senior management. Our Directors consider reputation and project references as important factors in being invited for private tenders.

Pricing and tender strategy

Our pricing is generally determined based on certain mark-ups over our estimated costs, including but not limited to, supplies and labour. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material inaccurate estimation or cost overruns. The pricing of our services are overseen by our executive Directors, Mr. Mong and Ms. Choon.

Typically, when we identify a new tender opportunity on GeBIZ, or if we are invited to quote or tender, our sales and contract department, together with Ms. Choon, will review the scope of services and the grading requirement for the mechanical and electrical workhead(s) to ensure that we are qualified to submit the tender. Our existing capacity and resources and our past experience in tendering for similar contracts will also be considered.

MAIN LICENCES AND REGISTRATION

We are registered under the mechanical and electrical workhead ME04 (communication and security systems) in the Contractors Registration System with a "L5" grade, which allows us to tender for installation and maintenance of communication and security systems projects in the public sector of Singapore with a tendering limit of S$13,000,000. We are also registered under the supply workhead EPU/AVP/10 (audio visual, photographic and optical products) in the Suppliers Directory under GeBIZ with a "S8" financial grade, which allows us to tender for certain supply project in the public sector of Singapore with a tendering limit of S$10,000,000.

CUSTOMERS

Our customers comprise of (i) Singapore Government agencies such as ministries or statutory boards in Singapore; and (ii) private organisation in Singapore such as those engaged in healthcare operations, educational institutions, building construction and electrical works. For the two years ended 30 June 2017, revenue from our top five customers amounted to approximately S$2.8 million and S$3.3 million, representing approximately 35.2% and 38.5% of our total revenue, respectively. For further information, please refer to the section headed "Business – Customers – Top five customers" in this prospectus.

SUPPLIERS CONCENTRATION

Our Group's top five suppliers who accounted for approximately 55.0% and 55.5% of our total purchases from suppliers for the two years ended 30 June 2017, respectively were all Independent Third Parties. Also, approximately 28.3% and 23.8% of our Group's total purchase from suppliers were attributable to our largest supplier for the two years ended 30 June 2017, respectively. Our Directors consider that the Group is not reliant on any single supplier because of the following:

(i) our Group maintains a list of approved suppliers, comprising active and reserved suppliers, which have passed our periodic assessment on the raw materials, consumables and services supplied. Our Group procures from a number of suppliers for certain materials and services and in the event that a particular supplier ceases to supply to our Group, our Group could select other approved suppliers/sub-contractors from the list as replacement; and

(ii) our Directors consider that supplies of the raw materials, consumables and services used in our Group's services are ample in the market with numerous suppliers, and that the Group could seek alternative suppliers as and when appropriate in the market without material limitation.

COMPETITIVE LANDSCAPE AND OUR COMPETITIVE STRENGTHS

The Frost & Sullivan Report states that the industry drivers for the sound and communication services industry include rising expenditure on health care by the Singapore Government and rapid development in sound and communication technology. For further information, please refer to the section headed "Industry Overview" in this prospectus.

We believe that our competitive strengths include the following: (i) an established customer base; (ii) more than a decade long track record of providing sound and communication services solution to public sector projects; (iii) an experienced and dedicated management team; (iv) consistently delivered reliable and timely services to our customers; and (v) an established relationship with our suppliers and subcontractors.

BUSINESS STRATEGIES AND USE OF PROCEEDS

We intend to focus on the development of our sound and communication services solution business, and our primary objective is to further expand our scale of operation and undertake more sound and communication services solution projects in Singapore. Our key business strategies are: (i) expanding our manpower and other resources; (ii) strengthening our marketing efforts in the sound and communication industry in Singapore; (iii) setting up a new sales office in Singapore; (iv) obtaining a higher grade level under our current mechanical and electrical workhead; and (v) allocating more resources for the provision of performance bonds.

We estimate that the aggregate net proceeds from the Share Offer to be received by us, after deducting underwriting commissions and estimated expenses paid and payable by us in connection with the Share Offer, will be approximately HK$44.0 million, assuming the Offer Size Adjustment Option is not exercised and assuming an Offer Price of HK$0.35 (being the mid-point of the proposed Offer Price per Share in the range of HK$0.3 to HK$0.4). It is the current intention of our Directors to apply such net proceeds for the various investments in our manpower and plant and equipment necessary for the implementation of the aforesaid business strategies. Specifically:

- approximately HK$1.4 million (or approximately 3.2% of the estimated net proceeds to be received by us) is intended to be applied to strengthen our marketing efforts in sound and communication industry in Singapore;

- approximately HK$11.6 million (or approximately 26.4% of the estimated net proceeds to be received by us) is intended to be applied to expand and train our marketing, technical and support workforce;

- approximately HK$3.0 million (or approximately 6.8% of the estimated net proceeds to be received by us) is intended to be applied for the purchase of transportation vehicles;

- approximately HK$10.0 million (or approximately 22.7% of the estimated net proceeds to be received by us) is intended to be applied for setting up a new sales office in Singapore;

- approximately HK$10.0 million (or approximately 22.7% of the estimated net proceeds to be received by us) is intended to be applied for the partial repayment of bank loan;

- approximately HK$2.0 million (or approximately 4.5% of the estimated net proceeds to be received by us) is intended to be applied as resources for the provision of performance bonds;

- approximately HK$2.5 million (or approximately 5.7% of the estimated net proceeds to be received by us) is intended to be applied for the purpose of obtaining higher grade level under our current mechanical and electrical workhead; and

- approximately HK$3.5 million (or approximately 8.0% of the estimated net proceeds to be received by us) is intended to be applied for our general working capital and general corporate purposes.

In relation to purchasing transportation vehicles for our business operations, we intend to use approximately HK$3.0 million (or approximately 6.8% of the net proceeds from the Share Offer) for the purchase of a total of three vans and two lorries by 31 December 2019 to support our maintenance operations and/or transportation of certain relevant equipment and/or labour.

With regard to expanding and training our sales and marketing, technical and support workforce, we intend to use approximately HK$11.6 million (or approximately 26.4% of the net proceeds from the Share Offer) for the staff salaries and training costs from employing a total of an additional 46 staff, including one project manager, six engineers, 35 technicians, one marketing manager, one sales manager and two sales and marketing executives, by 31 December 2019 in order to expand and train our sales and marketing, technical and support workforce. Going forward, our Directors expect that the related costs for these additional 46 staff will be financed through our internal resources. For further details of our business strategies in expanding our manpower, please refer to the section headed "Business – Business Strategies – Expand our manpower and other resources" in this prospectus.

For further information about our planned use of proceeds, please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus.

REASONS FOR LISTING

Our Directors believe that the Listing on the Stock Exchange will benefit our Group as it will, among others, (i) allow our Group to gain access to capital market funding; and (ii) increase the profile of our Group and enable our Group to be considered more favourably by our customer when tendering for contacts. In addition, we intend to implement our business strategies and future plans which require funding and are intended to be financed by the proceeds from the Share Offer.

SUMMARY OF FINANCIAL INFORMATION

The tables below summarise our combined financial information for the Track Record Period 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 combined statements of profit and loss and other comprehensive income

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Revenue	7,997,834	8,632,027
Gross profit	2,787,423	3,174,264
Profit before taxation	1,495,224	1,634,786
Profit and other comprehensive income for the year	1,292,328	1,350,596

Highlight of combined statements of financial position

	As at 30 June	
	2016	**2017**
	S$	*S$*
Non-current assets	7,110,929	6,538,059
Current assets	3,207,433	5,719,123
Current liabilities	960,096	2,299,728
Net current assets	2,247,337	3,419,395
Non-current liabilities	3,758,757	3,607,349
Net assets	5,599,509	6,350,105

Key financial ratios

	Year ended 30 June	
	2016	**2017**
	%	
Profitability ratios		
Gross profit margin	34.9	36.8
Net profit margin	16.2	15.6
Return on equity	23.1	21.3
Return on total assets	12.5	11.0

	As at 30 June	
	2016	**2017**
	Times	
Liquidity ratios		
Current ratio	3.3	2.5
Quick ratio	3.3	2.5
	%	
Capital adequacy ratios		
Gearing ratio	65.5%	54.7%

Note: For further details, please refer to the section headed "Financial Information" of this prospectus for the method of calculation of the above key financial ratios.

Gross profit and gross profit margin

Our gross profit was S$2.8 million and S$3.2 million for the two years ended 30 June 2016 and 2017, respectively, representing gross profit margin of 34.9% and 36.8% for the same period, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by service types during the Track Record Period:

	For the year ended 30 June			
	2016		**2017**	
	Gross profit *S$ million*	**Gross profit margin** *%*	**Gross profit** *S$ million*	**Gross profit margin** *%*
Sale of sound and communication systems and related services	2.0	34.4	2.6	36.3
Integrated services of sound and communication systems	0.5	40.8	0.3	50.1
AAS services	0.3	29.7	0.3	31.3
Total	2.8	34.9	3.2	36.8

Operating cash flows before changes in working capital

Our operating cash flows before changes in working capital was S$2.2 million and S$2.3 million for the two years ended 30 June 2016 and 2017, respectively.

For further details, please refer to the section headed "Financial Information – Key Financial Ratios" in this prospectus.

LISTING EXPENSES

Assuming the Offer Size Adjustment Option is not exercised and assuming the Offer Price of HK$0.35 per Offer Share (being the mid-point of the indicative range of the Offer Price stated in this prospectus), the total amount of expenses in relation to the Listing are estimated to be approximately HK$26.0 million including the underwriting commission of approximately HK$6.0 million and other listing expenses and fees of approximately HK$20.0 million. The expenses in relation to the Listing shall be borne by our Company, of which approximately HK$1.2 million was recognised as listing expenses in our combined statement of profit or loss and other comprehensive income for the year ended 30 June 2017. We expect to incur additional listing expenses of approximately HK$14.1 million which will be recognised as listing expenses for the year ending 30 June 2018, and approximately HK$10.7 million of its estimated listing expenses is directly attributable to the issue of the Offer Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standard after Listing.

SHARE OFFER STATISTICS

Market capitalisation upon Listing	HK$240,000,000 to HK$320,000,000
Number of Offer Shares	200,000,000 Shares
Offering structure	180,000,000 Shares for the Placing and 20,000,000 Shares for the Public Offer
Offer Prices per Share	HK$0.3 to HK$0.4
Board lot	10,000 Shares
Unaudited pro forma adjusted combined net tangible assets per Share[1]	HK$0.09 to HK$0.11

Note:

(1) See "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus for further details regarding the assumptions used and the calculations method.

DIVIDEND

During the year ended 30 June 2017, ISPL declared dividends amount to S$600,000 to our Controlling Shareholders, out of its distributable profits. Our Group does not have pre-determined dividend payout ratio. Cash dividends on our Shares, if any, will be paid in Hong Kong dollars.

RISK FACTORS

You should read the section headed "Risk Factors" in this prospectus carefully before you decide to invest in the Shares. The material risks relating to our business include those in relation to the concentration of our revenue from public sector projects, our ability to achieve continuity of our order book, the top five suppliers accounted for a substantial portion of the purchases of our Group. The material risks relating to our industry include shortage of labour in the sound and communication services industry in Singapore, possible change in applicable regulatory requirements and the increase in competition in the sound and communication services industry in Singapore.

NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had no material or systemic non-compliance incidents that would have a material adverse effect on our business, financial condition and results of operations taken as a whole.

LITIGATION AND CLAIMS

During the Track Record Period and up to the Latest Practicable Date, we had one concluded case in relation to a traffic accident. Please refer to the section headed "Business – Litigation and Claims" for further details.

CONTROLLING SHAREHOLDERS

Pursuant to the Acting in Concert Confirmation, Mr. Mong and Ms. Choon confirmed their acting in concert arrangements in the past, during the Track Record Period and agreed to continue to act in concert upon Listing. Accordingly, Mr. Mong and Ms. Choon are acting together as a group of Controlling Shareholders. Immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account of any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme), Mr. Mong and Ms. Choon, acting in concert as a group of Controlling Shareholders and through Express Ventures (which is wholly owned as to 97.14% by Mr. Mong and as to 2.86% by Ms. Choon) will hold 600,000,000 Shares, representing 75% of the enlarged issued share capital of our Company. For further details, please refer to the section headed "History, Development and Reorganisation" in this prospectus.

Express Ventures is an investment holding company. Mr. Mong and Ms. Choon are husband and wife. Mr. Mong is our founder, the chairman of our Board and an executive Director. Ms. Choon is our executive Director and our compliance officer. For further details, please refer to the section headed "Directors and Senior Management".

RECENT DEVELOPMENTS

Subsequent to the Track Record Period, we continued to explore different methods to expand our sound and communication services solution business operation in Singapore. Since 1 July 2017 to the Latest Practicable Date, we have been awarded with 63 new projects for our sale of sound and communication systems and related services operations and six new projects for our integrated services of sound and communication systems operations. The total contract value of these 69 new sound and communication services solution projects awarded to us subsequent to the Track Record Period is approximately S$7.4 million, and the expected duration of these projects ranges from July 2017 to December 2020.

In October 2017, we received a letter of intent from a health institution in Singapore for the procurement of our sound and communication systems. To the best knowledge and belief of our Directors after making reasonable enquiries, it is estimated that such health institution in Singapore will issue us with a letter of award by January 2018, and the agreement contemplated in the letter of intent would be worth approximately S$540,000. Our Directors, based on the letter of intent, expect that delivery of the sound and communications systems will be required within eight to 12 weeks upon confirmation of order by the said health institution in Singapore.

As set out in the section headed "Financial Information – Factors affecting our financial results" in this prospectus, our revenue may be affected by certain factors such as our tender success rate, competition within the sound and communication services market in Singapore, fluctuation in our materials cost and staff costs, and pricing of our sound and communication services solution projects. According to our unaudited management accounts for the five months ended 30 November 2016 and the unaudited management accounts for the five months ended 30 November 2017, we recorded an increase of approximately 30.0% in revenue for the five months ended 30 November 2017 as compared to the unaudited management accounts for the five months ended 30 November 2016.

Our Group expects that our financial results for the year ended 30 June 2018 will be negatively affected by the non-recurring Listing expenses recognised and in our combined statements of profit and loss and other comprehensive income. For further details, please refer to the section headed "Financial Information – Listing Expenses" in this prospectus.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this prospectus, save for the listing expenses to be incurred for the respective periods, there had been no material adverse change in our financial, operational, trading position or prospects of our Group since 30 June 2017 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus.

"AAS" or "alert alarm system"	an emergency response systems which allows elderly residents to call for help when they face emergencies in selected flats under the life improvement and facilities enhancements for the elderly project which is jointly implemented by several Singapore Government agencies and a statutory board
"Accountants' Report"	the accountants' report on our Group for the two years ended 30 June 2017 prepared by the Reporting Accountants as set out in Appendix I to this prospectus
"Acting in Concert Confirmation"	the confirmation dated 22 August 2017 executed by Mr. Mong and Ms. Choon, our Controlling Shareholders, whereby they confirmed their acting in concert arrangements. For details, see "Relationship with Controlling Shareholders"
"Application Forms"	**WHITE** and **YELLOW** application forms, or where the context so requires, any one or both of them, relating to the Public Offer
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company adopted on 14 December 2017, a summary of which is set out in Appendix IV to this prospectus, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of the Board
"Bangladesh"	the People's Republic of Bangladesh
"bizSAFE"	a five-step programme to assist companies to build up their workplace safety and health capabilities in order to achieve quantum improvements in safety and health standards at the workplace, and which is organised under the Workplace Safety and Health Council of Singapore
"Board" or "Board of Directors"	the board of Directors

"business day"	any day (other than a Saturday, a Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business to the public
"Building and Construction Authority"	the Building and Construction Authority of Singapore, an agency under the Ministry of National Development of the Singapore Government
"BVI"	the British Virgin Islands
"Capitalisation Issue"	the allotment and issue of 599,990,000 new Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of our Company as referred to in "Further information about our Company and its subsidiaries – 3. Resolutions in writing of the sole Shareholder passed on 14 December 2017" in Appendix V to this prospectus
"CAGR"	compound annual growth rate
"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 Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"Companies Law" or "Cayman Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) which took effect from 3 March 2014, as amended, supplemented or otherwise modified from time to time
"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, supplemented or otherwise modified from time to time
"Company" or "our Company"	ISP Global Limited, an exempted company incorporated on 21 July 2017 under the laws of the Cayman Islands with limited liability, and, except where the context otherwise requires, all of its subsidiaries or where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries were engaged in and which was subsequently assumed by it
"connected persons"	has the meaning ascribed to it under the GEM Listing Rules
"Contractors Registration System"	the contractors registration system administered by the Building and Construction Authority of Singapore, which serves the construction and construction-related procurement needs of the public sector including Singapore Government ministries and statutory boards, and under which, registration is required from companies intending to participate in construction tenders or as subcontractors for the public sector in Singapore
"Controlling Shareholders"	has the meaning ascribed to it under the GEM Listing Rules, and for the purpose of this prospectus, refers to Mr. Mong, Ms. Choon and Express Ventures
"core connected persons"	has the meaning ascribed to it under the GEM Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules

"Deed of Indemnity"	a deed of indemnity dated 14 December 2017 entered into by our Controlling Shareholders in favour of our Company (for itself and as trustee for other members of our Group), particulars of which are set out in "Other Information – 13. Tax and Other Indemnities" in Appendix V to this prospectus
"Deed of Non-competition"	a deed of non-competition undertaking dated 14 December 2017 entered into by our Controlling Shareholders in favour of our Company (for itself and as trustee for other members of our Group), particulars of which are set out in "Relationship with Controlling Shareholders – Deed of Non-competition" in this prospectus
"Director(s)"	the director(s) of our Company
"electronic application instruction(s)"	Instruction given by a CCASS Participant electronically via CCASS to HKSCC, being one of the methods to apply for the Public Offer Shares
"Express Ventures"	Express Ventures Global Limited, a company incorporated in the BVI with liability limited by shares on 4 May 2017, and owned as to 97.14% by Mr. Mong and 2.86% by Ms. Choon
"Frost & Sullivan"	Frost & Sullivan Limited, an industry research consultant and an Independent Third Party
"Frost & Sullivan Report"	a market research report commissioned by us and prepared by Frost & Sullivan on the review of the industries in which our Group operates
"GAAP"	generally accepted accounting principles
"GeBIZ"	the Singapore Government's one-stop e-procurement portal where all public sector's invitations for quotations and tenders are posted
"GEM"	the Growth Enterprise Market of the Stock Exchange

"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time
"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
"Global Positioning System"	a global system of U.S. navigational satellites developed to provide precise positional and velocity data and global time synchronisation for air, sea and land travel
"Government"	the Government of Singapore
"Great Wall Securities"	Great Wall Securities Limited, a licensed corporation licensed under the SFO to engage in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, being one of the Joint Bookrunners and Joint Lead Managers to the Share Offer
"Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were our Company's subsidiaries at the relevant time, or the businesses acquired or operated by them or (as the case may be) their predecessors
"HK$", "HKD" and "Hong Kong dollar(s)"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKAS"	Hong Kong Accounting Standards
"HKFRSs"	Hong Kong Financial Reporting Standards issued by HKICPA
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"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
"Holy Ark"	Holy Ark Limited, a company incorporated in the BVI with liability limited by shares on 29 May 2017 and our wholly-owned subsidiary after completion of the Reorganisation
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	Boardroom Share Registrars (HK) Limited, the branch share registrar and transfer office of our Company in Hong Kong
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) of our Company
"India"	the Republic of India
"ISO 9001:2015"	a quality management system standard that is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement
"ISPL"	ISPL Pte. Ltd., an exempt private company limited by share incorporated in Singapore on 22 July 2002, and our indirectly wholly-owned subsidiary after completion of the Reorganisation
"Joint Bookrunners" and "Joint Lead Managers"	Kingsway Financial and Great Wall Securities
"Kingsway Financial"	Kingsway Financial Services Group Limited, a corporation licensed under the SFO to engage in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, being one of the Joint Bookrunners and Joint Lead Managers to the Share Offer

"Latest Practicable Date"	20 December 2017, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
"Listing"	the listing of the Shares on GEM
"Listing Date"	the date on which dealings in the Shares on GEM first commence, which is expected to be on or about Tuesday, 16 January 2018
"Listing Division"	the listing division of the Stock Exchange
"Malaysia"	the Federation of Malaysia
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company, a summary of which is set out in Appendix IV to this prospectus, and as amended, supplemented or otherwise modified from time to time
"ME04"	one of the mechanical and electrical workheads classified under the Contractors Registration System, where the title of the ME04 workhead is "Communication and Security Systems" and it refers to (a) installation and maintenance of communications system (e.g. intercom and wireless radio) and security systems (e.g. CCTV, security alarm, car park security control and card access system); and (b) installation and maintenance of central antenna television systems; further details of which are set forth in the section headed "Regulatory overview" in this prospectus
"Ministry of Manpower"	the ministry of the government of Singapore which is responsible for the formulation and implementation of labour policies related to the workforce in Singapore
"Ministry of National Development"	the ministry of the government of Singapore that directs the formulation and implementation of policies related to land-use planning and infrastructure development
"Ministry of Social and Family Development"	the ministry of the government of Singapore focusing on nurturing resilient individuals, strong families and a caring society in Singapore

"Mr. Mong"	Mr. Mong Kean Yeow, our executive Director and one of our Controlling Shareholders, spouse of Ms. Choon
"Ms. Choon"	Ms. Choon Shew Lang, our executive Director and one of our Controlling Shareholders, spouse of Mr. Mong
"Myanmar"	the Republic of the Union of Myanmar
"New Shares"	799,990,000 Shares, comprising 200,000,000 Shares being offered by us for subscription or purchase under the Placing and the Public Offer and the allotment and issue of 599,990,000 Shares pursuant to the Capitalisation Issue
"Nomination Committee"	the nomination committee of the Board
"Offer Price"	the final offer price per Offer Share (excluding brokerage fee, SFC transaction levy and Stock Exchange trading fee) which will not be more than HK$0.4 per Offer Share and is expected to be not less than HK$0.3 per Offer Share, such price to be determined in the manner as further described in the section headed "Structure and Conditions of the Share Offer" in this prospectus
"Offer Share(s)"	the Placing Shares and the Public Offer Shares
"Offer Size Adjustment Option"	the option granted by the Company to the Placing Underwriters, exercisable with the consent of the Company by Kingsway Financial on behalf of the Placing Underwriters, whereby the Company may be required to allot and issue up to 30,000,000 additional Placing Shares representing up to 15% of the Offer Shares initially available under the Share Offer, at the Offer Price per Offer Share solely to cover over-allocation in the Placing, subject to the terms of the Placing Underwriting Agreement
"Placing"	the conditional placing of the Placing Shares by the Underwriters on behalf of our Company at the Offer Price (plus a brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), as further described in "Structure and Conditions of the Share Offer"

"Placing Shares"	the 180,000,000 new Shares being initially offered for subscription by our Company at the Placing Price under the Placing (subject to re-allocation and the Offer Size Adjustment Option as further described in the section headed "Structure and Conditions of the Share Offer" in this prospectus)
"Placing Underwriters"	the underwriters of the Placing, who are expected to enter into the Placing Underwriting Agreement to underwrite the Placing
"Placing Underwriting Agreement"	the placing agreement relating to the Placing and to be entered into between, amongst others, our Company, the Controlling Shareholders, the Sole Sponsor, the Joint Bookrunners and the Underwriters on or about the Price Determination Date
"PRC"	the People's Republic of China, which for the purpose of this prospectus excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Price Determination Agreement"	the agreement to be entered into between the Joint Bookrunners (for themselves 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 about Friday, 5 January 2018 or such later date as the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company may agree, on which the Offer Price will be fixed for the purposes of the Share Offer, and in any event no later than Tuesday, 9 January 2018
"Prospectus"	this prospectus being issued in connection with the Share Offer
"Public Offer"	the offer to the public in Hong Kong for subscription of the Public Offer Shares at the Offer Price, on and subject to the terms and conditions stated in this prospectus and on the Application Forms

"Public Offer Shares"	the 20,000,000 New Shares initially being offered by our Company for subscription pursuant to the Public Offer at the offer Price (subject to re-allocation as described in "Structure and Conditions of the Shares Offer" in this prospectus)
"Public Offer Underwriters"	the underwriters of the Public Offer whose names are set out in the paragraph headed "Underwriting – Public Offer Underwriters" in this prospectus
"Public Offer Underwriting Agreement"	the underwriting agreement dated 28 December 2017 relating to the Public Offer entered into among our Company, our executive Directors, our Controlling Shareholders, the Sole Sponsor, and the Public Offer Underwriters, as further described in the "Underwriting – Underwriting arrangements, commissions and expenses – Public Offer – Public Offer Underwriting Agreement" in this prospectus
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"Reorganisation"	the corporate reorganisation arrangements undergone by our Group in preparation for the Listing, details of which are set out in "History, Development and Reorganisation" in this prospectus
"Reporting Accountants"	Deloitte Touche Tohmatsu, the reporting accountants of our Group
"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, supplemented or otherwise modified from time to time
"SGD" or "S$"	Singapore dollar(s), the lawful currency of Singapore
"Share(s)"	ordinary share(s) of nominal or par value HK $0.01 each in the share capital of our Company
"Share Offer"	the Placing and the Public Offer

"Share Option Scheme"	the share option scheme conditionally approved and adopted by our Company on 14 December 2017, the principal terms of which are summarised in "Other Information – 12. Share Option Scheme" in Appendix V to this prospectus
"Shareholder(s)"	the holder(s) of the Share(s)
"Singapore"	the Republic of Singapore
"Singapore Government"	the government of Singapore
"Singapore Legal Advisers"	Equity Law LLC with registered office address at 7 Temasek Boulevard, Unit 43-03, Suntec Tower One, Singapore 038987
"Sole Sponsor" or "Kingsway"	Kingsway Capital Limited, a corporation licensed by the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the sole sponsor to the Listing
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance
"Suppliers Directory"	the directory of Singapore Government registered suppliers maintained by GeBIZ
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the two financial years ended 30 June 2017
"Underwriters"	the Public Offer Underwriters and the Placing Underwriters
"Underwriting Agreements"	collectively the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
"U.S." or "United States"	the United States of America

"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"USD", "US$" or "U.S. dollar(s)"	United States dollar, the lawful currency of the United States of America
"**WHITE** Application Form(s)"	the application form(s) to be completed by the public who require the Public Offer Shares to be issued in the applicants' own name
"**YELLOW** Application Form(s)"	the application form(s) to be completed by the public who require the Public Offer Shares to be deposited directly into CCASS
"%"	per cent

Unless otherwise specified, for the purpose of this prospectus and for the purpose of illustration only, Hong Kong dollar amounts have been translated using the following rates:

S$1.00 : HK$5.74

No representation is made that any amounts in S$ or HK$ were or could have been converted at the above rate or at any other rates or at all.

In this prospectus, the terms "associate", "close associate", "connected person", "core connected person", "connected transaction", "controlling shareholder", "substantial shareholder" and "significant shareholder" shall have the meanings given to such terms in the GEM Listing Rules, unless the context otherwise requires.

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

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustment. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim", "anticipate", "believe", "could", "estimate", "expect", "going forward", "intend", "may", "ought to", "plan", "potential", "predict", "project", "seek", "shall", "should", "will", "would" and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are, by their nature, subject to certain risks, uncertainties and assumptions, including but not limited to the risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospect;
- future developments, trends and conditions in the industry and markets in which we operate;
- our strategies, plans, objectives and goals;
- general economic trends and conditions;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- our ability to control costs;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- certain statements in "Financial Information" with respect to trend in prices, volumes, operations, margins, overall market trends, risk management and exchange rates.

Subject to the requirements of the GEM Listing Rules, we do not intend to publicly update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking statements. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

Potential investors of the Offer Shares should carefully consider all of the information set out in this prospectus and, in particular, the following risks and special considerations associated with an investment in our Company before making any investment decisions in relation to our Company. If any of the possible events as described below materialises, our Group's business, financial position and prospects could be materially and adversely affected and the market price of the Offer Shares could fall significantly.

This prospectus contains certain forward-looking statements relating to our Group's plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results may differ materially from those as discussed in this prospectus. Factors that could contribute to such differences are set out below as well as in other parts in this prospectus.

RISKS RELATING TO OUR BUSINESS

A significant portion of our revenue was generated from public sector projects during the Track Record Period and any significant reduction in the level of Singapore Government's spending on sound and communication services solution may materially and adversely affect us

Approximately 93.4% and 82.9% of our total revenue for each of the two years ended 30 June 2017 respectively was generated from public sector projects.

All public sector's invitations for quotation and tender (except for security-sensitive contracts) are posted on GeBIZ, the Singapore Government's one-stop e-procurement portal, and contracts from Singapore Government agencies are normally awarded through open tendering processes. There is no guarantee that we will continue to obtain contracts from Singapore Government agencies through open tenders or obtain contracts on public sector projects from private companies through invited tenders. Please refer to the section headed "– Risks Relating to Our Business – Failure to obtain continuity of our order book for new contracts could materially affect our financial performance" below.

In addition, there is no guarantee that there will not be any significant reduction in the level of Singapore Government's spending on sound and communication services solution, which may be affected by various factors such as the Singapore Government's policy in relation to the improvement, replacement and maintenance of its sound and communication systems and facilities as well as the general financial conditions of the Singapore Government and its various ministries, departments, authorities, statutory boards, and other agencies. If there is any significant reduction or delay in the level of spending on sound and communication services solution by the Singapore Government and we are unable to obtain sufficient businesses from other customers, our business and financial positions, and prospect will be materially and adversely affected.

Failure to obtain continuity of our order book for new contracts could materially affect our financial performance

During the Track Record Period, our revenue was generated from contracts that were normally awarded through competitive tendering processes. Our customers are under no obligation to continue to award contracts to us in the future and there is no guarantee that we will be able to secure new contracts in the future. Accordingly, the number and scale of contracts and the amount of revenue that we are able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of our future business.

Our tender success rate for open tenders of sound and communication services solution projects was approximately 63.1% and 58.1% for each of the two years ended 30 June 2017. Our tender success rate is affected by a range of factors, such as our pricing and tender strategy, customers' 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. For further detail, please refer to the section headed "Business – Project Management and Operations – Tender success rate" in this prospectus.

In addition, so far as our Directors are aware, Singapore Government agency customers have maintained an evaluation system for their tenders to ensure that contractors meet certain quality and service standards. If a contractor receives a poor performance evaluation, its success rate for future tenders will be affected.

In the event that we are unable to secure new contracts of similar or larger values or similar number of contracts on a continual basis, our business and financial performance and prospect will be materially and adversely affected.

Failure to renew or, any suspension or cancellation of any of our existing licences and registrations could materially affect our operations and financial performance

Our Group holds a number of licences and registrations which enable us to carry on our businesses. In particular, we are registered under the workhead ME04 (communication and security systems) in the Contractors Registration System with a "L5" grade, which allows us to tender for communication and security systems projects in the public sector of Singapore with a tendering limit of S$13,000,000, and we are also registered under the supply workheads EPU/AVP/10 (audio visual, photographic and optical products) in the Suppliers Directory under GeBiz with a "S8" financial grade, which allows us to tender for certain supply project in the public sector of Singapore with a tendering limit of S$10,000,000. For further details of our licences and registrations, please refer to the section headed "Regulatory Overview – Laws and Regulations Relating to the Carrying on of the Business of Our Group " in this prospectus.

Our ability to maintain our registrations under the Contractors Registration System and the Suppliers Directory under GeBiz are crucial to our business operations. There are certain financial, personnel, track record, certification and other requirements that we have to comply

with in order to maintain such licences and registrations, which are set forth in detail in the section headed "Regulatory overview – Laws and regulations relating to the carrying on of the business of our Group" in this prospectus.

If we fail to comply with the applicable requirements or any required conditions to maintain our licences and registrations, then our licences and registrations may be downgraded, suspended or cancelled and/or may not be permitted to be renewed upon their respective expiry, which may in turn lead to our inability to tender for certain projects, restriction of certain business activities, or suspension of our business operations, thereby materially and adversely affecting our business, financial position, results of operations and prospect.

The top five suppliers accounted for a substantial portion of the purchases of our Group

During the Track Record Period, suppliers of goods and services which were specific to the Group's business operations such as material suppliers including nurse call systems, public address systems, audio systems and light-emitting diode (LED) displays; and sub-contractors engaged by the Group mainly to provide conduit laying, cable installation and electrical works.

The Group's top five suppliers accounted for approximately 55.0% and 55.5% of total purchases for each of the two years ended 30 June 2017, respectively. In particular, approximately 28.3% and 23.8% of the Group's total purchases were attributable to the largest supplier for the two years ended 30 June 2017, respectively. If our largest two suppliers were to substantially reduce the amount of goods or services provided to the Group or to terminate the business relationship with the Group entirely, there can be no assurance that the Group would be able to identify new suppliers for replacement in a timely manner. In addition, there can be no assurance that the provision of goods and services from new suppliers for replacement, if any, would be on commercially comparable terms. As such, the Group's operations and financial performance may be adversely affected.

We prepare our tenders based on estimated cost plus a mark-up margin, and there is no assurance that the actual time and costs incurred by us would match our initial estimate

Our pricing is generally determined based on certain markups over our estimated costs. We need to estimate the cost of the supplies (including the cost of labours, materials, subcontracting services and other supplies) needed for the carrying out of our services at the time of submitting quotations or tender proposals, but the prices that we actually pay to our suppliers are normally agreed at the time when we actually place our purchase orders. For instance, for an integrated services of sound and communication systems project, we may need to purchase various sound and communication systems and related products from time to time throughout the contract period, during which the prices of such sound and communication systems and related products may fluctuate and there is no guarantee that such prices will not become significantly higher than our original estimates.

Therefore, there is no assurance that the actual amount of costs would not exceed our initial estimation during the performance of our projects. Any material deviation of our costs from our estimation may lead to material cost overruns, thereby materially and adversely affecting our business operations and financial performance.

Inability to attract and/or retain management staff will adversely affect our operations and financial performance

Mr. Mong, our founder, a Controlling Shareholder and an executive Director, and Ms. Choon, a Controlling Shareholder and an executive Director, provide significant contributions to various key aspects of our business, including overall strategic planning, sales and marketing, maintenance of customer relationships and pricing for tender. We also rely on our experienced senior management team to ensure the smooth operation of our projects, including project implementation and adhering to quality and safety standards. Our Group's success and growth therefore depends on our ability to identify, hire, train and retain suitable, skilled and qualified key personnel.

If any of our key personnel ceases to be involved in our Group in the future and we are unable to find suitable replacements in a timely manner, there will be an adverse impact on our business, our operations and our overall financial performance and prospect.

Failure to complete our projects on a reliable and timely basis could materially affect our reputation, our financial performance or may subject us to claims

Reliable and timely services to our customers are attributes important to our customers to ensure that the installed sound and communication systems are properly functioning with minimal downtime. Approximately 93.4% and 82.9% of our revenue for the two years ended 30 June 2017 was generated from public sector projects, respectively, and typically their tender documents would require tenderers to submit the previous track record both with them and with other Singapore Government agencies. As such, if our services for a particular contract are not delivered on a timely basis or fail to meet the required quality standards, the likelihood of securing future tenders with Singapore Government agencies may be negatively affected. For severe cases of contractual breaches, a contractor may also be debarred from participating in future tenders.

Any failure to fulfil the services required may expose us to various negative scenarios, depending on the severity of quality lapse and/or the delayed timing, including: (i) delayed billings for the services; (ii) part or whole of the works required to be fulfilled being taken out by the customer to be awarded to another contractor; (iii) recovery of additional costs by the customer for higher charges charged by the other contractor; and/or (iv) termination of contract. If the replacement parts, specific sound and communication systems such as nurse call or public address systems, or subcontractor costs have already been committed, we will still be required to pay our suppliers and subcontractors. A delay can be due to various factors, including a shortage of manpower, delays by subcontractors, delays in the delivery of sound and communication system components, adverse weather or factors attributable to other parties in the project. If the delay is caused by us, we are liable to pay our contracting parties for the liquidated damages stipulated in our contracts or be subject to claims, which may materially and adversely affect our reputation, business operations, financial position and prospect.

Our business plan may not be implemented successfully which may adversely affect our prospect

Our Directors are of the view that the future plan of our Group has been prepared after due enquiry by reference to the expected future prospect of the sound and communication services industry and also the public sector in Singapore and the continuation of our competitive advantages and other factors considered relevant. Some of our future business strategies are based on certain assumptions, as discussed in the section headed "Future Plans and Use of Proceeds" in this prospectus. The successful implementation of our business plan may be affected by a number of factors including the availability of sufficient funds, Singapore Government policies relevant for our industry, the economic conditions, our ability to maintain our existing competitive advantages, our relationships with our customers, the threat of substitutes and new market entrants as well as other factors disclosed elsewhere in this section headed "Risk Factors". There is no assurance that our business plan can be successfully implemented. Should there be any material adverse change in our operating environment which results in our failure to implement our business plan or any part thereof, our business and financial position and prospect may be adversely affected.

If our revenue fails to increase proportionately with our potential increase in staff costs upon our planned recruitment of additional staff, our financial position may be adversely affected

It is one of our business strategies to recruit additional staff so as to further strengthen our market position as an established provider of sound and communication services solution in Singapore. Please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus for details of the additional staff that we plan to employ and the intended timing of deployment of the proceeds from the Share Offer in this regard.

Our planned investments in labour resources will increase our overall recurring staff costs but there is no assurance that our revenue will increase proportionately. Should we be unable to obtain more projects and our revenue fail to increase proportionately resulting in lower cash inflows from our operations after such planned investment, and we are unable to take adequate measures to reduce staff costs and/or reduce our manpower in a timely manner, our future profits may decrease and we will face liquidity risks as our staff costs will be incurred on a recurring basis.

Our cash flows may fluctuate due to the payment practice applied to our projects and our business operations are subject to liquidity risk

Under a typical contract undertaken by us, we do not receive any upfront payments or deposits from our customers prior to the commencement of work. However, there are costs which are typically incurred at an early stage of a contract before we receive payments from customers and which are therefore required to be paid from our available financial resources, such as the costs of labours, supplies and/or subcontracting services. In addition, throughout the execution of a contract, we receive payments after the performance of our services and works, for which we would have incurred costs (including costs of labours, supplies and/or subcontracting services) that are also required to be paid from our available financial resources. In addition, contracts undertaken by us may have performance bonds and retention money requirements, which also affect our liquidity position. If we fail to properly manage our cash flows and liquidity position, our cash flows, business operation, and financial position may be materially and adversely affected.

We are subject to credit risk in relation to the collectability of our trade receivables and retention receivables

Our Directors consider that the credit risk faced by us is mainly in relation to the collectability of trade receivables and retention receivables from private customers who are not Singapore Government agencies. For each of the two years ended 30 June 2017, approximately 70.4% and 74.2% of our total revenue was derived from contracts awarded by private customers.

For the two years ended 30 June 2017, out of our trade receivables of approximately S$1.6 million and S$1.5 million, approximately S$1.0 million and S$0.7 million were past due but not impaired.

There can be no assurance that our customers will settle our invoices, where applicable, and release retention monies withheld from us, in full and on a timely basis in accordance with the respective agreed credit terms. Any material difficulties or delays in collecting any substantial portion of our trade receivables and retention receivables from our customers may materially and adversely affect our liquidity, business operation and financial position.

Our operations may subject us to litigation, claims or other disputes

We may from time to time encounter disputes arising from contracts with customers, subcontractors, suppliers or other third parties, which may involve claims against them or us. During the Track Record Period and up to the Latest Practicable Date, we were involved in certain concluded legal cases, including those commenced by us against some of our private customers for payments. For further details, please refer to the section headed "Business – Litigation and Claims" in this prospectus.

Should any future claims against us fall outside the scope and/or limit of insurance coverage, our financial position may be adversely affected. Regardless of the merits, legal proceedings can be time-consuming and costly, and may divert our management's attention away from our business operation, thereby adversely affecting our business operation and financial position. Legal proceedings that result in unfavourable judgment may harm our reputation, cause financial losses and damage our prospects of winning future contracts, thereby materially and adversely affecting our business, financial position, results of operations and prospect.

Our insurance coverage may not be sufficient to cover all losses or potential claims and insurance premiums may increase

Certain risks disclosed elsewhere in this section headed "Risk factors" such as risks in relation to our ability to maintain and renew our licences and registrations, our ability to obtain new contracts, our ability to retain and attract personnel, supplier concentration, performance of subcontractors, project and cost management, credit risk and liquidity risk, are generally not covered by insurance because they are either uninsurable or it is not cost justifiable to insure against such risks. Insurance policies covering losses from acts of war, terrorism, or natural catastrophes are also either unavailable or cost prohibitive.

We have purchased public liability insurance to cover claims in connection with personal injuries or damage to property, plant and machinery in Singapore, in connection with our business operations. We have purchased required policies for our staff, such as work injury compensation, medical and hospitalisation policies. We also have a fire insurance policy to cover our loss or damage to our property, plant and machineries due to fire. However, we may become subject to liabilities against which we are not insured adequately or at all or liabilities against which cannot be insured. Should any significant liabilities arise due to accidents, natural disasters, or other events which are not covered or inadequately covered by our insurance, our business may be adversely affected, potentially leading to a loss of assets, lawsuits, employee compensation obligations, or other form of economic loss.

Although we believe our insurance coverage is sufficient for the needs of our operations and appropriate for our current risk profile, we cannot guarantee that our current levels of insurance are sufficient to cover all potential risks and losses. In addition, we cannot guarantee that we can renew our policies or can renew our policies on similar or other acceptable terms. If we suffer from severe unexpected losses or losses that far exceed the policy limits, it could have a material and adverse effect on our business, financial position, results of operations and prospect.

RISKS RELATING TO THE INDUSTRIES IN WHICH WE OPERATE

There is a shortage of labour in the sound and communication services industry in Singapore

According to the Frost & Sullivan Report, one of the challenges to the sound and communication services industry in Singapore is the shortage of labour. Even without such shortage, we generally compete with similar businesses for such workers. We are in a labour intensive industry and we rely on our workers for our business operations. If we are unable to recruit or retain sufficient workers, we may be forced to increase our reliance on subcontractors or otherwise be unable to maintain the quality of our services. We cannot assure you that we will be able to maintain a sufficient labour force necessary for us to execute our business, nor can we guarantee that our staff costs will not increase in order to attract or retain workers. If this occurs, it could have a material and adverse effect on our results of operations and inhibit our future growth and expansion plans.

There is no guarantee that regulatory requirements applicable to the industries in which we operate will not change in the future

Our operations are subject to laws and regulations that relate to matters such as contractors' licensing and registrations, employment of foreign workers and workplace health and safety. In order to comply with such laws and regulations, we have established relevant risk management and internal control systems, as disclosed in the section headed "Business – Internal control and corporate governance" in this prospectus. Nevertheless, there is no guarantee that regulatory requirements applicable to our operation will not change in the future. Any changes in applicable laws and regulations may result in time-consuming and costly changes to our risk management and internal control systems and may increase our cost and burden in order for us to comply with them, thereby adversely affecting our business and financial position and prospect.

There is no assurance that competition in the sound and communication services industry will not increase

In respect of the sound and communication services industry in Singapore, according to the website of the Building and Construction Authority, as at the Latest Practicable Date, there were 38 contractors in Singapore registered under the workheads ME04 (Communication and Security Systems) in the Contractors Registration System with a "L5" grade and there was an aggregate of 594 contractors registered under the workheads ME04 of any grades. We mainly compete with contractors registered under the workhead ME04 with a "L5" grade for sound and communication services solution projects.

Registrations under the aforesaid workheads are subject to certain financial, personnel, track record, certification and other requirements, which are set forth in detail in the section headed "Regulatory overview – Laws and regulations relating to the carrying on of the business of our Group" in this prospectus. Companies meeting such requirements may enter the market and compete for sound and communication services solution projects. There is no assurance that competition in the industry will not increase in the future. Increased competition may result in an adverse impact on our business and financial position and prospect.

RISKS RELATING TO THE SHARE OFFER AND OUR SHARES

No assurance of liquidity and possible price and trading volume volatility of our Shares

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

The pricing and trading volume of the Shares may be volatile. The market price of the Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond our control:

- variations in our operating results;
- changes in the analysis and recommendations of securities analysts;
- announcements made by us or our competitors;
- changes in investors' perception of our Group and the investment environment generally;
- addition or departure of key management;
- changes in Singapore Government expenditure;
- developments in the Singapore sound and communication services industry;
- changes in pricing made by us or our competitors;
- fluctuations in market prices and trading volume of the Shares;
- involvement in litigation; and
- general economic environment and other factors.

These broad market and industry fluctuations may adversely affect the market price of the Shares.

Investors may experience difficulties in enforcing their shareholders' rights as the laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located

Our Company is incorporated in the Cayman Islands and our affairs are governed by, among other things, the Articles, the Companies Law and common law applicable in the Cayman Islands. The laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. A summary of the Cayman Islands company law on protection of minorities is set out in the paragraph headed "3. Cayman Islands company law" in Appendix IV to this prospectus.

There is no guarantee that we will declare dividends in the future

During the year ended 30 June 2017, ISPL declared dividends of S$600,000, out of their respective distributable profits, of which S$300,000 was paid during the year and the remaining S$300,000 was paid in July 2017. There is no assurance that dividends will be declared or paid in the future. 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 the Listing, which will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition and other factors which our Directors deem relevant. Our Group does not have a pre-determined dividend payout ratio.

Termination of the Underwriting Agreements

Prospective investors should note that the Joint Bookrunners (for themselves and on behalf of the Underwriters) are entitled to terminate the Underwriters' obligations under the Underwriting Agreements by giving written notice to our Company upon the occurrence of any of the events stated in the section headed "Underwriting – Underwriting arrangements, commissions and expenses – Public Offer – Grounds for termination" in this prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, pandemic, act of terrorism, earthquake, strike or lock-out. Should the Joint Bookrunners exercise their rights and terminate the Underwriting Agreements, the Share Offer will not proceed and will lapse.

Future issues, offers or sales of Shares may adversely affect the prevailing market price of the Shares

Future issues of Shares by our Company or the disposals of Shares by any of the Shareholders or the perception that such issues or sales may occur, may negatively impact the prevailing market price of the Shares. We cannot give any assurance that such events will not occur in the future.

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

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

Risk of impact of granting options under the Share Option Scheme

Our Company has conditionally adopted the Share Option Scheme although no options have been granted thereunder as at the Latest Practicable Date. Any exercise of any options to be granted under the Share Option Scheme in the future and the issue of Shares thereunder would result in the reduction in the ownership percentage 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. In addition, the costs of the options to be granted under the Share Option Scheme will be charged to our statements of comprehensive income 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.

RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS

Investors should not place undue reliance on facts, statistics and data contained in this prospectus with respect to the economies and the industries in which we operate

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

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

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

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 terminology 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 Group's 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. Please refer to the section headed "Forward-looking Statements" in this prospectus for further details of such statements and the associated risks.

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.

OTHER RISK FACTORS

Natural disasters, acts of war, terrorist attacks, political unrest and other events may have negative impact on our business

Natural disasters and other acts of god which are beyond our control may materially and adversely affect the economy and livelihood of the people in Singapore and Malaysia. Our operations and financial condition may be adversely affected, especially when such events occur in regions in which our operations, independent manufacturers and raw material suppliers are located.

Acts of war, terrorists' attacks and political unrest may cause damage or disruption to our facilities, our employees, raw material suppliers and our markets, any of which could materially and adversely affect our overall results of operations and financial condition.

The current market condition may not be reflected in the statistical information included in this prospectus

The historical information set out in this prospectus relating to market conditions and valuation may not reflect the current market situation due to rapid changes in the global economy. In order to provide context to the industries in which we operate, and greater understanding of our market presence and performance, various statistics and facts have been provided throughout this prospectus. However, this information may not reflect current market condition as the recent economic upturn may not be fully factored into these statistics, and the availability of the latest data may lag behind of this prospectus. As such, any information relating to market shares, sizes and growth, or performance in these markets and other similar industry data should be viewed as historical figures that may have little value in determining future trends and results.

Investors should note that one or more of these risks or uncertainties may materialise, or one or more of the underlying assumptions may prove incorrect.

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 purposes 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;
- there are no other matters the omission of which would make any statement herein or this prospectus misleading; and
- all opinions expressed in this prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

INFORMATION ON THE SHARE OFFER

The Offer Shares are offered solely on the basis of the information contained and the representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Share Offer 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 Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other person or party involved in the Share Offer.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

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", and the procedures for applying for the Public Offer Shares are set out in "How to Apply for the Public Offer Shares" and in the relevant Application Forms.

UNDERWRITING

This prospectus is published solely in connection with the Public Offer, which forms part of the Share Offer. For applications under the Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Public Offer.

The Listing is sponsored by the Sole Sponsor. The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement and is subject to us and the Joint Bookrunners (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. The Placing Underwriting Agreement is expected to be entered into on or around Friday, 5 January 2018, being the expected Price Determination Date or such later date as may be agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), subject to the Offer Price being agreed. The Placing will be fully underwritten by the Placing Underwriters subject to the terms and conditions of the Placing Underwriting Agreement to be entered into. If, for any reason, our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before Tuesday, 9 January 2018, the Share Offer will not proceed and will lapse.

For further information about the Underwriters and underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Price is expected to be fixed by the Price Determination Agreement to be entered into between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or about Friday, 5 January 2018, or such later date as the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company may agree. If, for whatever reason, our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are not able to agree on the Offer Price, the Share Offer will not proceed and will lapse.

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the number of the Offer Shares and/or the indicative Offer Price 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 case, a notice of the reduction of the number of the Offer Shares and/or the indicative Offer Price range will be published on the website of our Company at **www.ispg.hk** and the website of the Stock Exchange at **www.hkexnews.hk**, not later than the morning of the last day for lodging applications under the Public Offer.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Offer Shares will be required to confirm, or by his/her acquisition of the Offer Shares be deemed to confirm, that he/she is aware of the restrictions on offers of the Offer Shares described in this prospectus and that he/she is not acquiring, and has not been offered, any such shares in circumstance that contravenes any such restrictions.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus and/or the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation nor is it calculated

to invite or solicit offers in any jurisdiction or in any circumstances in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an 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, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities or as an exemption therefrom.

Prospective subscribers for the Offer Shares should consult their financial advisers and take legal advice as appropriate, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should inform themselves as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

APPLICATION FOR LISTING ON GEM

Application has been made to the Listing Division for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Share Offer, the Capitalisation Issue and upon exercise of any option which may be granted under the Share Option Scheme.

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 list is being or is proposed to be sought in the near future.

A total of 200,000,000 Shares representing 25% of the enlarged issued share capital of our Company immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account of any Shares which may be allotted and issued upon exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme) will be made available under the Share Offer.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the Shares offered under this prospectus to be listed on GEM has been refused before the expiration of three weeks from the date of the closing of the Share Offer or such longer period not exceeding six weeks as may, within the said three weeks, be notified to our Company for permission by or on behalf of the Stock Exchange, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at all times after the Listing, our Company must maintain the "minimum prescribed percentage" of 25% or such applicable percentage of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

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.

ADMISSION OF THE SHARES INTO CCASS

Subject to the approval of the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus on GEM and the compliance with the stock admission requirements of HKSCC, our 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 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.

HONG KONG BRANCH SHARE REGISTRAR AND STAMP DUTY

Our Company's principal share register will be maintained by our principal share registrar, Estera Trust (Cayman) Limited, in the Cayman Islands and our Company's Hong Kong branch share register will be maintained by our Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, in Hong Kong.

All Shares in issue will be registered in our Company's branch share register to be maintained in Hong Kong. Only Shares registered on our Company's branch share register maintained in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

Dealings in Shares registered in the branch share register of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our Shares will be paid to the Shareholders listed on our Company's Cayman principal share register and Hong Kong branch share register, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder, or in the case of joint Shareholders, to the registered address of that one whose name stands first in the register in respect of joint holding, or to such person and to such address as the holder or joint holders may in writing direct.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Placing are recommended to consult their professional advisers if they are in any doubt as to taxation implications of the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to, our Shares. None of our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, advisers, officers, employees, agents or representatives (where applicable) or any other persons or parties involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to, our Shares.

DEALINGS AND SETTLEMENT

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on or about Tuesday, 16 January 2018. Shares will be traded in board lots of 10,000 Shares each and are freely transferable. The GEM stock code for the Shares is 8487.

Our Company will not issue any temporary document of title.

PROCEDURES FOR APPLICATION FOR THE PUBLIC OFFER SHARES

The procedure for application for the Public Offer Shares is set out in "How to Apply for the Public Offer Shares" in this prospectus and on the relevant Application Forms.

STRUCTURE OF THE SHARE OFFER

Details of the structure of the Share Offer, including conditions of the Share Offer, are set out in "Structure and Conditions of the Share Offer" in this prospectus.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail. Names of any laws, regulations and rules, governmental authorities, institutions, natural persons or other entities, awards, certificates or permits, which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency between the Chinese names of any of the aforesaid names, laws, regulations, rules, authorities, awards, certificates or permits, the Chinese name shall prevail.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this prospectus contains translations for the convenience of the reader the following rates: Singapore dollars into HK dollars at the rate of S$1.00 = HK$5.74 as at the Latest Practicable Date. These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in S$, RM or HK$ can be or could have been at the relevant dates converted at the above rates or any other rates at all.

Unless our Company determines otherwise, dividends payable in HK dollars in respect of the Shares will be paid to the Shareholders listed on our Company's Hong Kong branch register of members to be maintained in Hong Kong by cheque sent, by ordinary post, at the Shareholders' risk to the registered address of each Shareholder or, in the case of joint holders, the first-named holder in accordance with the Articles.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies in any table or chart between the totals and the sums of the amounts listed therein are due to rounding.

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Mong Kean Yeow (蒙景耀)	2E Bright Hill Crescent, Singapore 574019	Singaporean
Choon Shew Lang (莊秀蘭)	2E Bright Hill Crescent, Singapore 574019	Singaporean
Independent non-executive Directors		
Lim Loo Kit (林魯傑)	81 Tampines Avenue 1 #12-17 Waterview Singapore 528685	Singaporean
Lim Meng Yi (林明毓)	301C Punggol Central #07-750 Singapore 823301	Singaporean
Tang Chi Wai (鄧智偉)	Flat RA, 47/F Tower 5, R Wing (Water Lilies) Le Prestige, Lohas Park Tseung Kwan O New Territories Hong Kong	Chinese

See "Directors and Senior Management" for further details of our Directors.

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor	**Kingsway Capital Limited** *A corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined in the SFO* 7/F, Tower One, Lippo Centre 89 Queensway Hong Kong
Joint Bookrunners, Joint Lead Managers and Public Offer Underwriters	**Kingsway Financial Services Group Limited** *A corporation licensed under the SFO to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities as defined in the SFO* 7/F, Tower One, Lippo Centre 89 Queensway Hong Kong **Great Wall Securities Limited** *A corporation licensed under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities as defined in the SFO* 17/F, No. 148 Electric Road North Point, Hong Kong

Legal advisers to our Company	*As to Hong Kong law* **Guantao & Chow Solicitors and Notaries** Suites 1604-6, 16/F ICBC Tower, 3 Garden Road Central Hong Kong *As to Singapore law* **Equity Law LLC** 7 Temasek Boulevard Unit 43-03, Suntec Tower One Singapore 038987 *As to Cayman Islands law* **Appleby** 2206-19 Jardine House 1 Connaught Place Central, Hong Kong
Legal advisers to the Sole Sponsor and Underwriters	*As to Hong Kong law* **Wilson Sonsini Goodrich & Rosati** Suite 1509, 15/F Jardine House 1 Connaught Place Central Hong Kong
Reporting accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* 35/F, One Pacific Place 88 Queensway Hong Kong
Auditors	**Deloitte & Touche LLP** *Public Accountants and Chartered Accountants* 6 Shenton Way OUE Downtown 2, #33-00 Singapore 068809

Property valuer	**Ascent Partners Valuation Service Limited** Room 2102, 21/F Hong Kong Trade Centre 161-167 Des Voeux Road Central Hong Kong
Industry consultant	**Frost & Sullivan Limited** Suite 1706 One Exchange Square 8 Connaught Place Hong Kong
Internal control consultant	**CT Partners Consultants Limited** Unit 1601A, 16/F, Tower 6 China Hong Kong City 33 Canton Road Tsim Sha Tsui, Kowloon Hong Kong
Receiving bank	**Industrial and Commercial Bank of China (Asia) Limited** 33/F., ICBC Tower 3 Garden Road Central Hong Kong
Compliance adviser	**Kingsway Capital Limited** 7/F, Tower One, Lippo Centre 89 Queensway Hong Kong

Registered office	Clifton House 75 Fort Street P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Headquarters and principal place of business in Singapore	3 Ang Mo Kio Street 62 #01-39 LINK@AMK Singapore 569139
Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Suites 1604-6, 16/F ICBC Tower, 3 Garden Road Central Hong Kong
Company's website	**www.ispg.hk** *(Information contained in this website does not form part of this prospectus)*
Authorised representatives	Choon Shew Lang (莊秀蘭) 2E Bright Hill Crescent Singapore 574019 Lee Ka Hok George (李家學) *Solicitor, Hong Kong* Suites 1604-6, 16/F ICBC Tower, 3 Garden Road Central Hong Kong
Company secretary	Lee Ka Hok George (李家學) *Solicitor, Hong Kong* Suites 1604-6, 16/F ICBC Tower, 3 Garden Road Central Hong Kong
Compliance officer	Choon Shew Lang (莊秀蘭) 2E Bright Hill Crescent Singapore 574019
Audit Committee	Tang Chi Wai (鄧智偉) *(Chairman)* Lim Loo Kit (林魯傑) Lim Meng Yi (林明毓)

Remuneration Committee	Lim Meng Yi (林明毓) *(Chairman)* Tang Chi Wai (鄧智偉) Choon Shew Lang (莊秀蘭)
Nomination Committee	Mong Kean Yeow (蒙景耀) *(Chairman)* Lim Loo Kit (林魯傑) Lim Meng Yi (林明毓)
Principal share registrar and transfer office in the Cayman Islands	Estera Trust (Cayman) Limited Clifton House 75 Fort Street P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Hong Kong branch share registrar and transfer office	Boardroom Share Registrars (HK) Limited 2103B, 21/F 148 Electric Road North Point Hong Kong
Principal banker	United Overseas Bank Limited Head Office 80 Raffles Place UOB Plaza Singapore 048624

This section contains information which is derived from official government publications and industry sources as well as a commissioned report from Frost & Sullivan. Our Directors believe that the sources of information contained in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. Our Directors have no reason to believe that such information is false or misleading in any material respect or that any material fact has been omitted that would render such information false or misleading. The information prepared by Frost & Sullivan and set out in this section has not been independently verified by us, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Share Offer and none of them give any representations as to its accuracy or correctness.

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research company to provide industry information on sound and communication system market in Singapore. We have agreed to pay a fee of HKD470,000 to Frost & Sullivan for the report. Our Directors are of the view that the payment does not affect the fairness of the views and conclusions presented in the Frost & Sullivan Report.

In compiling and preparing the research report, Frost & Sullivan conducted primary research including telephone and face-to-face interviews with industry participants. Also, secondary research, which involved reviewing industry publications, annual reports and data based on its own database, was conducted. Frost & Sullivan presented the figures for various market size projections from historical data analysis plotted against macroeconomic data, as well as data with respect to the related industry drivers and integration of expert opinions. Frost & Sullivan assumed that (i) the social, economic and political environment is expected to remain stable and (ii) key industry drivers are likely to continue to affect the market over the forecast period from 2017 to 2021.

ABOUT FROST & SULLIVAN

Frost & Sullivan is an independent global consulting firm founded in 1961. It offers industry research, market strategies and provides growth consulting and corporate training. Its industry coverage includes automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecom. The Frost & Sullivan Report includes information on data for sound and communication system market in Singapore.

DIRECTOR'S CONFIRMATION

Our directors have confirmed that after taking reasonable care, there is no adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

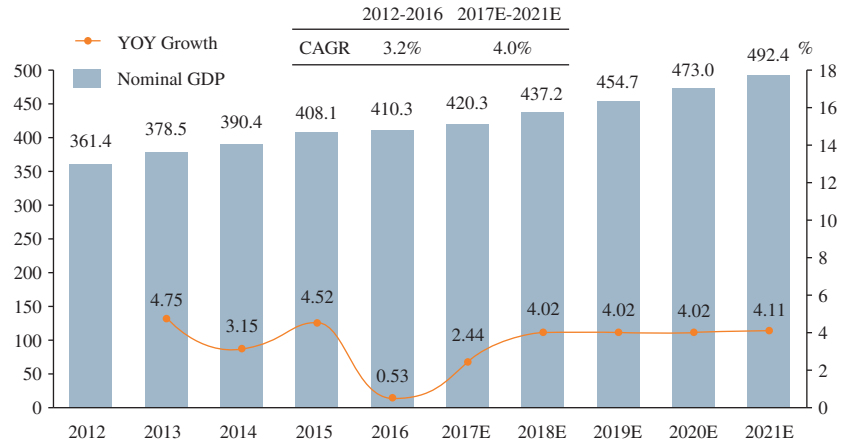
OVERVIEW OF SINGAPORE MACRO ECONOMICS

Nominal GDP

The GDP of Singapore has increased from SGD361.4 billion in 2012 to SGD410.3 billion in 2016, representing a CAGR of 3.2%.

With the recovery of global economy, the GDP of Singapore is expected to continue to rise at a CAGR 4.0%, amounting to SGD 492.4 billion in 2021.

Nominal GDP and forecast (Singapore), 2012-2021E

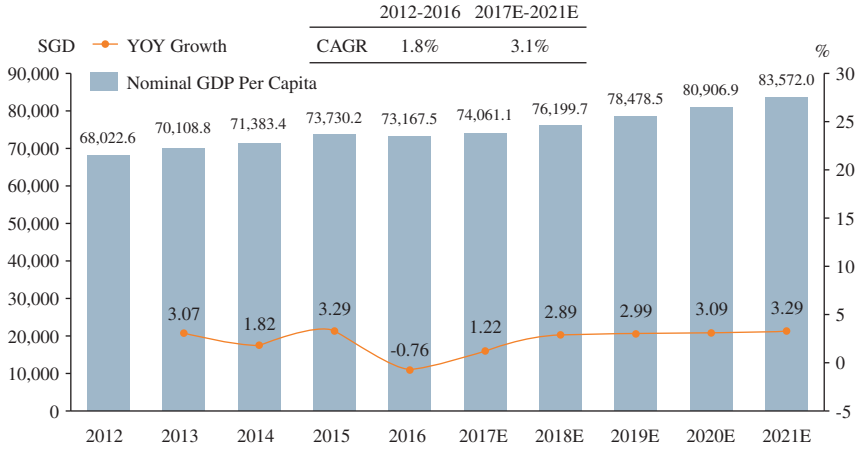


Source: International Monetary Fund (IMF), Frost & Sullivan

Nominal GDP per capita

In line with the growth rate of GDP, GDP per capita in Singapore has increased at a CAGR of 1.8% for the past five years, registering SGD73,167.5 in 2016, and is expected to reach SGD83,572.0 in 2021.

Nominal GDP per capita and forecast (Singapore), 2012-2021E



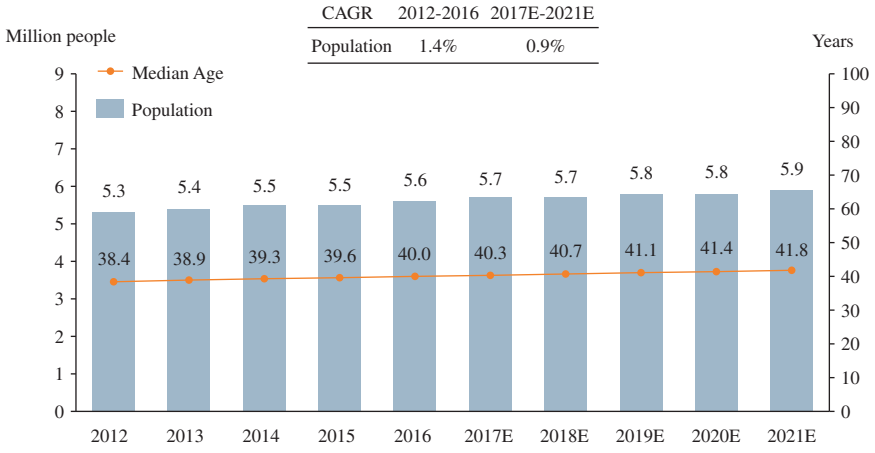
Source: International Monetary Fund (IMF), Frost & Sullivan

Population

Population in Singapore has increased steadily from 5.3 million people in 2012 to 5.6 million people in 2016, representing a CAGR of 1.4%. The population size is expected to grow further in the next 5 years, to 5.9 million by 2021.

The median age of Singapore population has increased significantly, from 38.4 in 2012 to 40.0 in 2016, and is expected to increase to 41.8 by 2021.

Population and forecast (Singapore), 2012-2021E

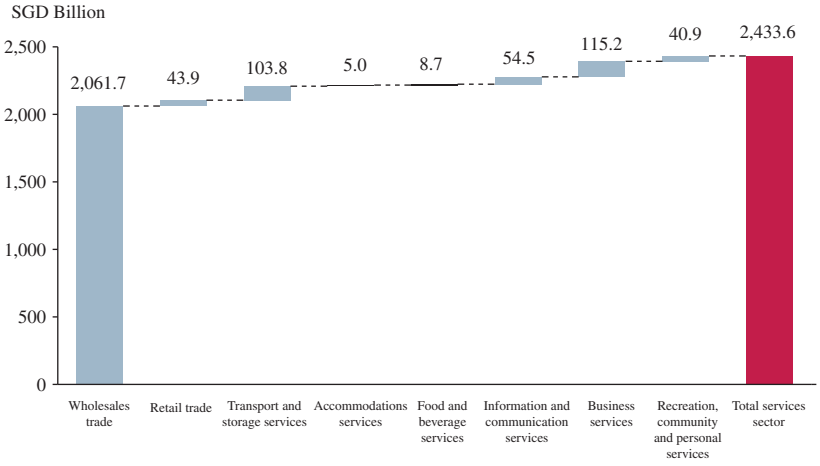


Source: International Monetary Fund (IMF), Statistics Singapore, Frost & Sullivan

Government expenditure

The total annual operating expenditure of the services sector was SGD2,433.6 billion in 2015. Among which, wholesale trade operating expenditure accounted for the largest share proportion of 84.7%, or SGD2,061.7 billion. Recreation, community and personal services, which includes education and health services expenditure, accounted for SGD40.9 billion or 1.7% of the total services sector operating expenditure.

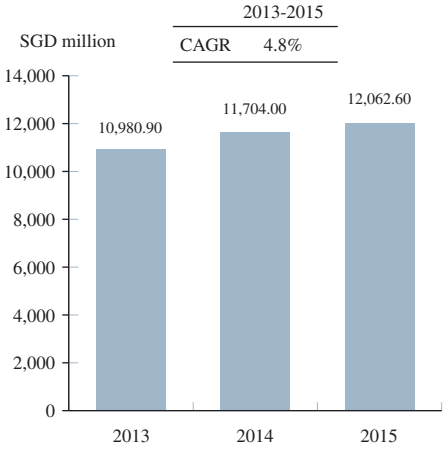
Annual operating expenditure of services sector, (Singapore), 2015



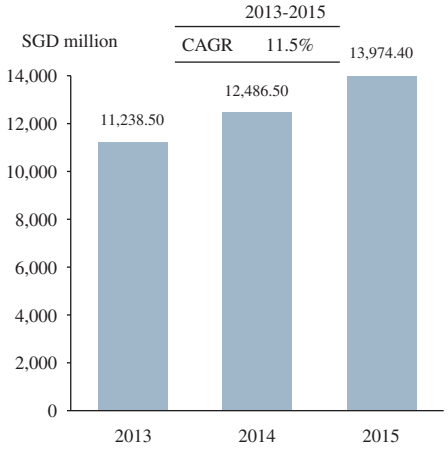
Source: Statistics Singapore; Frost & Sullivan

The annual education expenditure in Singapore has grown at a moderate rate from SGD10, 980.9 million in 2013 to SGD12, 062.6 million in 2015, representing a CAGR of 4.8%. On the other hand, with the aging population and increasing health awareness in Singapore, the annual health services expenditure in Singapore surged at a more rapid CAGR of 11.5%, increasing from SGD11,238.5 million in 2013 to SGD13,974.4 million in 2015.

Annual education expenditure, (Singapore), 2013-2015



Annual health services expenditure, (Singapore), 2013-2015



Note: Latest available data: 2015

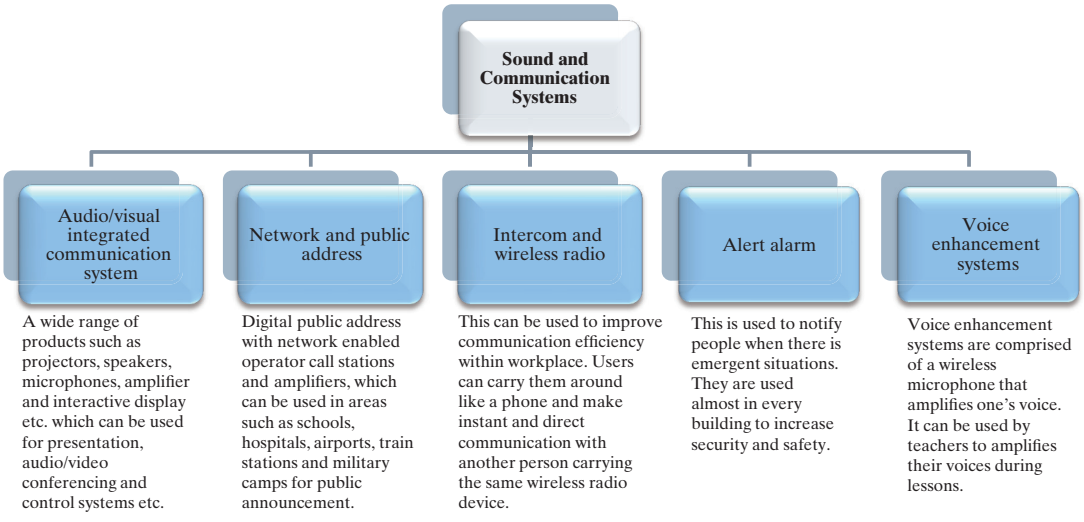
Source: Statistics Singapore; Frost & Sullivan

OVERVIEW OF SINGAPORE SOUND AND COMMUNICATION SERVICES INDUSTRY

Definition and segmentation

Sound and communication services industry comprise of a wide range of sound and communication system services, but mainly refer to the sale, design, installation and maintenance of intercom and wireless radio and audio/visual integrated control systems, public address and alarm systems.

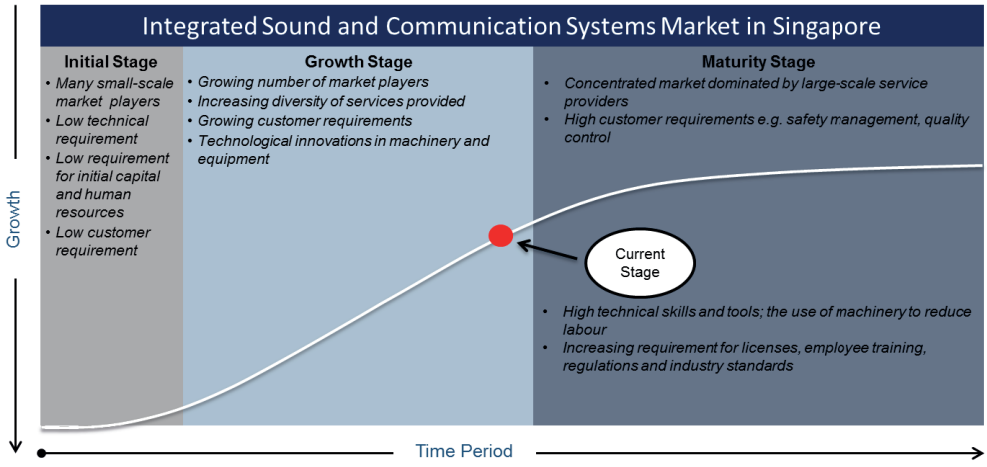
Sound and communication systems are widely used in public and private sectors and have been increasingly applied in the healthcare sector (such as healthcare and emergency communication systems and IP nurse call systems) and education sector (such as public address systems and voice enhancement systems) recently. Others such as commercial and residential buildings have also applied these systems to enhance the level of communications within different building systems.



Source: Frost & Sullivan

History and development

We use a variety of sound and communication systems in our daily lives and for leisure, the most common being the telephone, radio, television, and the Internet. Through these medium, we are able to communicate instantaneously with people on different continents, transact our daily business, and receive information about various developments and events that occur all around the world. One of the earliest inventions sound and communication systems was the telephone, which has now evolved and developed into different telephone systems including IP and digital phones. Nowadays, sound and communication systems have been further enhanced to comprise a wide range of systems and products including video conferencing and audio/visual systems targeting different market segments.



Source: Frost & Sullivan

Value chain analysis

Hardware and software designers and developers	ODM/OEM of communication devices	Distributors	Integrated sound and communication service providers	End-users
Conceptual design, structure, function and choice of materials for the mass production of communication devices.	Sourcing of production materials based on customer or internal specifications and requirements. Sample product will be tested and produced.	Import/export, wholesale and retail of sound and communication devices to downstream companies such as service operators and installation service providers etc.	Purchase of equipment and provision of consulting, installation and maintenance, after-sales services to end-users	End-users may be educational institutions, public and private buildings, property management and individuals.

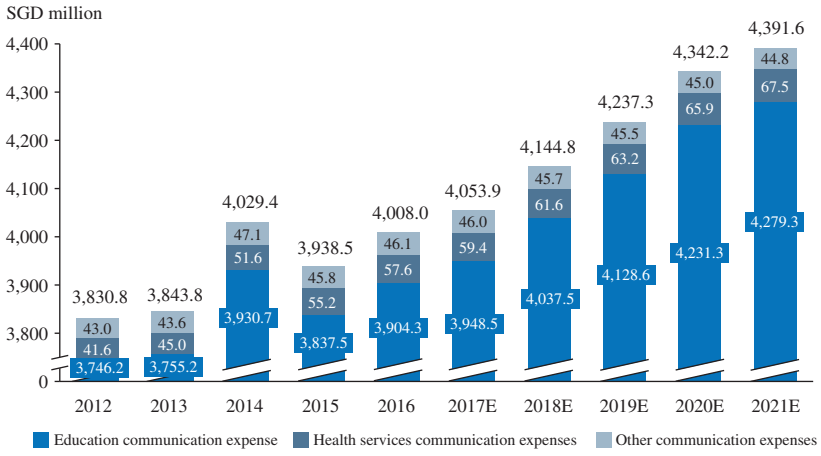
Source: Frost & Sullivan

Market size

The sound and communication system services sector has recorded an increase in size between 2012 to 2016 from SGD3,830.8 million to SGD4,008.0 million, representing a CAGR of 1.1%.

Further, with the aging population in Singapore, expenditure in health services is expected to rise steadily in the next five years a CAGR of 3.3%, which would at the same time will drive the growth of communication expenditure in this sector. The total size of the sound and communication services market is therefore expected to increase at a CAGR of 2.0%, amounting to SGD4,391.6 million in 2021.

Market size of sound and communication services (Singapore), by revenue, 2012-2021E



Source: Statistics Singapore; Frost & Sullivan

Market drivers

- ***Rising government spending on healthcare and public amenities***

Singapore has successfully established a strong healthcare infrastructure services, and is ranked amongst the best in the world. During the year 2015, the Singapore Government's expenditure on healthcare was at around 3.4% of Singapore's GDP. Healthcare services also accounted for about 11.9% of the total government expenditure as of the year ended 31 December 2014. Singapore government's significant expansion in healthcare infrastructure, such as the increase in public hospital, community hospital, and nursing home capacity by the year 2020, as well as increase in subsidies for specialist outpatient clinics, intermediate and long term care and medishield life premiums has driven the development of the healthcare industry and is expected to drive the local sound and communication systems market for the coming years.

Moreover, in September 2017, the Singapore Government has announced a SGD700 million worth of public amenities projects would be implemented over the next two years (on top of another SGD700 million worth of contracts that had been announced during the Government Budget in February 2017), including the upgrades of estates, community centres, sports halls, police stations, and many other public amenities. Such announcements translated into huge opportunities to sound and communication system solution providers because such system is virtually inevitable in public amenities.

- ***Increasing demand for security and safety***

Integrated sound and communication systems market in Singapore has reaped significant opportunities from the healthcare sector, mainly due to a strong growth of the healthcare industry in the past few years, and greater need within the healthcare industry to provide better security to assets and to prevent healthcare facilities from theft, assault, and other criminal activities, as healthcare organizations deal with sensitive issues and information related to patients.

- ***The need for connecting with people***

Sound and communication systems are essential in all kinds of economic activity as it connects people especially in workplace environment. In the business environment, sound and communication systems such as video conferencing and audio/visual integrated systems act as a media tool to deliver and exchange messages providing great convenience to business operation. In hospitals and schools where alert alarm systems, access control systems and public address systems are frequently used to improve control and management of the premises. These systems are increasingly sought after by both private and public sectors to provide higher operational efficiency and a sense of security, which has driven the sound and communication systems market.

- ***Rapid development in sound and communication technology***

Sound and communication technology has shaped people's everyday lives in unprecedented ways, increasingly bringing market information, financial services, health

services and education to every corner of the world. Hence, this has driven the development of different types of visual, audio and communication products and services to improve connectivity, security and safety within the society.

Market trends

- ***Increasing demand for sound and communication system services solutions***

At present, the sound and communication systems market in Singapore covers a wide range of different products and services targeting different end-users. Each product and service can be customised and tailor-made to meet customer requirements. Therefore, there are a large number of market players providing various types of products and services.

As consumers always seek to minimise hassle when choosing the best service provider, they tend to choose an all-in-one solution provider who is capable of providing a turnkey solution of sound and communication systems. In the coming years, there will be an increasing demand for sound and communication system services solutions in Singapore.

- ***Growing product diversity***

In the coming years, it is expected that sound and communication systems and products will be diversified to meet the growing demand in different segments.

For example, communication systems such as audio/visual communication systems can be used not only in the business environment, but also in schools and hospitals in the form of a public address (PA) system and IP nurse call system etc. Moreover, alert alarms and CCTV surveillance systems are not only seen in public buildings, but also increasingly seen in hospitals, schools and residential buildings in Singapore, in response to the increasing demand for higher security in the neighbourhood.

- ***Market consolidation***

As the sound and communication systems market grow, the market is becoming more consolidated, driving out incompetent market players while leaving the larger players in the market.

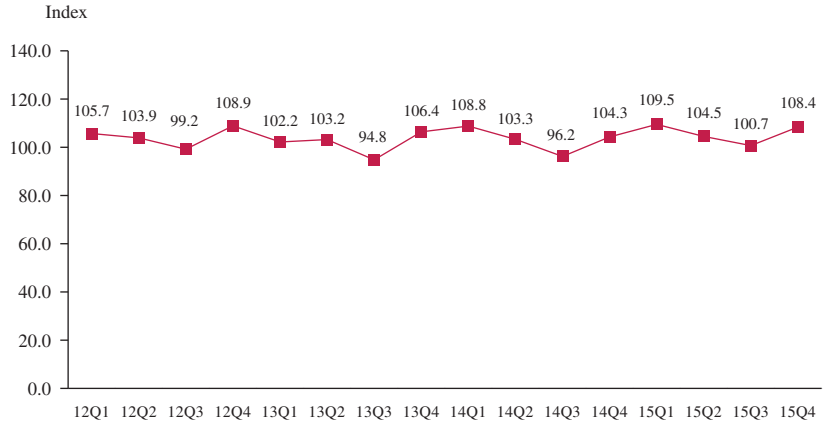
Companies with a larger business scale tend to possess more capital, human resources and business relations which are particularly vital in the sound and communication services industry. Hence, they are more likely to survive the competitive environment.

In the coming years, it is anticipated that the surviving companies will be those who provide integrated turnkey solutions to their customers and there will be mergers and acquisitions between sound and communication systems providers in order to gain a larger market share.

Labour cost index

In Singapore, labour cost in the sound and communication industry have seen fluctuations since the first quarter of 2012 and reached a record high in the first quarter of 2015. The fluctuations might have been due to minor seasonal effects where the demand for labour was lower in some periods. Overall, labour cost in the sound and communication industry has been stable over the past four years but current labour shortage in Singapore is expected to push up labour costs.

Unit labour cost index in the sound and communication industry (Singapore), 2012-2015



Note: 2010 = 100; The latest figure available is recorded in 2015; The above labour cost is concerned with all types of labour, workers and personnel in the sound and communication industry.

Source: Statistics Singapore; Frost & Sullivan

Market constraints

- ***High capital requirement***

The development of sound and communication systems is high in cost and encompasses potential cyber security concerns. In Singapore, service providers have to fulfill basic requirements set by the Building and Construction Authority in order to operate in the local market. These requirements include capital, technical as well as professional requirements. Therefore, it might somehow have restricted the number of qualified companies providing the systems and the growth of the local market.

- ***Restricted penetration into other segments***

The sound and communication systems market in Singapore has great potential to grow. Although there has been a rapid increase in the application of sound and communication systems especially in public buildings and healthcare sector, local awareness is still limited. The application of sound and communication system has not been explored and is not well-developed in the residential and healthcare sectors of Singapore. However, the use and applications of sound and communication systems in these two sectors is expected to increase.

- ***Labour shortage***

As sound and communication systems require technical and professional know-how, engineers and technicians are required to have a professional background and relevant qualifications. In Singapore, it is considered highly difficult to hire professionals given the current labour shortage in the professional field. To a certain extent, this has hindered the growth and development of the sound and communication systems market in Singapore.

COMPETITIVE LANDSCAPE OF SINGAPORE SOUND AND COMMUNICATION SYSTEMS

Overview

The sound and communication services market in Singapore is relatively fragmented. As of 2016, there are more than 2,500 market players with different scales of operation. Business operators in the sound and communication services industry may have different expertise in providing services to various kinds of clients. Some business operators would focus on the public sector, while the others may focus more on the private sector.

There are some large market players within the sound and communication services industry that would take part in multiple stages of the value chain, and are often responsible for designing the entire electrical and mechanical system of the infrastructure, including the design of sound and communication system, wiring for telecommunications, fire services, water services, extra low voltage system, and other integrated building services. On the other hand, there are medium to smaller scaled players who specialize in specific parts of the sound and communication system with in depth market know-how. These smaller players are often specialized in serving clients of particular industries, and have accumulated extensive industry-specific knowledge. For instances, the sound and communication service providers for healthcare industry would have to understand the exact demand from medical personnel, the knowledge of preventing potential system interference in hospitals, the ability to constantly upgrade software to keep up with the medical development trend, amongst other things.

Competitors

The Group mainly engage in public sectors projects for the provision of sound and communication system solution services. To be awarded a public sector projects under sound and communication system solution services, a ME04 in the Contractors Registration System of Building and Construction Authority is normally be required.

It is a common practice for sound and communication system solutions services providers in Singapore to register under ME04. According to the website of Building and Construction Authority, there were 594 contractors registered under the classification of ME04 as at the Latest Practicable Date.

Frost and Sullivan has identified 10 active market players of the sound and communication system market in Singapore based on primary and secondary research, including (i) the results of interviews conducted with sound and communication system industry experts; and (ii) the data and research from government channels such as the Building and Construction Authority.

The 10 active market players are as follows in alphabetical orders.

- Cse Global limited
- Fonda Global Engineering Pte. Ltd.
- Lucky Joint Construction Pte. Ltd.
- NCS Communications Engineering Pte. Ltd.
- Nera Telecommunications Ltd
- Ntegrator Pte Ltd
- Roots Communications Pte Ltd
- Siemens Pte. Ltd.
- Singapore Technologies Electronics Limited
- Soon Poh Telecommunications Pte Ltd

Active market players refers to companies which completed a minimum of SGD 30.0 million sum of projects in the past three years within the sound and communication services industry.

The 10 illustrated key industry players are determined through a consolidation of (i) the information provided by expert interviewees during interviews; and (ii) the number and value of tenders secured by industry players which were publically disclosed during the Track Record Period. All of the above companies are registered under the classification of ME04 as L6 contractors.

As of 2016, the Group has an approximate total market share of 0.2% in terms of revenue in the sound and communication system services solution market, 6.4% and 8.7% in the education and healthcare sector of the sound and communication system market respectively.

Key Success Factors

- ***Business network***

A business network is important within the sound and communication service industry. Contractors will need to gain trust from all stakeholders within the value chain, and maintain good relationship with them. Stakeholders include raw materials suppliers to obtain resources at a competitive pricing, and main contractors & building developer to get re-invited for tender bidding. Once the capability of a contractor is recognized, sound and communication service providers will not be easily replaced. Therefore, it is crucial to build up the professional network within the sound and communication services industry.

- ***Brand reputation***

Clients tend to partner up with sound and communication services solution solutions providers who have accumulated abundant industry experience and a record of past successful projects.

Given the critical nature of sound and communication systems, such as IP nurse call systems, or emergency evacuation public address systems, system failure and technical errors are not tolerated. Contractors will therefore need to build up their brand reputation through the constant delivery of high quality products and services.

- ***Become a licensed contractor***

It is important for contractors to register with government agencies such as the Building and Construction Authority. Registered contractors could on one hand get invited to compete for government tenders, and on the other hand use the license to compete for non-governmental projects. To become a registered contractor, one has to meet many requirements such as finances, track record of projects, skilled personnel, decent management and development tactics.

Entry Barrier Analysis

- ***Past experience***

Customers who require sound and communication services tend to work with contractors who have ample past experience in designing and operating related products. Having sufficient experience usually implies a guarantee of product and service quality. The probability of working with new entrants will therefore be lower. Contractors who wish to become a Business Construction Authority approved contractor will also need to meet the requirement of accumulating a certain amount of past experience.

- ***Economies of scale***

It is expected that new entrants to the sound and communication services industry will find it difficult to achieve economies of scale like incumbents, who often has already established advantages in procurement, marketing, production facilities, tightly knitted distribution channel networks, brand reputation amongst other aspects.

- ***Capital investment***

The sound and communication services industry requires constant research and development to keep up with the rapid development of technology. Contractors will often need to invest a large sum of initial capital for product development. On the other hand, players will also need sufficient cash flow to procure materials before the commencement of any project. New entrants may therefore find it difficult to gather such large sums of capitals within a short period of time.

- ***Human resources***

Human resources is one of the most important aspects in the sound and communication industry. Due to the level of complexity, contractors will need a group of professionals ranging from research and development personnel to skilled project managers. In the highly competitive labour force market, it is expected that new contractors will need a lengthy amount of time to recruit such talents.

Competitive advantage of the Group

- ***Extensive customer base***

The Group has established a solid customer base from both the public and private sectors, including private property developers, property management companies and governmental department such as the Housing Development Board. The Group is trusted with the ability to deliver high quality sound and communication system solution.

- ***Solid relationship with stakeholders***

The Group has maintained decent relationships with stakeholders within the sound and communication services industry ranging from suppliers to subcontractors. Supplies of raw materials and labours are guaranteed to be delivered at competitive prices. The Group is also able to secure future tenders because of the well-maintained relationship with clients.

- ***Professional qualification***

The Group has gained recognition from the Building and Construction Authority with for its robust financial performance, decent track record of projects, experienced personnel, and management tactics. The qualification acts as proof of high standards within the industry, and is able to assist the Group in securing tenders outside of the public sector.

The Group is subject to and shall comply with the regulatory requirements in Singapore. Having made all reasonable enquiries and to their best knowledge, our Directors confirm that save as disclosed in this section and the sections headed "Risk Factors" and "Business" in this prospectus, the Group has complied with all material applicable laws and regulations in Singapore during the Track Record Period.

A summary of the relevant laws and regulations in Singapore that have a material impact on our business as at the Latest Practicable Date is set out below.

LAWS AND REGULATIONS RELATING TO THE CARRYING ON OF THE BUSINESS OF OUR GROUP

BCA Contractors Registration System and Grading

The Building and Construction Authority ("**BCA**") maintains the Contractors Registration System ("**CRS**") which registers contractors who are able to provide construction related goods and services to the public sector, which includes government departments, statutory bodies and other public sector organisations. Registration with the CRS is a pre-requisite for tendering for public sector projects.

There are 7 major registration categories under the CRS, namely Construction Workheads (CW), Construction Related Workheads (CR), Mechanical & Electrical Workheads (ME), Maintenance Workheads (MW), Trade Heads (TR), Supply Workheads (SY) and Regulatory Workheads (RW). Each major category of registration under the CRS is also subject to six to seven financial grades ("**Grades**").

ISPL is currently registered with the BCA under the following workheads:

Workheads	Details	Grade	Tender Limit for each project	Expiry Date
ME04 Communication & security systems	(a) Installation and maintenance of communications system (e.g. intercom & wireless communication) and security systems (e.g. CCTV, security alarm, car park security control and card access system). (b) Installation and maintenance of Central Antenna Television (CATV) systems.	L5	Up to S$13.0 million	1 April 2019
CR01 Minor construction work	Minor building and civil engineering works that are not governed by the Building Control Act such as drainage, minor road works, aprons and minor additions and alterations.	Single grade	Unlimited	1 April 2019

The grading awarded by BCA is subject to renewal every three (3) years. When considering whether to renew a grading, the BCA considers factors including *inter alia* paid-up capital, net worth and its track record in relation to previously completed projects.

To maintain our grading under the respective workheads, ISPL is required to comply with the following requirements:

Workhead and Grade	Financial Requirements	Experience and Expertise	Track Record
ME04 L5 Grade	Maintain a minimum paid-up capital and minimum net worth of S$500,000	Employ one professional personnel with at least a degree in mechanical or electrical/electronics engineering recognised by the Professional Engineers Board ("**PEB**") or equivalent qualifications approved by BCA or one professional personnel with a recognised degree in mechanical or electrical/electronics engineering or equivalent or two technical personnel with at least a polytechnic diploma in mechanical, electrical/electronics engineering or equivalent qualifications approved by BCA (with one of the technical personnel having at least eight years of relevant experience) and at least (aa) one professional personnel with at least a degree in mechanical or electrical/electronics engineering recognised by the PEB or equivalent qualifications approved by BCA with a certificate of attendance in Basic Concept in Construction Productivity Enhancement conducted by the BCA Academy ("**BCCPE**"); or (bb) one professional personnel with a recognised degree in mechanical or electrical/electronics engineering or equivalent qualifications approved by BCA, with a certificate of attendance in BCCPE; or (cc) one technical personnel with a polytechnic diploma in mechanical, electrical/electronics engineering or equivalent qualifications approved by BCA, with a certificate of attendance in BCCPE	Be awarded, in the past 3 years, contracts with an aggregate value of S$10.0 million, including a single main contract or sub-contract of at least S$1.0 million
CR01 Single grade	Maintain a minimum paid-up capital and minimum net worth of S$10,000	Employ one technical personnel with at least a polytechnic diploma in architecture, building, civil/ structural, mechanical, electrical engineering or equivalent qualifications approved by BCA, with a certificate of attendance in BCCPE	Be awarded in the past 3 years, contracts with an aggregate value of S$100,000

The tender limit for each grade under the respective workheads is valid for one year from 1 July to 30 June of the subsequent year. It may be adjusted every year by the BCA depending on various factors, including the economy driving the construction industry in Singapore.

In the event the Group fails to maintain sufficient professional personnel under the "L5" grade, the "L5" qualification would be revoked and the Group would have to make a fresh application once all requirements are fulfilled in the future. Our Directors believe based on past application experiences, BCA would typically take one month to review the relevant application.

Building and Construction Industry Security of Payment Act ("BCISPA")

Under the BCISPA, any person who has carried out any construction work or supplied any goods or services, including the installation of any security and communications systems under a contract, is entitled to a progress payment. The BCISPA also contains provisions relating to, *inter alia*, the amount of the progress payment to which a person is entitled under a contract, the valuation of the construction work carried out under a contract and the date on which a progress payment becomes due and payable. In addition, the BCISPA, contains, *inter alia*, the following rights:

(i) the right of a claimant (being the person who is or claims to be entitled to a progress payment) who, in relation to a construction contract, fails to receive payment by the due date of an amount that is proposed to be paid by the respondent (being the person who is or may be liable to make a progress payment under a contract to the claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. Pursuant to the BCISPA, there is in place an adjudication process by which a person may claim payments due under a contract and enforce payment of the adjudicated amount;

(ii) the right of a claimant to exercise a lien over goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, to suspend the carrying out of construction work or supply of goods or services, and/or to enforce the adjudication determination as if it were a judgment debt, if, such claimant is not paid after the adjudicator has determined that the respondent shall pay an adjudicated amount to the claimant; and

(iii) where the respondent fails to pay the whole or any part of the adjudicated amount to a claimant, the right of a principal of the respondent (being the person who is liable to make payment to the respondent for or in relation to the whole or part of the construction work that is the subject of the contract between the respondent and the claimant) to make direct payment of the outstanding amount of the adjudicated amount to the claimant, together with the right for such principal to recover such payment as a debt due from the respondent.

Group's Qualifications

To maintain the current certifications and qualifications, ISPL is required to comply with the following requirements:

Qualifications	Requirements
BizSAFE Level 3	Top management to attend the bizSAFE Level 1 Workshop for CEOs/Top Management conducted by bizSAFE service providers, and nominate a risk management champion to attend a bizSAFE level 2 Course on "Develop a Risk Management Implementation Plan" and include risk management capabilities in managing terror incidents. Implement a risk management plan ("**RM Implementation**") and engage an Ministry of Manpower-approved auditor to audit the company's RM Implementation.
GeBiz S8 Financial Grade	Have a net tangible asset of at least S$250,000 and an annual turnover of at least S$5.0m.

With regards to the Group's plan to achieve a "L6" grade under the mechanical and electrical workhead ME04, ISPL has to meet the following requirements:

Workhead and Grade	Financial Requirements	Experience and Expertise	Track Record
ME04 L6 Grade	Maintain a minimum paid-up capital and minimum net worth of S$1.5m	Employ two professional personnel with at least a degree in mechanical or electrical/electronics engineering recognised by the PEB or equivalent qualifications approved by BCA (both with at least five years of relevant experience) or two professional personnel with a recognised degree in mechanical or electrical/electronics engineering or equivalent (both with at least five years of relevant experience) and at least (aa) one professional personnel with at least a degree in mechanical or electrical/electronics engineering recognised by the PEB or equivalent qualifications approved by BCA with a Specialist Diploma in Construction Productivity conducted by BCA Academy or Certified Construction Productivity Professional status; or (bb) one professional personnel with a recognised degree in mechanical or electrical/electronics engineering or equivalent qualifications approved by BCA, with a Specialist Diploma in Construction Productivity conducted by BCA Academy or Certified Construction Productivity Professional status	Be awarded, in the past 3 years, contracts with an aggregate value of S$30.0m, including (i) projects executed in Singapore of at least S$7.5m, (ii) main contracts and nominated sub-contracts of at least S$3.0m, and (iii) a single main contract or sub-contract of at least S$3.0m

Currently, ISPL has employed two professional personnel with at least a recognized degree in mechanical or electrical/electronics engineering (both with at least five years of relevant experience). This fulfills the "Experience and Expertise" requirement for the "L5" grade under the mechanical and electrical workhead ME04. To qualify for the "L6" grade under the mechanical and electrical workhead ME04, one of the abovementioned professional personnel would be required to obtain a specialist diploma by attending a construction productivity course conducted by the Building and Construction Authority academy.

In the event the Group fails to maintain sufficient professional personnel under the "L6" grade, the "L6" qualification would be revoked and the Group would have to make a fresh application once all requirements are fulfilled in the future.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT, HEALTH AND SAFETY

Workplace Safety and Health Measures

Pursuant to the Workplace Safety and Health Act (Chapter 354A) of Singapore (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 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 of Singapore (the "**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.

Any person who breaches his duty shall be guilty of an offence and shall be liable on conviction, in the case of a body corporate, to a fine not exceeding S$500,000 and if the contravention continues after the conviction, the body corporate shall be guilty of a further offence and shall be liable to a fine not exceeding S$5,000 for every day or part thereof during which the offence continues after conviction. For repeat offenders, where a person has on at least one (1) previous occasion been convicted of an offence under the WSHA that causes the death of any person and is subsequently convicted of the same offence that causes the death of another person, the court may, in addition to any imprisonment if prescribed, punish the person, in the case of a body corporate, with a fine not exceeding S$1.0 million and, in the case of a continuing offence, with a further fine not exceeding S$5,000 for every day or part thereof during which the offence continues after conviction.

The Workplace Health and Safety Council has approved codes of practices which serve to provide guidance on the requirements of the WSHA relating to welfare, safety and health in the workplace. In particular, pursuant to the WSHR, the following equipment, *inter alia*, are required to be tested and examined by an examiner, who is authorised by Commissioner for Workplace Safety and Health (the "**CWSH**"), before they can be used in a factory and thereafter, at specified intervals:

- hoist or lift;
- lifting gears; and
- lifting appliances and lifting machines.

Upon examination, the examiner will issue and sign a certificate of test and examination, specifying the safe working load of the equipment. Such certificate of test and examination shall be kept available for inspection. Under the WSHR, it is the duty of the owner of the equipment or occupier of the factory to ensure that the equipment complies with the provisions of the WSHR and to keep a register containing the requisite particulars with respect to the lifting gears, lifting appliances and lifting machines.

In addition to the above, under the WSHA, inspectors appointed by the CWSH may, *inter alia*, enter, inspect and examine any workplace and any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with.

Under the WSHA, the CWSH may serve a remedial or stop-work order in respect of a workplace if he is satisfied that:

- the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work;
- any person has contravened any duty imposed by the WSHA; or
- any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work.

The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, *inter alia*, remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the workers, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

Employment Act

The Employment Act (Chapter 91) of Singapore (the "**EA**") is administered by the Ministry of Manpower (the "**MOM**") and sets out the basic terms and conditions of employment and the rights and responsibilities of employees as well as employees covered under the EA ("**relevant employees**").

Part IV of the EA sets out provisions in relation to, *inter alia*, rest days, hours of work, overtime, annual leave and other conditions of service, for 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.

The EA provides that a relevant employee is not allowed to work for more than 12 hours in any 1 day except in specified circumstances, such as where the work is essential to the life of the community, defence or security, or there is urgent work to be done to machinery or plant. In addition, Section 38(5) of the EA limits the extent of overtime work that a relevant employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour for exemption if they require a relevant employee or class of relevant employees to work for more than 12 hours a day or perform overtime work for more than 72 hours a month. The Commissioner for Labour may, after considering the operational needs of the employer and the health and safety of the relevant employee or class of relevant employees by order in writing exempt such relevant employees from the overtime limits subject to such conditions as the Commissioner for Labour thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such relevant employee or class of relevant 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.

From 1 April 2016, all employers are required to make and keep employee records, give written records of key employment terms and give itemised pay slips to relevant employees. Failure to do so may cause the employer to be issued with an administrative penalty by the MOM.

Employment of Foreign Manpower

The employment of foreign employees in Singapore is governed by the Employment of Foreign Manpower Act (Chapter 91A) of Singapore ("**EFMA**") and regulated by MOM.

The availability and the employment cost of skilled and unskilled foreign workers are affected by the government's policies and regulations on the immigration and employment of foreign workers in Singapore.

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

- the countries from which foreign workers may be sourced;
- the requirements and procedures for the issuance of work permits;
- the imposition of security bonds and levies;
- the dependency ratio ceiling i.e. the maximum permitted ratio of foreign workers to the total workforce that a company in the stipulated sector is allowed to hire; and
- quotas based on the man-year entitlements (MYE) in respect of workers from non-traditional sources (NTS) and the PRC.

The approved source countries for workers in the construction industry are Malaysia, PRC, NTS and North Asian sources (NAS). NTS countries are India, Sri Lanka, Thailand, Bangladesh, Myanmar and the Philippines while NAS countries are Hong Kong, Macau, South Korea and Taiwan.

Construction companies should obtain prior approval from the MOM to employ foreign workers from NTS countries and the PRC. The prior approval indicates the number of foreign workers a company is allowed to bring in from NTS countries and the PRC. It also determines the number of workers who can have their work permits renewed, or who can be transferred from another company in Singapore. Prior approvals are given based on: (i) the duration of the work permits applied for; (ii) the number of full-time local workers employed by the company over the past three months as reflected in the company's CPF contribution statements; (iii) the number of MYE directly allocated to the company (for main contractors) or the MYE allocated from the company's main contractor (for subcontractors); and (iv) the remaining number of company's quota available.

The MYE reflects the total number of work permit holders a main contractor is entitled to employ based on the project or contract value, as awarded by the developers or owners. It is allocated in the form of the number of "man-years" required to complete a project. 1 man-year = 1 year of employment under a work permit.

Foreign construction workers would be required to take the Construction Safety Orientation Course or the Apply Workplace Safety and Health in Construction Sites course before their work permits can be issued.

With respect to NTS and PRC construction workers, basic skilled workers are allowed to work up to a maximum of 10 years, while higher skilled workers would be allowed to work up to 22 years. There is no maximum employment period for all other foreign workers (from NAS and Malaysia). The maximum age limit for all foreign workers to work in Singapore, regardless of country of origin, is up to 60 years old.

From 1 January 2017, at least 10% of a firm's construction work permit holders must be higher skilled (R1) before a firm can hire any new basic skilled (R2) construction workers. However, renewals of work permits will not be affected. This is tracked based on a 12-week rolling average. From 1 January 2018, firms that do not meet the 10% R1 minimum will not only not be able to hire new R2 construction workers but will also not be able to renew the work permits of R2 construction workers. From 1 January 2019, firms that do not meet the 10% R1 minimum will not be able to hire or renew R2 construction workers and will also have the work permits of any excess R2 construction workers revoked.

ISPL currently employs 16 R1 construction workers and 10 R2 construction workers. The number of R1 workers forms approximately 61.5% of the Group's work permit holders. Based on the above, the Group is currently in compliance with the 10% R1 minimum for the employment and renewal of work permits of R2 construction workers and is of the view that the change in policy for the years 2018 and 2019 would not materially affect the Group.

A S$5,000 security bond in the form of a banker's guarantee or insurance guarantee is required to be placed for each non-Malaysian work permit holder that ISPL employs in Singapore. The security bond will be returned when the work permit has been cancelled and the foreign worker has returned to his home country, provided that there were no breaches of the conditions of the work permit, the security bond and any relevant law.

The number of work permit holders that a company may hire is limited by quota (or dependency ratio ceiling) and subject to a levy. Under the construction sector quota, a company may employ seven work permit holders for every full-time local employee.

For the construction sector, employers pay the requisite levy according to the qualification of the foreign workers employed. The current levy rates are set out below.

Tier	**Monthly** *(S$)*	**Daily** *(S$)*
Malaysians and NAS – Higher-Skilled	300	9.87
Malaysians and NAS – Basic-Skilled	700	23.02
NTS and PRC – higher-skilled, on MYE	300	9.87
NTS and PRC – basic-skilled, on MYE	700	23.02
NTS and PRC – higher-skilled, MYE waiver(1)	600	19.73
NTS and PRC – basic-skilled, MYE waiver(1)	950	31.24

Note:

(1) To qualify for MYE waiver, the foreign worker must have at least three (3) years of experience in the construction sector.

In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from MOM, 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 of 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.

In relation to the employment of semi-skilled or unskilled foreign workers, employers must ensure that such persons apply for a "work permit". In relation to the employment of foreign mid-level skilled workers, employers must ensure that such persons apply for an "S Pass". The S Pass is intended for mid-level skilled foreigners who earn a monthly fixed salary of at least S$2,200. In relation to the employment of foreign professionals, employers must ensure that such persons apply for an "employment pass". The employment pass is intended for professionals who earn a monthly fixed salary of at least S$3,600.

Under the Employment of Foreign Manpower (Work Passes) Regulations 2012 ("**EFMR**"), employers of work permit holders are required, *inter alia*, to:

- subsidise medical expenses of foreign worker (unless otherwise agreed);
- provide safe working conditions;
- provide acceptable accommodation consistent with any law or governmental regulations; and
- provide and maintain medical insurance for inpatient care and day surgery, with coverage of at least S$15,000 per every 12-month period.

The EMFR also requires employers of holders of S Pass, *inter alia*, to:

- subsidise medical expenses of foreign worker (unless otherwise agreed); and
- provide and maintain medical insurance for inpatient care and day surgery, with coverage of at least S$15,000 per every 12-month period.

An employer of foreign workers is also subject to, *inter alia*, the provisions set out in EA, the EFMA, the Immigration Act (Chapter 133) of Singapore and the Immigration Regulations.

Work Injury Compensation

The Work Injury Compensation Act (Chapter 354) of Singapore (the "**WICA**"), regulated by MOM, applies to all employees (with the exception of those set out in the Fourth Schedule of the WICA) who have entered into or works under a contract of service or apprenticeship with an employer, in respect of injury suffered by them arising out of and in the course of their employment and sets out, *inter alia*, the amount of compensation that 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 provisions of the WICA. The amount of compensation shall be computed in accordance with a fixed formula as set out in the WICA, subject to maximum and minimum limits.

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 contractor) for the execution by the contractor 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 for two categories of employees engaged under contracts of service (unless exempted) – firstly, all employees doing manual work and secondly, non-manual employees earning S$1,600 or less a month. An employer who breaches the above provisions 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 12 months or to both.

Employers are required to purchase and maintain medical insurance coverage for their foreign workers. Employers who fail to buy to maintain the required medical insurance may be fined up to S$10,000 or imprisoned for up to twelve months, or both. In addition, they may be barred from employing foreign workers in the future.

Central Provident Fund Contributions

The Central Provident Fund (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 a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the Central Provident Fund Act (Chapter 36 of Singapore) (the "**CPF Act**"). CPF contributions are not applicable for foreigners who hold employment passes, S Passes or work permits.

For failure to comply with the CPF Act, an employer may be liable to pay late payment interest charged at 18% per annum (1.5% per month), starting from the first day of the following month after the contributions are due. The minimum interest payable is S$5 per month. If convicted of an offence under the CPF Act, the employer may also be liable to a fine of up to S$5,000 and/or up to 6 months jail.

Personal Data Protection Act

The Personal Data Protection Act 2012 (No. 26 of 2012) (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. The PDPA would therefore relate to information provided by customers and clients and other third parties to ISPL in the course of its business operations. 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.

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 (the "**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.

OVERVIEW

The history of our Group can be traced back to 2002 when ISPL, our operating subsidiary, was established as a private company limited by shares in Singapore. In 2002, ISPL started to engage in the provision of sound and communication systems services solution to customers in Singapore. Mr. Mong and Ms. Choon, the executive Directors of our Company, are the founders of ISPL. For the biographical information of Mr. Mong and Ms. Choon, please refer to the section headed "Directors and Senior Management" in this prospectus. Over the years, we have established our reputation as a sound and communication services solution provider in Singapore.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2017 for the purpose of the Listing. Upon completion of a series of share transfers under the Reorganisation as detailed in the paragraph headed "Reorganisation" below, our Company became the ultimate holding company of our Group and holds 100% interest in Holy Ark (an investment holding company), which in turn holds 100% interest in ISPL, our operating subsidiary.

The following table sets forth our major development milestones of our Group since the inception to the present scale of operation:

Year	Event
2002	ISPL was established on 22 July 2002 to carry on business of provision of sound and communication systems solution to customers in Singapore.
2009	We were awarded the first AAS services contract by a Singapore Government statutory board for the AAS management services of six housing rental blocks with a total contract value of approximately S$1.5 million over a service period from August 2009 to October 2014.
2010	We installed the first wireless Global Positioning System clock (total 600 clocks) in a Singapore college campus.
2011	We were awarded ISO9001:2008 by SGS United Kingdom Ltd for the provision of supply, installation, testing and commissioning and maintenance sound and visual communication systems.
2011	We were awarded bizSAFE Level 3 certification from Workplace Safety and Health Council of Singapore.
2011	We were awarded the first contract of healthcare communication system installation for a hospital in Singapore with a contract sum of approximately S$0.82 million.

Year	Event
2012	Successfully completed our first campus wide installation of public address system at the north campus of a university in Singapore for a contract sum of approximately S$0.89 million.
2012	We were awarded a contract for installation of public address system and internet protocol television system to two hospitals in Singapore for a contract sum of approximately S$1.82 million which has been completed in 2016.
2013	We were awarded by a Singapore Government statutory board our second AAS services contract for the AAS management services of six housing rental blocks with a tender sum of S$3.5 million over a service period from 15 March 2013 to 1 April 2021.
2014	We were awarded by a Singapore Government statutory board our third AAS services contract for the AAS management services of six housing rental blocks with a tender sum of S$2.3 million over a service period from 27 January 2015 to 20 April 2021.
2015	We were awarded a contract for installation of new one-way emergency communication system at the south campus of a Singapore university with a contract value of approximately S$1.48 million. After completion of this project, the south campus was networked with the public address system integrated by us in 2012 and become a wide area network communication system.
2016	We were awarded a contract for providing an healthcare communication system to a Singapore government agency with a contract value of approximately S$1.15 million and we expect to complete the contract in 2018.
2016	We have successfully completed a contract for replacement of the existing nurse call system for a hospital in Singapore which has more than 1,000 beds for a contract value of approximately S$0.91 million within a three year period.
2017	We were awarded a contract for providing a healthcare communication system to a hospital in Singapore with contract value of approximately S$1.39 million and we expect to complete the contract in 2019.

CORPORATE HISTORY

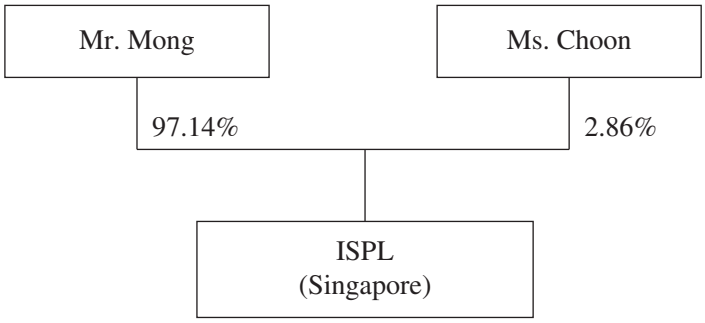
ISPL

ISPL, our wholly-owned and sole operating subsidiary which undertakes the business of provision of sound and communication systems services solution to customers in Singapore, was incorporated under the laws of Singapore on 22 July 2002. On the same date, Mr. Mong and Ms. Choon paid S$90,000 and S$10,000 for the allotment and issue of 90,000 shares and 10,000 shares in ISPL representing 90% and 10% of the then entire issued share capital of ISPL respectively.

Pursuant to various allotments of shares of ISPL after May 2005, ISPL was wholly owned as to approximately 97.14% by Mr. Mong and approximately 2.86% by Ms. Choon since April 2007 and until completion of the Reorganisation as described in "Reorganisation – (4) Transfer of Shares of Holy Ark to our Company" whereupon it shall become an indirect wholly-owned subsidiary of our Company.

REORGANISATION

The following diagram sets out the corporate structure of our Group immediately before the Reorganisation:



Our Group completed the Reorganisation on 8 December 2017 in preparation for the Listing, pursuant to which our Company became the holding company of our Group.

The Reorganisation involved the following steps:

(1) Incorporation of Express Ventures and Holy Ark

On 4 May 2017, Express Ventures was incorporated in the BVI with liability limited by shares. Since the date of incorporation, Express Ventures is authorised to issue a maximum of 50,000 shares of a single class with no par value. On 22 June 2017, 510 and 15 ordinary shares with no par value were allotted and issued as fully-paid to Mr. Mong and Ms. Choon respectively. After completion of the reorganisation, Express Ventures became a Controlling Shareholder of our Company.

On 29 May 2017, Holy Ark was incorporated in the BVI with liability limited by shares. Since the date of incorporation, Holy Ark is authorised to issue a maximum of 50,000 shares of a single class with no par value. On 22 June 2017, 510 and 15 ordinary shares with no par value were allotted and issued as fully-paid to Mr. Mong and Ms. Choon respectively. After completion of the reorganisation, Holy Ark became a direct wholly-owned subsidiary of our Company.

(2) Incorporation of Our Company

Our Company was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law on 21 July 2017 and was registered under Part 16 of the Companies Ordinance as a registered non-Hong Kong company on 8 September 2017. It had an initial authorised share capital of HK$100,000 divided into 10,000,000 ordinary shares with par value of HK$0.01 each. On 21 July 2017, one nil-paid subscriber Share was allotted and issued to Reid Services Limited, the initial subscriber of our Company, which was subsequently transferred to Express Ventures on the same date. As at the Latest Practicable Date, our Company had an authorised share capital of HK$100,000 divided into 10,000,000 ordinary shares with par value of HK$0.01 each. Immediately following completion of the Reorganisation, our Company became the holding company of our Group and was wholly-owned by Express Ventures.

(3) Transfer of shares of ISPL to Holy Ark

On 17 August 2017, Mr. Mong and Ms. Choon, as vendors, and Holy Ark as purchaser, entered into a sale and purchase agreement, pursuant to which Holy Ark acquired 510,000 shares and 15,000 shares of ISPL (representing the entire issued share capital of ISPL in aggregate) from Mr. Mong and Ms. Choon, respectively, at the consideration of S$6,171,000 and S$181,500 respectively (which was determined with reference to the net asset value of ISPL as at 30 June 2017 after rounding adjustment). The consideration was satisfied by allotment and issue of 510 new ordinary shares and 15 new ordinary shares of Holy Ark, credited as fully paid, to Mr. Mong and Ms. Choon respectively. After completion of the transaction (which took place on 5 September 2017), the entire issued share capital of ISPL is owned by Holy Ark.

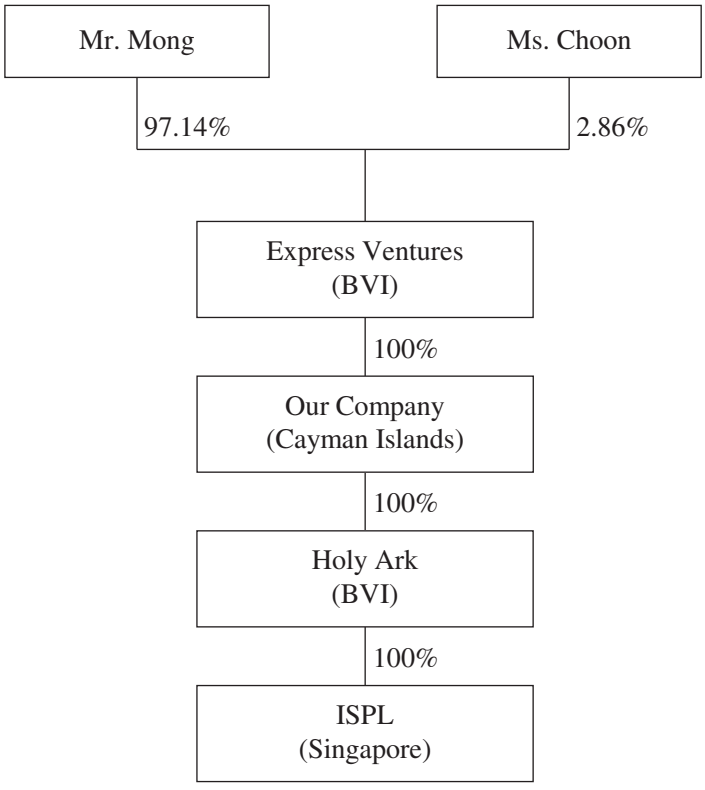
(4) Transfer of shares of Holy Ark to our Company

On 8 December 2017, Mr. Mong and Ms. Choon, as vendors, and our Company, as purchaser, entered into a sale and purchase agreement, pursuant to which our Company acquired 1,020 ordinary shares and 30 ordinary shares of Holy Ark, representing all of its issued shares in aggregate, from Mr. Mong and Ms. Choon, at the consideration of S$6,171,000 and S$181,500 respectively. In settlement of the aforesaid consideration, our Company issued and allotted 9,999 new Shares, credited as fully-paid at par, to Express Ventures, and crediting as fully paid at par one nil-paid Share held by Express Ventures, at the instructions of Mr. Mong and Ms. Choon. The consideration is determined with reference to the net asset value of Holy Ark. The share transfer with respect to Holy Ark was completed on 8 December 2017.

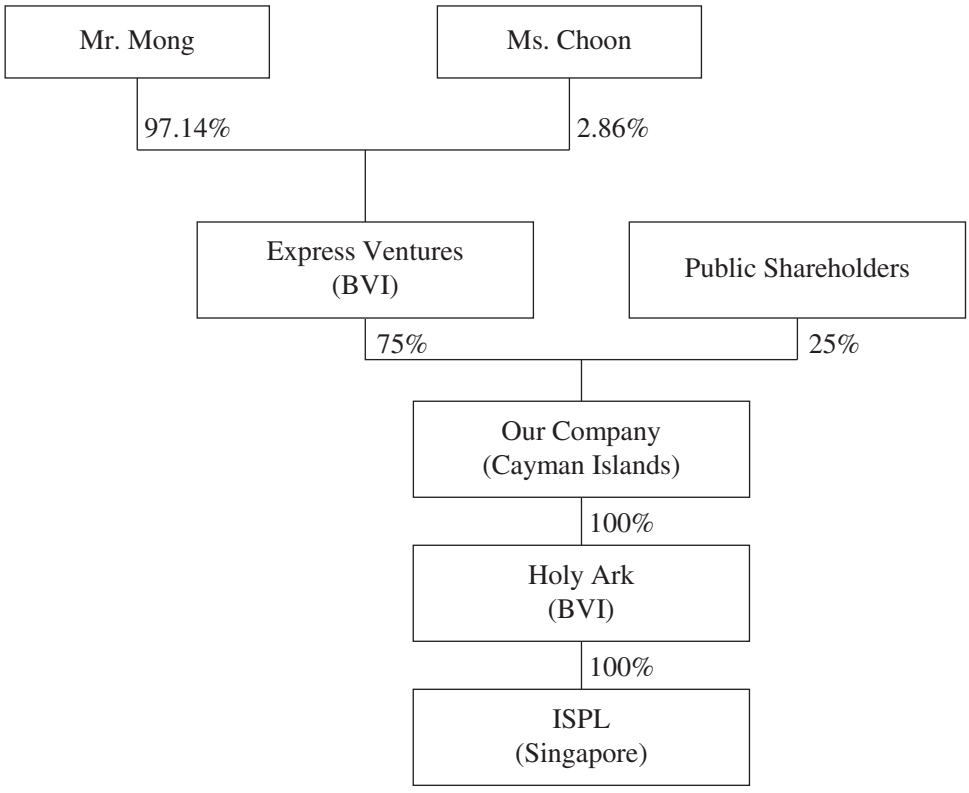
Upon completion of the Reorganisation on 8 December 2017, our Company became the holding company of our Group.

GROUP STRUCTURE

The following chart sets out the shareholding and corporate structure of our Group immediately after the Reorganisation but prior to completion of the Capitalisation Issue and the Share Offer:



The following chart sets forth the shareholding structure of our Group immediately following 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 the exercise of any options which may be granted under the Share Option Scheme):



OVERVIEW

We are a sound and communication services solution provider in Singapore. We have more than 15 years of experience in the provision of sound and communication systems services solution for various building systems in Singapore. We primarily provide (i) sale of sound and communication systems and related services; (ii) integrated services of sound and communication systems, with a focus on design, customisation and installation of sound and communication systems in buildings; and (iii) AAS services for our customers in Singapore. In particular, we were awarded with one AAS services contract in April 2009, one in March 2013 and another in October 2014 by a Singapore Government statutory board. These contracts granted us the rights to provide certain alert alarm systems services in specific housing rental blocks managed by the Singapore Government statutory board. For details of our AAS services projects, please refer to the section headed "– Our Services – AAS services" below.

For the two years ended 30 June 2017, the majority of our revenue was attributable to successful bids from invited tenders, with the rest of our revenue attributable to successful bids from open tenders by us. During the Track Record Period, our roles in invited tenders are that of a subcontractor whereas our roles in open tenders (through GeBiz) are that of a main contractor. In general, acting as a subcontractor we perform duties that are defined by the main contractor and are subjected to the timeline set by the main contractor. As a main contractor we not only manage the overall project timeline, but also work together with the customer to plan and design the sound and communication systems solution, and are responsible for the coordination on duties of subcontractors (if any) employed for the sound and communication systems services solution project.

The following table sets forth a breakdown of our revenue by tender type during the Track Record Period:

	For the year ended 30 June			
	2016		2017	
	S$ million	*%*	*S$ million*	*%*
Revenue derived by tender type:				
(i) Open tender (through GeBiz)	1.81	22.6	1.48	17.1
(ii) Invited tender	6.19	77.4	7.15	82.9
Total	8.00	100.00	8.63	100.00

The following table sets forth a breakdown of our revenue by service types during the Track Record Period:

	For the year ended 30 June			
	2016		2017	
	S$ million	*%*	*S$ million*	*%*
Revenue derived by service type:				
(i) Sale of sound and communication systems and related services	5.95	74.4	7.13	82.6
(a) Sale of sound and communication systems	5.28	66.0	6.33	73.3
(b) Related services	0.67	8.4	0.80	9.3
(ii) Integrated services of sound and communication systems	1.17	14.6	0.62	7.2
(iii) AAS services	0.88	11.0	0.88	10.2
Total	8.00	100	8.63	100

The following table sets forth a breakdown of our revenue by projects types during the Track Record Period:

	For the year ended 30 June			
	2016		2017	
	S$ million	*%*	*S$ million*	*%*
Revenue derived by project type:				
(i) Public sector projects[1]	7.47	93.4	7.15	82.9
(ii) Private sector projects	0.27	3.3	0.67	7.7
(iii) Non-profit agencies' projects	0.26	3.3	0.81	9.4
Total	8.00	100.0	8.63	100.0

Note:

1. Among the public sector projects, approximately 68.3% and 70.4% of our revenue attributable to public sector projects for each of the two years ended 30 June 2017, respectively were attributable to contracts awarded to us by private companies through invited tenders. Our Directors consider that public sector projects are projects controlled by Singapore Government agencies and involve building systems that are used for providing various governmental services.

Over the years, under the leadership of Mr. Mong and Ms. Choon, our founders, Controlling Shareholders and executive Directors, our Group has grown to have a staff strength of over 50 employees, with capabilities to manage complex sound and communication services solution projects.

OUR SERVICES

We provide sound and communication systems services solution to a wide range of systems in Singapore buildings including, but not limited to, systems relating to healthcare and education institutions. For the majority of our projects, our services may cover more than one sound and communication system, such as the following:

(1) Healthcare communication systems

Healthcare communication systems refer to a wide variety of systems relating to the management of healthcare premises including, but not limited to, nurse call systems and AAS. Our Directors considered that our healthcare communication systems typically involve many trigger points with two-way interactive systems (e.g. bedside of each patient unit) and requires systems to perform complex data collection, recording and reporting software to enhance response time. Such data will then be used to improve workflow and activities of our customers. Our Directors considered that the integration of our healthcare communication systems entails a high level of customization based on the requirements of our customers. Our healthcare customers may include hospitals, long term care facilities, private healthcare centres or healthcare initiatives by Singapore Government agencies. For instance, during the Track Record Period, we have replaced and/or maintained the AAS in 15 housing rental blocks managed by a Singapore Government statutory board in Singapore.

(2) Networking and communication systems

Networking and communication systems include, but are not limited to, two-way intercom systems (networking systems) and public address systems. Our Directors considered that our networking and communication systems typically involve a single trigger point with one-way communication systems (e.g. announcement made to a designated area). Our Directors considered that the integration of our networking and communication systems entails a lower level of customization. These systems were typically used by our customers in educational and healthcare industries during the Track Record Period.

(3) Wireless and voice-communication systems

Wireless and voice-communication systems include, but are not limited to, Global Positioning System clocks (for the purpose of synchronizing time within a building system) and voice enhancement systems. Our Directors considered that our wireless and voice-communication systems typically involve sound and communication systems that

are used to enhance certain targeted functions. Our Directors considered that the integration of our wireless and voice-communication systems entails a lower level of customization. These systems were typically used by our customers in the educational and healthcare industries during the Track Record Period.

(4) Other systems

Apart from the above we also provide installation and/or maintenance on a wide range of other systems that are specific for certain facilities such as audio-visual and security systems (audio/visual integrated communication system). For example, during the Track Record Period, we were engaged to provide certain audio-visual systems to a military camp in Singapore.

Sale of sound and communication systems and related services

Our sale of sound and communication systems and related services include sales of sound and communication systems and/or maintenance of various sound and communication systems for public and private sectors, and non-profit agencies projects in Singapore. For the sales of our sound and communication systems, we typically make recommendations to our customers based on their requirements. Further, after putting in place, if requested by our customers, the sound and communication systems (which does not include conduit laying, cable installation and/or electrical works), we may also provide certain after-sale services, such as testing and commissioning services to ascertain whether the relevant systems have been installed appropriately and are functioning according to the requirements of the customers.

Our maintenance services include repairs and servicing (including preventive and scheduled maintenance as well as breakdown maintenance) to ensure the proper functioning of existing sound and communication systems including, but not limited to, (i) healthcare communications systems; (ii) networking and communications systems; and (iii) wireless and voice communications systems.

A typical sound and communication systems maintenance services contract has a specified contract period between one to four years. We are generally able to derive recurrent revenue from our maintenance services during the contract period as preventive and scheduled maintenance services are normally required on a regular basis.

Integrated services of sound and communication systems

In providing our integrated services of sound and communication systems, we focus on providing a range of solutions to our customers. The scope of the solutions provided typically includes design, customisation and installation (which may include conduit laying, cable installation and/or electrical works) on sound and communication systems. Design services are applicable where our customers request us to provide resolutions to difficulties in their existing sound and communication systems and/or require us to design appropriate sound and communication systems to meet their objectives. Customisation works are required when

specific requirements of our customers necessitate additional modification work to be done on the sound and communication systems provided by us. Installation services are applicable where new sound and communication systems are required or replacements are required for existing sound and communication systems.

A typical integrated services of sound and communication systems contract has a specified contract period of six months to two years, during which our Group may be required to perform a range of different services in respect of different sound and communication systems at a specified building or at various premises. In some contracts, the contract value and the scope of work are fixed; however, we may be given variation orders whereby our customers amend the specification and/or scope of works from that originally contracted. A variation order may vary the original scope of work and alter the original contract sum. Should the amendment in the variation order require us to conduct additional works, these will be negotiated separately.

In projects where we provide integrated services of sound and communication systems, we may from time to time require additional manpower on an ad-hoc basis. Typically, we engage subcontractors to perform or assist us in performing certain works, such as when these works and services require specialised licences, skill and/or machinery and equipment, or at times when we have limited available capacity of our own labour resources, or when we deem it more cost efficient to have subcontractors carry out such work and services. In respect of our integrated services of sound and communication systems projects, we generally engage subcontractors for conduit laying, cable installation and electrical works during the Track Record Period.

AAS services

Background

Our AAS services projects consist of installing and managing alert alarm systems in selected housing rental blocks managed by a Singapore Government statutory board under the Life Improvement and Facilities Enhancement for the elderly project ("**Project LIFE**"). Project LIFE is a project jointly implemented by several Singapore Government agencies and a statutory board since August 1993. Under Project LIFE, selected one-room rental flats with a relatively high concentration of elderly residents are retrofitted with features such as the AAS, support handle bars, non-slip tiles in the toilets, and water taps with accessible handles.

The AAS is essentially an emergency response system which allows the elderly residents to call for help when they face emergency situations in their flats.

The Ministry of Social and Family Development arranges for voluntary welfare organisations ("**VWOs**") to provide care and support services to the elderly living in these rental flats. The VWOs manage senior activity centres ("**Senior Activity Centres**") that are situated in residential blocks in the vicinity of the flats of the elderly residents. during their operational hours. After the operational hours of these Senior Activity Centres, each of the Senior Activity Centres has its own arrangement to handle distress calls from the AAS they oversee respectively.

Scope of work and services

The re-tendering of AAS services in rental flats under Project LIFE is typically considered upon the expiry of each contract. The alert alarm systems provided under each AAS services contract are required to be returned to our Group at the expiry of each AAS services contract. As an AAS service provider, our Group is required to provide, among others, the following:

(i) Installation services

The provision of installation services of the AAS requires us to replace previously installed AAS or install new AAS within an agreed timeframe and in compliance with the functional requirements of our customers. We would also be required to inform tenants in advance of the replacement schedule, prepare and print AAS pamphlets for distribution to the affected tenants of rental flats, the Senior Activity Centre(s) and the VWOs. We are further required to conduct trainings to the tenants and Senior Activity Centre(s) personnel on the operation of the AAS supplied by us.

(ii) AAS management services

The provision of the AAS management services to our customers requires us to provide, among others, the following:

- carrying out all preventive and corrective services during the contract period in accordance with the functional requirements of our customers;
- provide emergency servicing of AAS in response to any fault which occurs within a stipulated time;
- carrying out bi-monthly preventive maintenance and submitting maintenance reports to the Singapore Government statutory board;
- taking instructions from the Singapore Government statutory board on the activation/deactivation of AAS units; and
- providing necessary documentation and refresher training to affected tenants and Senior Activity Centres personnel.

Our involvement

In April 2009 we were awarded with our first AAS services contract ("**April 2009 AAS Services Contract**") by the Singapore Government statutory board through an open tender. The April 2009 AAS Services Contract was for the AAS services of six housing rental blocks over a service period from August 2009 to October 2014, for a tender sum of approximately S$1.5 million.

In March 2013 we were awarded with an AAS services contract by the Singapore Government statutory board through an open tender. The AAS services contract was for the AAS services of nine housing rental blocks over a service period from 19 June 2013 to 1 April 2021, for a tender sum of S$3.5 million.

After the expiration of the April 2009 AAS Services Contract, we successfully tendered, through an open tender, and was awarded a new AAS services contract in October 2014 in relation to the AAS services of the same six housing rental blocks under the April 2009 AAS services contract. The new AAS services contract awarded to us in October 2014 is for a service period from 27 January 2015 to 20 April 2021 with a tender sum of S$2.3 million.

For the two years ended 30 June 2017, the revenue generated from our AAS services was S$875,544 and S$875,544, respectively. Payments for our services under the March 2013 and October 2014 AAS services contracts are made out to us in equal monthly installments by our customer. As such, our Directors expect that the monthly revenue to be generated from the AAS services contracts awarded in March 2013 and October 2014 to remain the same until the end of the contract on 1 April 2021 and 20 April 2021, respectively.

COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths of our Company have contributed to our success to date.

We have an established customer base

Our Directors believe that we have an established customer base in both private and public sectors over our 15 years of business operations in Singapore. Our customers in the private sector include medium-sized to large corporations and local business enterprises in a wide array of industries including but not limited to building and construction, education, healthcare, media and telecommunications. Our customers in the public sector are generally Singapore Government agencies governing sectors including, but not limited to, education, healthcare and public housing in Singapore.

As at the Latest Practicable Date, our business relationships with the five largest customers ranged from approximately one to eight years. For the two years ended 30 June 2017, we served more than 100 customers each year, with revenue generated from our largest customer which accounted for approximately 11.5% and 13.1% respectively, of our total revenue.

Our Directors believe that we can leverage on our relationship with these customers to increase our chance to receive invitations to tender from them for their future projects.

We have more than a decade long track record of providing sound and communication services solution to public sector projects

Some of our more iconic projects include the installation of our first Global Positioning System clocks (total of 600 clocks) in the campus of an educational institution in Singapore in 2010, the installation of digital public address system and internet protocol television system in several hospitals in Singapore in 2012, as well as the AAS services contracts awarded to us in March 2013 and October 2014. For details of our milestones, please refer to the section headed "History, Development and Reorganisation – Overview" of this prospectus.

This track record puts us in a competitive advantage position because:

(i) one of the key evaluation criteria adopted by Singapore Government agencies when selecting service suppliers is the track record of tenderers with the relevant agency that awards the tender or with other Singapore Government agencies in respect of projects of similar nature and complexity;

(ii) a proven quality and management track record will be evaluated favourably; contractors are graded by Singapore Government agencies on their performance levels and having undertaken our projects timely and reliably adds to our track record;

(iii) our track record in public sector projects gave us an in-depth understanding of the type of sound and communication systems in different buildings and establishments under the purview of different Singapore Government agencies, enabling us to tender competitively. The provision of sound and communication services solutions is, by nature, highly complex as it not only involves the integration of different sound and communication systems into different building types, but also requires an understanding of the specifications and details associated with each sound and communication system, the communication protocol to adopt, the workload schedule required and the administrative forms and checklists required by different Singapore Government agencies. Being experienced with Singapore Government agency contracts means that we are able to price competitively, and present a proposal to the Singapore Government agencies that is in-line with their objectives; and

(iv) our track record in public sector projects also allows us to gain an understanding of the service level standards required by different Singapore Government agencies, which in turn allows us to perform our services better in meeting the customers' expectations.

We have an experienced and dedicated management team led by our Controlling Shareholders and executive Directors, Mr. Mong and Ms. Choon

Mr. Mong and Ms. Choon started our business in 2002. Mr. Mong had accumulated approximately 18 years of experience in the sound and communication services industry. Ms. Choon has been with our Group since its founding, she oversees our sales and contract department and administrative and accounts department. Mr. Mong and Ms. Choon are supported by our project implementation, safety and maintenance service departments comprising of our experienced engineers and, project and service managers. For further information regarding their background and experience, please refer to the section headed "Directors and Senior Management" in this prospectus. In addition, we have an experienced information and technology system support and development department which is comprised of our information and technology system engineers and specialists. Having an experienced management team is important to our business and enables us to (i) be aware of our competitive and market landscape; (ii) design our work program effectively; (iii) manage our projects efficiently; and (iv) build on the relationships we have with our customers, suppliers and subcontractors.

We have consistently delivered reliable and timely services to our customers, both attributes being of importance to ensure that the sound and communication systems installed are functioning properly with minimal downtime

As we are principally engaged in the provision of sound and communication services solutions, including installation, customisation and maintenance works, reliability and timeliness of our services are important to ensure minimal downtime. We have qualifications such as ISO 9001:2015 and bizSAFE Level 3 certification which indicate that we have management systems and procedures in place to deliver our services reliably. We are also graded by our customers for our work performance level. For instance, we have received evaluation as having provided good quality services by our customers during the Track Record Period.

Our timely service delivery is also due in part to the strength and competencies of our workforce. We have engineering teams that are skilled and experienced in sound and communication services solutions, which enable us to assist our customers promptly and effectively. With in-house capabilities, we are also able to monitor our subcontractors and understand the requirements and costs associated with a particular contract.

We have an established relationship with our suppliers and subcontractors

As at the Latest Practicable Date, our Directors consider that we have maintained stable and established business relationships with our top five suppliers/subcontractors for a period ranging from around one to eight years. Furthermore, we have maintained exclusive distributorship rights with two of our top five suppliers for more than six years. For details of our top five suppliers and subcontractors, please refer to the paragraphs headed "Business – Suppliers and Subcontractors" in this prospectus. Our Directors believe that our relationship with suppliers and subcontractors enables us to secure stable source of product supply and services and also to have their continuous support in our business operations.

BUSINESS STRATEGIES

We intend to focus on the development of our sound and communication services solution business and our primary business objective is to further strengthen our market position as an established provider of sound and communication services solutions in Singapore.

Expanding our scale of operations and undertaking more sound and communication services solution projects in Singapore

We intend to expand the scale of our business operations through actively seeking opportunities for more sound and communication services solution projects, from both our existing customers and potential new customers, on top of our present scale of operation and our current projects on hand. Potential new customers will include Singapore Government agencies that we have not worked with before as well as new customers in the private sectors. Revenue attributable to our public sector projects for each of the two years ended 30 June 2017 is approximately 93.4% and 82.9%, respectively, with approximately 68.3% and 70.4% of our revenue attributable to these public sector projects for each of the two years ended 30 June 2017, respectively, attributable to contracts awarded to us by private companies through invited tenders. Even though our sound and communication services solution projects is currently focused on public sector projects, the Directors considered that it is in line with our Group's expansion strategy to undertake additional projects in both the public and private sectors. In addition, having considered the majority of our sound and communication services solution projects were awarded by private companies through invited tenders, our Directors considered that the strengthening of our marketing effort will further increase our competitiveness and improve the relationship with our existing and prospective customers, and thus the likelihood of increasing business opportunities for our Group.

Further, our Directors considered that we were unable to tender for certain sound and communication services solution projects during the Track Record Period due to the unavailability of a demonstration facility. A demonstration facility will enable us to not only market our services to both existing and potential customers, but, more importantly, it will also allow us to satisfy demonstration and/or proof of concept requirements usually found in larger integrated services of sound and communication systems projects. Please refer to the paragraph headed "Setting up our new sales office in Singapore" below for further details.

As at the Latest Practicable Date, we had a total of 86 projects on hand, comprising 82 sale of sound and communication systems and related services projects, two integrated services of sound and communication systems projects, and two AAS services projects. Typically, for each sound and communication services solution project of contract value more than S$200,000 we would have one project manager, two engineers and eight technicians allocated for the relevant project. For the other sound and communication services solution projects of contract value less than S$200,000 our Group will allocate at least one engineer to oversee the project and between one and four technicians, depending on the complexity of each project, to work on the relevant project. As at the Latest Practicable Date, our Group has 19 sound and communication services solution projects with contract value of more than S$200,000 and 67

sound and communication services solution projects with contract value of less than S$200,000 on hand, and only 38 operational workers, which includes three project managers, five engineers and 30 technicians, to undertake these projects under a staggered schedule. Having regard to the nature and the complexity of the work involved for our past sound and communication systems solution projects and the experience of our Directors, with the anticipated hiring of one project manager, six engineers and 35 technicians, through the utilization of our net proceeds from the Share Offer, it is expected that these new workforce will be able to take up new projects with total contract value of approximately S$2.6 million per year.

Our Directors considered that during the two years ended 30 June 2017, we did not bid for a total of 108 and 72 invited tenders that we were qualified to tender for from private companies, respectively, representing an opportunity costs of approximately S$21.0 million due to the lack of manpower and resources. Our Directors believed that the reasons for us receiving these invited tenders from private companies are mainly attributable to our past collaboration with the relevant private companies and/or referrals by customers who had working relationships with us. As such, our Directors considered that if we had more internal manpower and resources, we would have had bid for these invited tenders and the likelihood of us being awarded with these invited tenders would had been relatively high. As at 31 October 2017, there are currently five open tenders, the total contract value of which estimated by our Directors as being approximately S$9.6 million, under GeBiz that we are qualified to tender for and we have received four invited tenders, the total contract value of which estimated by our Directors as being approximately S$1.9 million, from private companies, that we intended to tender for but have not yet submitted tenders after considering our current manpower and resources.

Further, according to the Frost & Sullivan Report, it is expected that there will be an increase in expenditure on healthcare infrastructure by the Singapore Government, growing usage of sound and communication systems not only in public buildings, but also increasingly in hospitals, schools and residential buildings in Singapore.

Having considered (i) our business growth during the Track Record Period; (ii) our competitive strengths mentioned above; (iii) the availability of sound and communication services solution projects available to us; (iv) the expected increase in the applications of sound and communication systems in public buildings and healthcare sector of Singapore as stated in the Frost & Sullivan Report, our Directors believe that our Group can undertake additional sound and communication services solution projects, in both the public and private sectors, on top of our present scale of operation and our current projects on hand if we have additional resources.

In order for us to achieve the above objectives, our Directors consider that we would need to increase our currently available resources.

Expand our manpower and other resources

As at the Latest Practicable Date, we had a total of 86 sound and communication services solution projects on hand (see paragraph "Business – Projects on hand" below). Having taken into account our projects on hand and our current available manpower and other resources, our Directors consider that in order for us to undertake additional public and private sectors' sound and communication services solution projects, in particular integrated services of sound and communication systems projects, we would need to make additional investments in manpower and other resources.

During the year ended 30 June 2017, we became aware of and evaluated 501 open and invited tenders for public and private sectors' sound and communication services solution projects in Singapore. However, having regard to our tender strategy and the available manpower and resources, our Group submitted only 298 open and invited tenders and decided not to submit tenders for the remaining tender opportunities. Having considered our past tender success rate, proven track record and competitive strengths, our Directors believe that if we have sufficient resources to submit more tenders, we should be able to obtain and undertake more public and private sectors' sound and communication services solution projects.

Expand our operating staff

Our Directors consider that if we increase our available resources by making investments in our manpower and other resources, including the purchase of additional transportation vehicles to raise the effectiveness and accommodate the expected increase in our manpower, our Group will have the capacity to submit more public and private sectors' tenders. For this purpose, our Directors expect to utilise part of our net proceeds from the Share Offer to employ (i) one project manager and (ii) six engineers. The project manager candidate would be an addition to our project implementation department and be responsible for the management, scheduling and job-site management of our sound and communication services solution projects. Our Directors expect the project manager candidate to have at least five years of relevant industry experience and a minimum of diploma qualification in engineering, issued by a recognised institution. The engineer candidate would be responsible for the job-site consultation with our customers, implementation drawings (if applicable) and overlook the testing and commissioning of our systems at the job-site of our sound and communication services solution projects. Our Directors expect the engineer candidates to have at least one to two years of relevant industry experience and a minimum of diploma qualification in engineering, issued by a recognised institution. For further details, please refer to the section headed "Future Plans and Use of Proceeds".

Expand our sales and marketing staff

Our Directors consider that our future sales and marketing effort will also be a crucial factor in expanding our scale of operation and undertaking more public and private sectors' sound and communication services solution projects in Singapore. In this regard, our Directors consider that as part of strengthening our sales and marketing effort, we expect to utilise part of our net proceeds from the Share Offer to employ (i) one marketing manager; (ii) one sales manager; and (iii) two sales and marketing executives. The marketing manager candidate

would be an addition to our sales and contract department and will be responsible for meeting mechanical and electrical consultants and prospective customers to build our brand, participating in tradeshows and the overall management of our demonstration facility. Our Directors expect the marketing manager candidate to have at least five years of relevant industry experience and a minimum of diploma qualification in sales and marketing, issued by a recognised institution. The sales manager candidate would be an addition to our sales and contract department and be responsible for sales follow-up and general negotiations with our prospective customers. Our Directors expect the sales manager candidate to have at least five years of relevant industry experience and a minimum of diploma qualification in sales and marketing, issued by a recognised institution. The sales and marketing executive candidates will be an addition to our sales and contract department and be responsible for market research on prospective sound and communication services solution projects in both the public and private sectors and the preparation of tender documents. Our Directors expect the sales and marketing executive candidates to have at least one to two years of relevant industry experience and a minimum of diploma qualification in sales and marketing, issued by a recognised institution. For further details, please refer to the section headed "Future Plans and Use of Proceeds".

Reducing the use of subcontractors

Further, our Directors consider that reducing the use of subcontractors in our sound and communication services solution business would generally enable us to reduce our costs and increase our competitiveness in the market (for example, by being able to offer more competitive pricing to our customers), as a profit mark-up is generally factored into the fees charged by subcontractors.

During the Track Record Period and up to the Latest Practicable Date, we have had to engage subcontractors' support at times when we had limited available in-house capacity. In order to reduce our costs and increase our competitiveness in the market, we intend to expand and strengthen our in-house capabilities in relation to conduit laying, cable installation and electrical works.

Our Directors consider that it is presently the right time for us to expand and strengthen our in-house capabilities and reduce the use of subcontractors in relation to the aforesaid works, given that our business operations has, in the opinion of our Directors, grown to a scale that justifies the implementation of such business strategy. Our Directors consider that when a contractor's scale of operation in respect to a type of work is not sufficiently large, engaging subcontractors to undertake some or all of that type of work may be more cost-effective than retaining the required workers under its direct employment. On the contrary, our Directors consider that when a contractor's scale of operation is sufficiently large, retaining the required workers under its direct employment will be more cost-effective than engaging subcontractors on a project-by-project basis, as a profit markup is generally factored in the fees charged by our subcontractors. According to our Directors' experience in past sound and communications system projects, we can expect a gain of approximately 10 percentage point in our gross profit margin for individual project if we had the capacity to deploy our own workers to complete the relevant conduit laying, cable installation and electrical works which have been outsourced to subcontractors during the Track Record Period.

Our Directors consider that our Group's present scale of operation and business volume have grown to a scale that is sufficiently large that would enable us to incur less costs if we recruit the required workers under our direct employment as opposed to engaging subcontractors on a project-by-project basis. Further, our directors consider that by reducing the use of subcontractors and recruiting our own workers, we will be able to allocate our resources more efficiently and effectively by allocating our own workers to different project simultaneously. This additional workforce will also be able to work on our other on-going sound and communication services solution projects which will also generate revenue for our Group. Also, with the additional workforce to carry out previously subcontracted work, our Group will be able to lower the risk of unavailability of our preferred subcontractor when subcontracted works are required in tight deadlines, which also gives us more flexibility and efficiency when deciding the use of our own workforce when compared with subcontractor. Furthermore, we will be able to better monitor and control the quality of our installation works.

Our Directors have also taken into account the industry drivers and the forecasted growth in government spending on the healthcare sector in Singapore and other public amenities projects as discussed in the F&S Report. Further, the additional technicians to be employed by us will not only be seen as replacement to our use of subcontractors in the past. Apart from the skillsets that they will have in relation to typical works that we currently subcontract out to subcontractors (e.g. conduit laying, cable installations, etc.), they will be integrated into our current operational workforce to support new and ongoing projects. Based on the above, our Directors consider that by further increasing our competitiveness in the market (for example, by being able to offer more competitive pricing to our customers) through the expansion of our in-house team and the reduction in the use of subcontractors, we will be able to improve our revenue and profitability and better capture the market going forward. For this purpose, our Directors expect to utilize part of our net proceeds from the Share Offer to employ 35 technicians, as detailed in the section headed "Future plans and use of proceeds" in this prospectus.

As such, our Directors consider that the expansion of our manpower and other resources described above is necessary for us to:

(i) undertake additional sound and communication services solution projects in both the public and private sectors;

(ii) support our marketing strategies in reaching out to wider group of customers through sales effort, tradeshows, market research, etc.; and

(iii) reduce the use of subcontractors for our sound and communication services solution projects in the future.

Further, we intend to utilize up to approximately HK$11.6 million of the net proceeds from the Share Offer to expand and train our sales, technical and support workforce and a further HK$3.0 million to purchase the necessary transportation vehicle.

Strengthen our marketing efforts in the sound and communication industry in Singapore

For the two years ended 30 June 2017, revenue attributable to invited tenders represents approximately 77.4% and 82.9% of our total revenue, respectively. For the same period, revenue attributable to open tender (through GeBiz) represents approximately 22.6% and 17.1% of our total revenue, respectively. During the Track Record Period, our Group did not engage in any material marketing activities other than liaising with our private sector customers for relationship building and maintaining a corporate website with only basic information such as product catalogue and our Group's contact information. We were able to obtain information relating to new business opportunities from our private sector customers through contacts of our Directors and senior management members. For further details on the sales and marketing activities engaged by our Group during the Track Record Period, please refer to the paragraphs headed "Sales and Marketing" in this section below.

In order for our Group to stay relevant, compete and take advantage of, according to the Frost & Sullivan Report, the expected increase in expenditure on healthcare infrastructure by the Singapore Government, growing usage of sound and communication systems not only in public buildings, but also increasingly in hospitals, schools and residential buildings in Singapore, our Directors believe that it will be imperative for us to enhance our corporate brand and create awareness of our services within the sound and communication service industry in Singapore.

Our Directors consider that, in order to enhance our corporate brand and create awareness of our services within the sound and communication service industry in Singapore, apart from our Group's existing reputation and project references from our private sector customers being important factors to maintaining our current businesses, it is crucial for our Group to strengthen our marketing capabilities through (i) building our corporate brand; and (ii) improving our corporate website.

We intend to promote our corporate brand by building a brand known for its quality within the sound and communication service industry in Singapore. In order to build and enhance market awareness of our brand name, we intend to participate in more relevant industry trade shows to promote our services and products, and to network with existing and potential customers (including, but not limited to, the annual "Medical Fair Asia", an event platform to discover the latest medical and healthcare industry innovations, and "CommunicAsia", an event platform for professionals within the information and communication technology industry to network, explore new technologies and share ideas), print marketing materials and engage in advertisement of our services and products through the Building and Construction Authority's publication materials.

Further, we intend to improve upon our current corporate website to better promote the services provided by our Group. It is our Directors' intention to create a corporate website that is not only more informative and user friendly but also more interactive. It is expected for our new corporate website to include improved capabilities for potentials customers including a platform for live chat during service hours to obtain sales and designs enquiries, and faster service follow-up.

We intend to utilize up to approximately HK$1.4 million of the net proceeds from the Share Offer to strengthen our marketing efforts in the sound and communication industry in Singapore.

Setting up our new sales office in Singapore

In line with our overall strategy to expand our scale of operations and undertake more sound and communication services solution projects, we intend to acquire a new sales office for our business operations in Singapore. We aim to relocate our sales and contract department, and the relevant technical staff into this newly acquired sales office after the acquisition of the new sales office which is expected to occur by 31 December 2018.

In order to support the growth of our sound and communication systems services solution business, the target location of our new sales office will ideally be located in the vicinity of our head office currently located in LINK@AMK. Our directors consider that our current head office will not be able to (i) accommodate our expected increase in manpower; and (ii) house an effective demonstration facility. Our Directors are of the view that we have the business need to acquire a new office in order to cater to the increasing labour force, and to accommodate our Group's expansion.

Our Directors consider that our new sales office should have a floor area of between 2,000 to 3,000 sq.ft., approximately one-quarter to one-third of our current head office of approximately 9,289 sq.ft. (including a roof of approximately 2,077 sq.ft. which is generally not usable for our business purpose).

Our Directors consider that it would be necessary to have a separate sales office from our current head office due to the following main reasons:

(i) expand our presence in the integrated services of sound and communication systems market – in order to tender for certain sound and communication services solution projects, typically larger integrated services of sound and communication systems projects, some customers may require us to provide demonstration and proof of concept services in our Singapore office or other designated premises in relation to the sound and communication systems solutions which we design for them. Our Directors consider that during the Track Record Period, we were unable to tender for more integrated services of sound and communication systems projects due in part to the unavailability of a demonstration facility;

(ii) quality checks on new sound and communication systems solution designed – a new demonstration facility would provide our technical staff with a place to assess, analyse and test the sound and communications systems solution we design before they are presented to our customers for their evaluation and to demonstrate the functionality and value of our solutions;

(iii) strengthen our marketing effort – a new sales office would act as a showroom to demonstrate and show case our available systems to potential and interested customers; and

(iv) a focused effort on our sales coverage – a new office will provide extra office space to (a) accommodate the expected rise in our sale staff and (b) enable our Group to achieve synergy between our sales and technical functions.

Given the strategic benefits described above, our Directors consider that the purchase of the new sales office is commercially justifiable. We estimate that approximately HK$10.0 million or approximately 22.2% of the net proceeds from the Share Offer will be used for the acquisition of our new sales office. The relevant renovations, fixtures and furniture, and other related costs of our new sales office will be funded from our internal resources. As at the Latest Practicable Date, we have not yet identified any target premises for acquisition.

Obtain a higher grade level under our current mechanical and electrical workhead

Our Directors believe that by achieving a higher grade level under our current mechanical and electrical workhead ME04 (communication and security systems), we would be able to further expand our business operations in the sound and communication services industry.

As at the Latest Practicable Date, our Group was registered under the mechanical and electrical workhead ME04 (communication and security systems) ("**Workhead ME04**") in the Contractors' Registration System with a "L5" grade ("**ME04 "L5" grade**"), which allows us to tender for installation and maintenance of communication and security systems projects ("sound and communication services solution project") in the public sector of Singapore with a tendering limit of S$13,000,000. As at the Latest Practicable Date, according to the website of the Building and Construction Authority there were 17 contractors in Singapore registered under the workhead ME04 (communication and security systems) in the Contactors Registration System with a "L6" grade ("**ME04 "L6" grade**"), the highest grade available under Workhead ME04. By achieving a ME04 "L6" grade under the mechanical and electrical workhead ME04, we will be able to tender for sound and communication services solution projects in the public sector of Singapore of unlimited values.

Given that companies with ME04 "L6" grade (no tendering limit) will be able to bid for any projects under the Workhead ME04, our Directors consider that our Group, with the ME04 "L5" grade (which allows us to bid for sound and communication services solution projects of up to S$13,000,000 tendering limit in Singapore), can compete not only with companies with ME04 "L5" grades, but also other companies with ME04 of any grades, including those with ME04 "L6" grades. Each grade category under the Workhead ME04 only restricts the tendering limit of the project that a company can tender for, it does not restrict companies of a certain grade under Workhead ME04 from competing for projects with other companies with the same or different grade as long as they comply with the tendering limit under their respective grade categories for Workhead ME04. As such, our Directors believe that obtaining a higher grade level under the Workhead ME04 will not have a significant impact on the competitive landscape of our Group.

According to the Frost & Sullivan Report, some of the key success factors within the sound and communication service industry includes business network, brand reputation, being a licensed contractor under the Building Construction Authority. Our Directors considered that given our competitive advantages disclosed under the heading "Competitive Strengths" above and the growth of our business operations during the Track Record Period, we will be able to compete effectively in the sound and communication service industry when we obtained ME04

"L6" grade. Further, our Directors considered that by obtaining a ME04 "L6" grade it (i) allows us to bid for any projects under Workhead ME04 (no tendering limit); (ii) gives prospective main contractors a boost of confidence when they consider us for potential invited tenders; (iii) will help us further build our brand reputation within the sound and communication service industry; and (iv) will expand our business network with other stakeholders within the value chain. For further details of our licences and registrations, please refer to the section headed "Regulatory overview – Laws and Regulations relating to the Carrying On of the Business of Our Group" in this prospectus.

In order for our Group to achieve the ME04 "L6" grade, there are certain (i) financial requirements; (ii) experience and expertise requirements; and (iii) track record requirements that we will need to fulfill. We intend to utilize up to HK$2.5 million of the net proceeds from the Share Offer to partially satisfy the minimum financial requirements for the ME04 "L6" grade. As at the Latest Practicable Date, our Group has partially satisfied the experience and expertise requirements for the ME04 "L6" grade and intends to fully satisfy this requirement through either the employment of one other qualified personnel or require our employee (a degree holder in mechanical or electrical electronics engineering recognized by the PEB and has at least five years of relevant experience) to obtain a "Specialist diploma" by attending the relevant course conducted by the Building and Construction Authority. In relation to the track record requirements, having considered (i) our business growth during the Track Record Period; (ii) the future opportunities and growth of the healthcare infrastructure in Singapore, growing usage of sound and communication systems not only in public buildings, but also increasingly in hospitals, schools and residential buildings in Singapore according to the Frost & Sullivan Report; and (iii) our expansion plan as detailed above, our Directors believe that our Group will be able to satisfy the track record requirements and achieve the ME04 "L6" grade in the near future. For further details on the requirements for our Group to achieve the ME04 "L6" grade, please refer to the section headed "Regulatory Overview – Laws and Regulations relating to the Carrying On of the Business of Our Group – Group's Qualifications".

Allocate more resources for the provision of performance bonds

In the provision of our sound and communication services solution business operations, especially in larger sound and communication services solution projects, we are typically required to arrange for the issuance of performance bonds by way of either (i) banker's guarantee; or (ii) purchase of insurance bonds. Performance bonds obtained through a banker's guarantee are typically secured by a fixed deposit given by us, with a one-time administrative fee payable to the issuing bank. Performance bonds purchased from insurance companies typically includes a one-time premium that is typically higher than the administrative fee charged for the issuance of a banker's guarantee representing a higher cost in obtaining performance bonds for the Company. Further, in our Directors' experience, larger sound and communication services solution projects would typically require us to provide a banker's guarantee instead of insurance bonds. Our Directors consider that given more financial resources, we will be able to obtain more performance bonds through a banker's guarantee, and bid for larger sound and communication services solution projects in the long run. We intend to utilize up to approximately HK$2.0 million of the net proceeds from the Share Offer as financial resources which will allow us to undertake more large scale projects that require the provision of performance bonds.

PROJECTS UNDERTAKEN DURING THE TRACK RECORD PERIOD

During the Track Record Period, our Group has completed a total of 283 sound and communication services solution projects, comprising of 130 and 152 sound and communication services solution projects for the two years ended 30 June 2017, respectively. The following table sets forth details of the number of sound and communication services solution projects that our Group has completed during the Track Record Period according to contract value.

	For the years ended 30 June	
Number of completed sound and communication services solution projects	**2016**	**2017**
• with contract sum of less than or equal to S$10,000	49	45
• with contract sum of more than S$10,000 but less than or equal to S$50,000	54	71
• with contract sum of more than S$50,000 but less than or equal to S$100,000	11	7
• with contract sum of more than S$100,000 but less than or equal to S$500,000	15	26
• with contract sum of more than S$500,000	1	3
Total number of sound and communication services solution projects completed during the year	130	152

(i) Sale of sound and communication systems and related services projects

The following table sets forth details of the top 10 sale of sound and communication systems and related services contracts from which we derived the highest amount of revenue over the Track Record Period:

	Customer	Principal scope of work	Approximate contract value	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016	2017	Track Record Period
			S$'000		*S$'000*	*S$'000*	*S$'000*
1.	Customer C[(1)]	Sales and related services of networking and communication system for certain public housing in Singapore	382	18 February 2016 to 17 March 2017	286	96	382
2.	Customer G	Sales of networking and communication system for a few schools in Singapore	322	12 May 2017 to 28 June 2017	–	322	322
3.	Customer K	Sales of networking and communication system for few schools in Singapore	295	23 October 2015 to 23 March 2017	212	83	295
4.	Customer L	Sales of networking and communication system for a nursing home in Singapore	264	1 June 2016 to estimated June 2018	15	248	263[3]
5.	Customer M	Sales and related services of healthcare system for certain public housing in Singapore	325	30 August 2016 to estimated January 2018	–	261	261[3]
6.	Customer N	Sales and related services of networking and communication system for certain public housing in Singapore	260	13 July 2015 to 19 April 2017	237	23	260

	Customer	Principal scope of work	Approximate contract value	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016	2017	Track Record Period
			S$'000		*S$'000*	*S$'000*	*S$'000*
7.	Customer K	Sales of healthcare communication system for a nursing home in Singapore	258	12 August 2016 to October 2017	1	257	258
8.	Customer O	Sales and related services of healthcare communication system for certain public housing in Singapore	270	16 June 2014 to August 2017	94	160	254[3]
9.	Customer P	Sales and related services of healthcare communication system for certain public housing in Singapore	250	30 August 2016 to estimated April 2018	–	248	248[3]
10.	Customer Q	Sales and related services of healthcare communication system for certain public housing in Singapore	240	12 July 2016 to September 2017	–	240	240

Notes:

(1) As referred to in the section headed "Business – Customers – Top five customers" below.

(2) Where applicable, the duration shown in the above table includes renewals and/or extensions approved by customers.

(3) Project is still in progress as at the Latest Practicable Date and is estimated to be completed by the year ending 30 June 2018.

The following table sets out the movement of the number of sale of sound and communication systems and related services (i) projects brought forward from prior year(s) which include those with revenue contribution to us and those that have been awarded to us but not yet commenced during the Track Record Period; (ii) number of new projects awarded to us during the year; and (iii) number of projects completed during the year:

	For the year ended 30 June	
	2016	**2017**
Project brought forward from prior year(s)	73	61
Number of new projects awarded to us during the year	118	158
Number of projects completed during the year	130	152
Projects carried forward to next year	61	67

(ii) Integrated services of sound and communication systems projects

The following table sets forth details of the integrated services of sound and communication systems contracts from which we derived revenue from over the Track Record Period:

	Customer	Principal scope of work	Approximate contract value *S$'000*	Duration	Approximate revenue recognised For the year ended 30 June 2016 *S$'000*	2017 *S$'000*	Track Record Period *S$'000*
1.	Customer A[1]	Installation of networking and communication system for a university in Singapore	1,555	6 May 2015 to present	922	609	1,531
2.	Customer I	Installation of networking and communication system for a hospital in Singapore	1,646	14 July 2012 to present	249	13	272
3.	Customer J	For an educational institute in SG	468	31 December 2013 to 21 September 2015	7.5	0	7.5

Notes:

(1) As referred to in the section headed "Business – Customers – Top five customers" below.

The following table sets out the movement of the number of integrated services of sound and communication systems (i) projects brought forward from prior year(s) which include those with revenue contribution to us and those that have been awarded to us but not yet commenced during the Track Record Period; (ii) number of new projects awarded to us during the year; and (iii) number of projects completed during the year:

	For the year ended 30 June	
	2016	**2017**
Project brought forward from prior year(s)	3	2
Number of new projects awarded to us during the year	0	0
Number of projects completed during the year	1	0
Projects carried forward to next year	2	2

(iii) AAS services projects

The following table sets forth details of our AAS services contracts over the Track Record:

	Customer	Principal scope of work	Approximate contract value *S$'000*	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 *S$'000*	2017 *S$'000*	Track Record Period *S$'000*
1.	Customer B[1] (a Singapore Government statutory board)	AAS services for certain housing rental blocks under a Singapore Government Statutory board	3,504	15 March 2013 to 1 April 2021	501	501	1,002
2.	Customer B[1] (a Singapore Government statutory board)	AAS services for certain housing rental blocks under a Singapore Government Statutory board	2,301	8 October 2014 to 20 April 2021	375	375	750

Notes:

(1) As referred to in the section headed "Business – Customers – Top five customers" below.

(2) Where applicable, the duration shown in the above table includes renewals and/or extensions approved by customers.

The following table sets out the movement of the number of AAS services (i) projects brought forward from prior year(s) which include those with revenue contribution to us and those that have been awarded to us but not yet commenced during the Track Record Period; (ii) number of new projects awarded to us during the year; and (iii) number of projects completed during the year:

	For the year ended 30 June	
	2016	**2017**
Project brought forward from prior year(s)	2	2
Number of new projects awarded to us during the year	0	0
Number of projects completed during the year	0	0
Projects carried forward to next year	2	2

PROJECTS ON HAND

As at the Latest Practicable Date, we had a total of 86 projects on hand with a total contract value of approximately S$19.6 million. These 86 projects on hand comprise of (i) 82 sale of sound and communication systems and related services projects of approximately S$10.9 million in total contract value; (ii) two integrated services of sound and communication systems projects of approximately S$3.0 million in total contract value; and (iii) two AAS services projects of approximately S$5.8 million in total contract value.

The following table sets forth details of our projects on hand as at the Latest Practicable Date (including projects that have commenced but not completed as well as projects that have been awarded to us but not yet commenced). For a contract which is not subject to any fixed or committed contract value, our Directors estimated that the total amount of revenue to be derived from the contract over the contract period based on (i) the indicative work scopes stated in the contract; and (ii) the expected revenue to be recognised under the indicative work scopes by reference to similar works conducted in our past track record.

(i) Sale of sound and communication systems and related services projects

	Customer	Principal scope of work	Approximate contract value *S$'000*	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 *S$'000*	2017 *S$'000*	Approximate expected revenue for the year ending 30 June 2018 *S$'000*	2019 *S$'000*
1.	Customer H[(1)]	Maintenance of healthcare communication system for certain public schools in Singapore	283	July 2015 to June 2019	64	61	71	87
2.	Customer T	Maintenance of healthcare communication system for certain public schools in Singapore	313	July 2015 to June 2019	78	76	78	81
3.	Customer U	Maintenance of healthcare communication systems for certain public housing in Singapore	63	December 2015 to December 2018	5	18	20	20
4.	Customer E[(1)]	Sale of networking and communication system for a military camp in Singapore	171	May 2016 to June 2018	52	80	39	–
5.	Customer V	Maintenance of healthcare communication system for a public hospital in Singapore	681	June 2016 to May 2019	16	217	231	217
6.	Customer W	Maintenance of healthcare communication systems for certain public housing in Singapore	26	June 2016 to May 2019	–	8	9	9
7.	Customer X	Maintenance of healthcare communication system for a public hospital in Singapore	168	June 2016 to May 2019	4	49	56	59
8.	Customer Y	Maintenance for healthcare communication systems for certain public housing in Singapore	54	July 2016 to March 2018	–	25	29	–
9.	Customer AB	Maintenance of healthcare communication systems for certain public housing in Singapore	42	September 2014 to March 2018	–	8	34	–
10.	Customer AC	Maintenance of healthcare communication systems for certain public housing in Singapore	42	May 2017 to April 2021	–	2	11	11
11.	Customer W	Maintenance of healthcare communication systems for certain public housing in Singapore	30	July 2017 to June 2019	–	–	15	15

	Customer	Principal scope of work	Approximate contract value S$'000	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 S$'000	2017 S$'000	Approximate expected revenue for the year ending 30 June 2018 S$'000	2019 S$'000
12.	Customer AH	Maintenance of networking and communication for a commercial building in Singapore	10	June 2017 to June 2018	–	–	10	–
13.	Customer AJ	Maintenance of healthcare communication for a hospital in Singapore	154	August 2017 to July 2020	–	–	35	45
14.	Customer P (a Singapore Government Statutory board)	Sale of healthcare communication system for certain public housing in Singapore	235	October 2014 to June 2018	183	–	52	–
15.	Customer C(1)	Sale of healthcare communication system for certain public housing in Singapore	203	June 2014 to June 2018	158	–	12	–
16.	Customer F	Maintenance of networking and communication system for a school in Singapore	112	July 2015 to June 2019	27	27	28	30
17.	Customer F	Maintenance of wireless and voice communication system for a few school in Singapore	35	July 2015 to June 2019	9	9	9	8
18.	Customer F	Maintenance of networking and communication system for a school in Singapore	143	July 2015 to June 2019	36	35	36	36
19.	Customer F	Maintenance of wireless and voice communication system for a few school in Singapore	35	July 2015 to June 2019	9	7	9	10
20.	Customer AM	Maintenance of networking and communication system for a hospital in Singapore	94	August 2015 to July 2018	29	23	39	3
21.	Customer AN	Sale of network communication system for a hospital in Singapore	251	May 2016 to June 2018	24	152	75	–
22.	Customer AO	Maintenance of healthcare communication systems for certain public housing in Singapore	97	December 2015 to March 2018	14	49	34	–
23.	Customer M	Sale of healthcare communication system for certain public housing in Singapore	325	August 2016 to January 2018	–	261	64	–

	Customer	Principal scope of work	Approximate contract value S$'000	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 S$'000	2017 S$'000	Approximate expected revenue for the year ending 30 June 2018 S$'000	2019 S$'000
24.	Customer AQ	Maintenance of healthcare communication systems for certain public housing in Singapore	54	April 2016 to March 2019	5	18	15	16
25.	Customer M	Sale of healthcare communication and networking and communication systems for a hospital in Singapore	300	August 2016 to October 2018	–	5	264	31
26.	Customer AR	Sale of healthcare communication system for certain public housing in Singapore	338	November 2016 to September 2019	–	–	–	338
27.	Customer AS	Sale of healthcare communication system for a hospital in Singapore	1,150	April 2017 to June 2018	–	115	1,035	–
28.	Customer AU	Maintenance of networking and communication system for a seaport in Singapore	24	November 2016 to October 2018	–	8	16	–
29.	Customer O	Maintenance of healthcare communication system for a nursing home in Singapore	16	December 2016 to November 2018	–	4	12	–
30.	Customer AV	Maintenance of healthcare communication systems for certain public housing in Singapore	22	April 2017 to March 2018	–	3	19	–
31.	Customer AW	Maintenance of network communication system for a university in Singapore	59	December 2017 to March 2019	–	–	22	37
32.	Customer AX	Maintenance of healthcare communication systems for certain public housing in Singapore	28	April 2015 to March 2018	–	8	20	–
33.	Customer AY	Maintenance of healthcare communication systems for certain public housing in Singapore	40	April 2017 to March 2018	–	–	40	–
34.	Customer BA	Sale of networking and communication system for a hospital in Singapore	45	December 2017 to June 2018	–	–	45	–
35.	Customer BB	Maintenance of healthcare communication system for a non-profit organisation in Singapore	8	September 2017 to August 2019	–	–	3	4

	Customer	Principal scope of work	Approximate contract value S$'000	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 S$'000	2017 S$'000	Approximate expected revenue for the year ending 30 June 2018 S$'000	2019 S$'000
36.	Customer AQ	Maintenance of healthcare communication systems for certain public housing in Singapore	19	July 2017 to June 2019	–	–	9	10
37.	Customer L	Sale of networking and communication system for school and community centre in Singapore	1,980	June 2018 to June 2019	–	–	–	1,980
38.	Customer AR	Sale of healthcare communication system for certain public housing in Singapore	26	September 2016 to October 2018	–	24	2	–
39.	Customer BD	Maintenance of healthcare communication system for a hospital in Singapore	25	November 2016 to October 2018	–	12	12	1
40.	Customer U	Maintenance of healthcare communication systems for certain public housing in Singapore	18	August 2017 to November 2018	–	–	13	5
41.	Customer AC	Maintenance of healthcare communication systems for certain public housing in Singapore	27	August 2017 to December 2018	–	–	18	9
42.	Customer BE	Maintenance of healthcare communication system for a non-profit organisation in Singapore	7	November 2017 to December 2018	–	–	5	2
43.	Customer BF	Maintenance of healthcare communication system for certain a public school in Singapore	166	August 2017 to June 2018	–	–	166	–
44.	Customer BF	Maintenance of healthcare communication system for certain a public school in Singapore	162	August 2017 to June 2018	–	–	162	–
45.	Customer BF	Maintenance of healthcare communication system for certain a public school in Singapore	92	August 2017 to June 2018	–	–	92	–
46.	Customer AA	Maintenance of networking and communication system for an immigration checkpoint in Singapore	11	December 2017 to June 2018	–	–	11	–
47.	Customer BJ	Maintenance for healthcare communication systems for a non-profit organisation in Singapore	10	October 2017 to March 2019	–	–	6	4

	Customer	Principal scope of work	Approximate contract value S$'000	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 S$'000	2017 S$'000	Approximate expected revenue for the year ending 30 June 2018 S$'000	2019 S$'000
48.	Customer BK	Sales of network communication system for a complex in Singapore	128	August 2017 to June 2018	–	–	128	–
49.	Customer BL	Maintenance of networking and communication for a commercial building in Singapore	25	October 2017 to October 2019	–	–	10	10
50.	Customer H	Maintenance of networking and communication system for a public school in Singapore	23	August 2017 to June 2018	–	–	23	–
51.	Customer AL	Sale of networking and communication system for a public school in Singapore	93	September 2017 to June 2018	–	–	93	–
52.	Customer AL	Sale of networking and communication system for a church in Singapore	71	August 2017 to June 2018	–	–	71	–
53.	Customer BO/BN	Sale of healthcare communication system for certain public housing in Singapore	270	November 2017 to June 2018	–	–	270	–
54.	Customer BP/BO	Maintenance of networking and communication system for a public school in Singapore	118	August 2017 to June 2018	–	–	118	–
55.	Customer BQ/BP	Sales of network communication system for a complex in Singapore	243	July 2017 to June 2018	–	–	243	–
56.	Customer BQ/BP	Sales of network communication system for a complex in Singapore	32	July 2017 to June 2018	–	–	32	–
57.	Customer BR/BQ	Sales of network communication system for a public school in Singapore	291	September 2017 to June 2018	–	–	291	–
58.	Customer BR/BQ	Maintenance of network communication system for a public school in Singapore	126	October 2017 to June 2019	–	–	55	71
59.	Customer AN	Sales of wireless and voice communication system for a public building in Singapore	101	July 2017 to June 2018	–	–	101	–
60.	Customer AM	Maintenance of network communication system for a university in Singapore	42	August 2017 to June 2020	–	–	13	14

	Customer	Principal scope of work	Approximate contract value S$'000	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 S$'000	2017 S$'000	Approximate expected revenue for the year ending 30 June 2018 S$'000	2019 S$'000
61.	Customer BS/BR	Maintenance of healthcare communication system for a public hospital in Singapore	173	July 2017 to December 2020	–	–	50	50
62.	Customer BT/BS	Maintenance of network communication system for a public school in Singapore	67	October 2017 to June 2018	–	–	67	–
63.	Customer BT/BS	Maintenance of network communication system for a hospital in Singapore	32	March 2018 to June 2018	–	–	32	–
64.	Customer M	Sale of healthcare communication system for certain public housing in Singapore	19	August 2017 to June 2018	–	–	19	–
65.	Customer F	Sale of networking and communication system for a public school in Singapore	24	August 2017 to June 2018	–	–	24	–
66.	Customer F	Sale of networking and communication system for a public school in Singapore	15	August 2017 to June 2018	–	–	15	–
67.	Customer AP	Maintenance of healthcare communication system for certain a non-profit organisation in Singapore	72	September 2017 to August 2020	–	–	20	29
68.	Customer P	Sale of healthcare communication system for certain public housing in Singapore	39	April 2018 to June 2018	–	–	39	–
69.	Customer AQ	Maintenance of healthcare communication systems for certain public housing in Singapore	54	March 2018 to February 2019	–	–	18	36
70.	Customer BU/BT	Maintenance of healthcare communication systems for certain public housing in Singapore	62	October 2017 to September 2018	–	–	47	15
71.	Customer BV/BU	Maintenance of healthcare communication systems for a hospital in Singapore	29	October 2017 to June 2018	–	–	29	–
72.	Customer BW/BV	Maintenance of healthcare communication systems for a hospital in Singapore	17	October 2017 to June 2018	–	–	17	–

	Customer	Principal scope of work	Approximate contract value *S$'000*	Duration[2]	Approximate revenue recognised For the year ended 30 June 2016 *S$'000*	2017 *S$'000*	Approximate expected revenue for the year ending 30 June 2018 *S$'000*	2019 *S$'000*
73.	Customer M	Sale of networking and communication system for a hospital in Singapore	35	October 2017 to June 2018	–	–	35	–
74.	Customer F	Maintenance of network communication system for a public school in Singapore	25	October 2017 to June 2018	–	–	25	–
75.	Customer F	Maintenance of network communication system for a public school in Singapore	12	October 2017 to June 2018	–	–	12	–
76.	Customer BX/BW	Maintenance of network communication system for a commercial building in Singapore	20	September 2017 to August 2020	–	–	6	7
77.	Customer AL	Sale of networking and communication system for a public school in Singapore	69	July 2017 to June 2018	–	–	69	–
78.	Customer BY	Sale of healthcare communication system for certain public housing in Singapore	135	December 2017 to June 2018	–	–	135	–
79.	Customer BZ	Sale of network communication system for a public building in Singapore	200	November 2017 to June 2018	–	–	200	–
80.	Customer CA	Sale of network communication system to a public school in Singapore	6	November 2017 to June 2018	–	–	6	–
81.	Customer CB	Sale of network communication system for a hospital in Singapore	8	November 2017 to June 2018	–	–	8	–
82.	Customer CC	Sale of network communication system for a hospital in Singapore	4	December 2017 to January 2018	–	–	4	–

Notes:

(1) As referred to in the section headed "Business – Customers – Top five customers" below.

(2) Where applicable, the duration shown in the above table includes renewals and/or extensions approved by customers, and the estimated start date of the project.

(ii) Integrated services of sound and communication systems projects

	Customer	Principal scope of work	Approximate contract value	Duration[1]	Approximate revenue recognised For the year ended 30 June		Approximate expected revenue for the year ending 30 June	
			S$'000		2016	2017	2018	2019
					S$'000			
1.	Customer A[1]	Installation of networking and communication system for a university in Singapore	1,555	May 2015 to June 2018	922	609	24	
2.	Customer R	Installation of healthcare communication system for a hospital in Singapore	1,396	November 2017 to June 2019	N/A	N/A	635	761

Notes:

(1) As referred to in the section headed "Business – Customers – Top five customers" below.

(2) Where applicable, the duration shown in the above table includes renewals and/or extensions approved by customers.

(iii) AAS services projects

	Customer	Principal scope of work	Approximate contract value	Duration[2]	Approximate revenue recognised For the year ended 30 June		Approximate expected revenue for the year ending 30 June	
			S$'000		2016	2017	2018	2019
					S$'000			
1.	Customer B[1] (Singapore Government Statutory board)[1]	AAS services for certain housing rental blocks under a Singapore Government Statutory board	3,504	June 2013 to June 2020	501	501	501	501
2.	Customer B[1] (Singapore Government Statutory board)	AAS services for certain housing rental blocks under a Singapore Government Statutory board	2,301	January 2015 to March 2021	375	375	375	375

Notes:

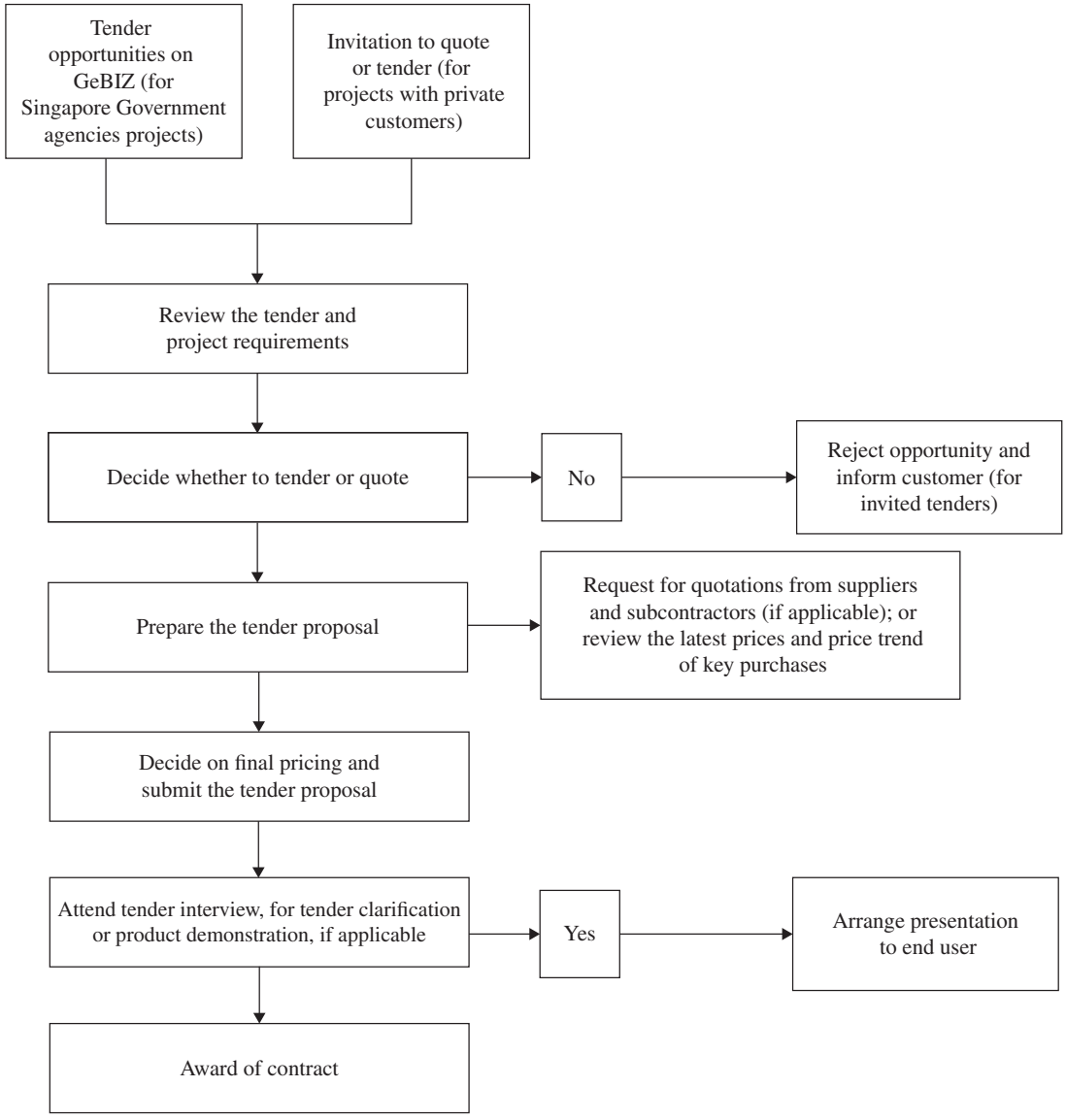
(1) As referred to in the section headed "Business – Customers – Top five customers" below.

(2) Where applicable, the duration shown in the above table includes renewals and/or extensions approved by customers.

PROJECT MANAGEMENT AND OPERATIONS

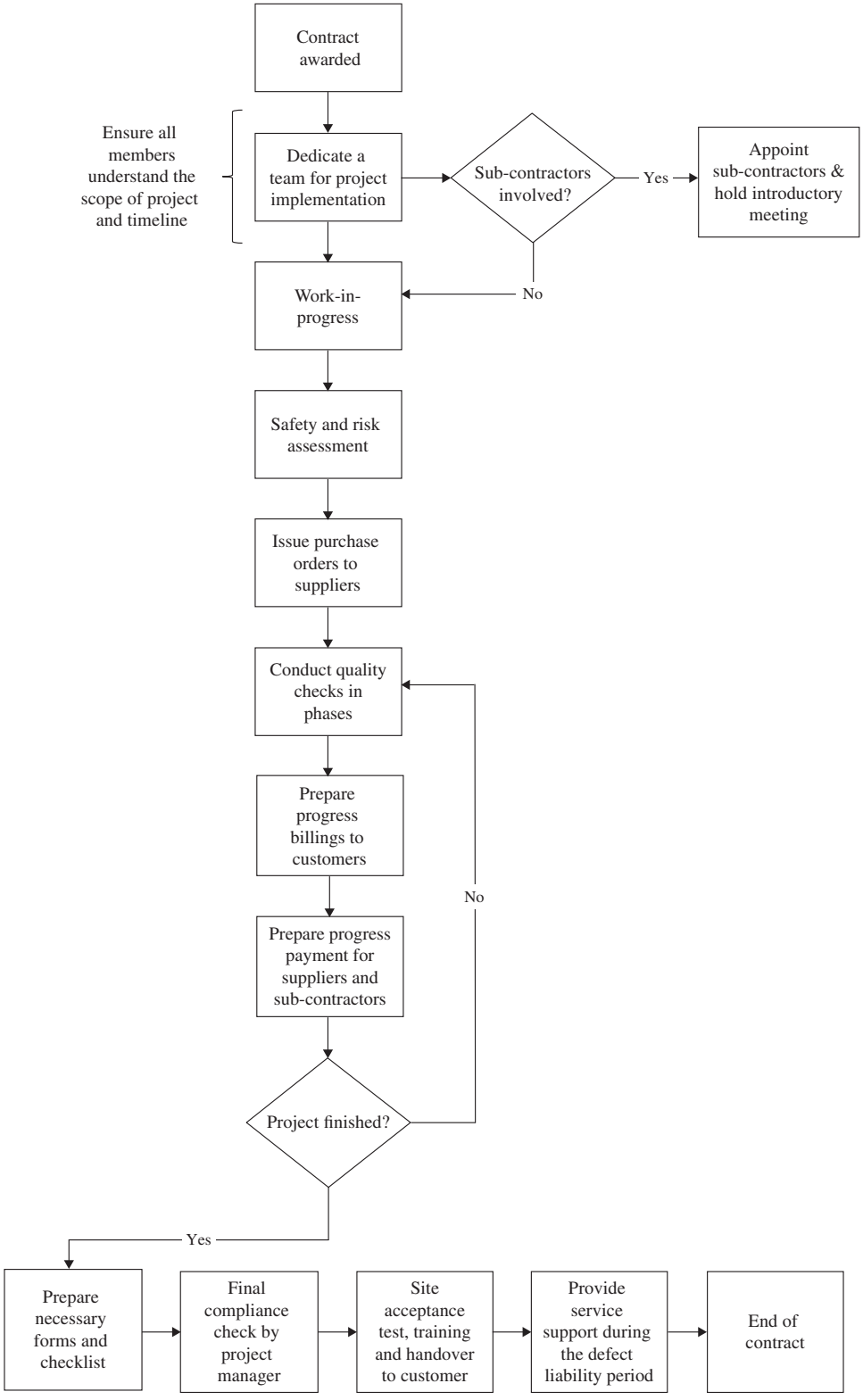
The following diagrams illustrate the general steps undertaken by us in a project:

Tender/quotation phase

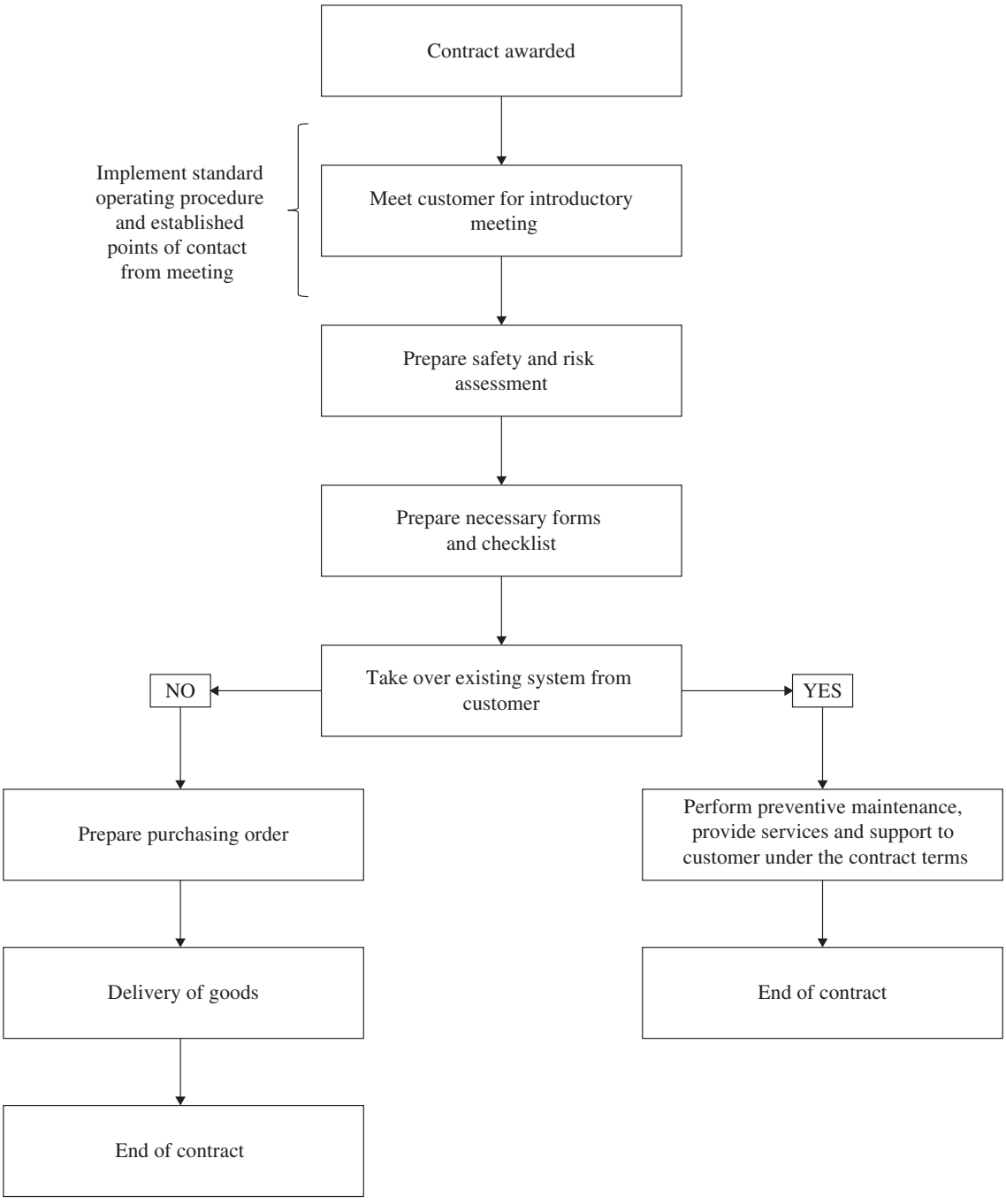


Project implementation phase

Integrated services of sound and communication systems



Sale of sound and communication systems and related services, and AAS Services



Tender/quotation phase

Our projects come mainly from two sources, namely, (i) tender opportunities published on GeBIZ; and (ii) invitations to quote or tender from customers. For more information on our marketing activities and pricing strategy, please refer to the section headed "Business – Sales and Marketing" below.

We monitor GeBIZ, the Singapore Government's one-stop e-procurement portal where all public sector's invitations for quotations and tenders (except for security-sensitive contracts) are posted on a daily basis for tenders put up by Singapore Government agencies. Although GeBIZ functions as Singapore Government's one-stop e-procurement portal, each tender notice posted by a Singapore Government agency on GeBIZ would state the scope of work, closing date for tender and other relevant details for the tender. Suppliers can search for government procurement opportunities, retrieve relevant procurement documentations and submit their bids online. The tender interview (if any), tender evaluation process and tender award decision are all undertaken by the respective Singapore Government agencies. In the tender documents, the relevant Singapore Government agency includes its own evaluation criteria. The evaluation criteria mainly include the tender price and the track record/quality attributes of the tenderer. Each Singapore Government agency conducts its own evaluation. The track record/quality attributes criterion includes, among others, (i) the quality of works of past projects; (ii) prompt completion of past projects; (iii) whether past projects are of similar nature, complexity and scale; (iv) safety track record and commitment to workplace safety; and (v) financial standing of the tenderer.

Subsequent to the submission of the tender proposals, we may be requested to attend tender interviews for tender clarification or product demonstration. If successful, we will be awarded the contract. We keep track of tenders which we have submitted in an internal report, with information such as (i) project names/description, (ii) identities of customers, (iii) tender sum, (iv) tender submission dates and (v) tender closing dates.

Tender success rate

The following table *(Note 1)* sets forth our tender success rates during the Track Record Period:

	For the year ended 30 June	
	2016	**2017**
Sale of sound and communication systems and related services		
– Number of tenders and quotations submitted	196	291
– Number of contracts awarded	124	168
– Success rate	63.3%	57.7%
Integrated services of sound and communication systems		
– Number of tenders and quotations submitted	2	7
– Number of contracts awarded	1	5
– Success rate	50.0%	71.4%
AAS services[2]		
– Number of tenders and quotations submitted	0	0
– Number of contracts awarded	0	0
– Success rate	N/A	N/A

Notes:

1. In the above table, tender success rate for a financial year is calculated based on the number of contracts awarded (whether awarded in the same financial year or subsequently) in respect of the quotations and tenders submitted during the financial year.

2. Our AAS service contracts are awarded to us through an open tender system. Each of our AAS service contracts are for a fixed period of 72 months from the date of substantial completion of commissioning the AAS in the last housing rental block, for the AAS services contract awarded to us in October 2014, or 84 months from the date of substantial completion of commissioning the AAS in the last housing rental block, for the AAS services contract awarded to us in March 2013. At the end of each AAS services contract, the relevant Singapore Government statutory board would consider whether it is essential to continue such AAS service for the relevant housing rental blocks. If necessary, the relevant Singapore Government statutory board would look for new tenderers for the AAS services to the relevant housing rental blocks through an open tender system. After the expiry of the AAS service contract awarded to us in April 2009 ("**April 2009 AAS service contract**"), we once again tendered successfully, through an open tender, for the AAS services contract on the relevant housing rental blocks under the April 2009 AAS services contract, and was awarded with an AAS services contract in October 2014. For full detail, please refer to the section headed "– Our Services – AAS services" above. Our Directors were not aware of any available AAS services contract for tender from the Singapore Government statutory board during the Track Record Period. Our Directors believe that the AAS services contracts for the other housing rental blocks under the purview of the Singapore Government statutory board are currently still in operation.

We may respond to tender notices or invitations by submitting relevant tenders, which are within the scope of our operations even at times when we may not have sufficient capacity to undertake more projects. Our Directors believe that such tender strategy allows us to (i) maintain our presence in the market; and (ii) be informed of the latest market developments and pricing trends which are useful to us in tendering projects in the future. Given our tender strategy and in view of our financial performance during the Track Record Period and our projects on hand as at the Latest Practicable Date (see "Business – Projects on hand"), our Directors consider that our overall tender success rate during the Track Record Period has been satisfactory in general.

Project implementation phase

Sale of sound and communication systems and related services

Upon the receipt of our award of a sale of sound and communication systems and related services contract, we will form a project team with relevant staff such as the project manager, project engineer and supervisors from our project implementation department. The project manager will prepare the mobilisation plan, which is a plan that shows the procedures to be taken from setting up meetings with the customer to taking over the project from the existing contractor (if applicable). If the contract is a renewal of our existing contract, a new tender that is called in respect of a contract that we are currently servicing or a sale of our systems and/or components, this step will not be applicable.

Since sale of sound and communication systems and related services involve mainly sales of our systems and/or components, maintenance works, or replacement works to existing building systems, it is important to meet up with the customer to establish clear communication protocol and administrative procedures from the onset. Customers may express desired maintenance schedule, such as requesting noisy works to be performed outside a specific time of the day.

We will also set up a safety and risk assessment system that identifies risks of certain building systems that may have been subject to more breakdowns. Our risk assessment leaders, will assess the implications of these risks identified on the services to be performed and advise the customer on required replacements and/or maintenance to be considered.

During this time, we will also set up a set of standard operation procedures, which are a set of procedures that govern fault reporting during or after office hours, emergency responses, understanding of the improvement works required for the installation, replacement or maintenance services, quality checks by our maintenance service department and the eventual handover to our customers. Such standard operation procedures need to be confirmed by the customer. We will also set up a master maintenance program that covers the schedule of our maintenance services, such as by different floor levels, by systems or by a mixture of configuration that is best suited for the customer.

It is important to establish the communication protocol and administrative procedures, in particular the form of the maintenance checklist, the work request forms, the quotation and invoice for separate service orders, and job completion forms. These are communication tools for serviced items to be checked and approved by the customer to avoid dispute or misunderstanding. The format of these checklists and forms has to be confirmed by the customer.

The last step in the mobilisation plan is to take over from the existing contractor of the customer (if applicable) or the customer itself. This involves a detailed walk through of the site to review performance of the sound and communication systems. Defects or findings have to be submitted to the existing contractor (if applicable) who will have to rectify the defects as part of its contractual obligations. There will be a joint inspection to ensure that all rectifications are made satisfactorily before we take over the contract.

The services to be performed under a sale of sound and communication systems and related services contract will depend on the scope of the contracted services, which typically involves (i) our purchasing department purchasing the required parts, components of systems and consumables (if applicable); (ii) our project implementation department carrying out the services and support under the contractual terms; and (iii) our project manager conducting checks on our services performed and the proper functioning of the sound and communication systems. Once the services are completed, customers have to approve on the job completion form, or delivery order for sales of sound and communication systems, which will form the basis for our payment claims to the customers.

Our sale of sound and communication systems and related services contracts typically have a duration of one to four years. Some of our contracts require the issuance of performance bonds (see "Business – Key contract terms with customers" below), which we will procure at the onset of the contract and our accounts department will ensure that they are appropriately discharged at the end of the contract.

Integrated services of sound and communication systems

Upon the award of an integrated services of sound and communication systems contract, an internal project team will be formed and project kick-off convened. A project manager will be designated by the project implementation department to the project. Some of our contracts require the issuance of performance bonds (see "Business – Key contract terms with customers" below), which we will procure at the onset of the contract and ensure that they are appropriately discharged at the end of the contract. Such performance bonds generally represent approximately 10% of the total contract value of the project.

Based on the construction schedule set up by our customer and/or the main contractor, our project manager will have to prepare a project timetable. The project manager has the responsibility to meet both the timing and project specification required for the contract. Prior to the commencement of works, certain planned installation and/or replacement works have to be authorised by a mechanical and engineering consultant designated or approved by our

customer. The project manager will also decide on the scope of supplies and services to be subcontracted, if any, required for the fulfillment of the contract, and coordinate with our sales and contract department and purchasing department. If subcontractors are required for the integrated services of sound and communication systems project, we would also hold an introductory meeting with them to go through the specifications of the services and work required of them.

Although our Group had 38 operational workers as at the Latest Practicable date, additional manpower may be required on an ad-hoc basis for our integrated services of sound and communication systems projects. In our integrated services of sound and communication systems projects, we may subcontract certain conduit laying, cable installation and electrical works to subcontractors, and we would be required to ensure that the works are performed according to the clients' and/or main contractors' specifications, on a timely basis. We typically require our subcontractors to arrange for and bear the costs of the relevant labours, materials, and machinery and equipment necessary for carrying out the subcontracted works. In some cases, we would not require our subcontractors to bear the cost of certain materials if we decide to purchase such materials at our own costs. For further information on our subcontractors, please refer to the section "Business – Suppliers and Subcontractors" below.

We would also set up a safety and risk assessment system, overseen by our risk management committee, that identify potential risks and review the safety of certain building systems and make recommendations to the relevant project managers. The project manager will assess the implications of these risks identified on the services to be performed and advise the customer on required improvements to be considered.

Our project implementation team will work with our purchasing department to ensure that materials and/or components required for the integrated services of sound and communication systems works are sourced from reliable suppliers and arrive on time. Typically, we will request for quotations during the preparation of our tender, and should our tender be successful, we will follow up and issue purchasing orders to the suppliers who have provided us with competitive pricing based on our supplier selection criteria as discussed in the section headed "Business – Suppliers and Subcontractors" below.

Quality control

During the installation or improvement works, on-site inspections are conducted in phases by qualified staff and engineers to ensure that work quality is able to meet the standards and specifications required before delivering the work to the customer. Our customers will then examine and sign off the completion of work certification.

Variation orders

Our integrated services of sound and communication systems projects typically have a duration of six months to two years. During the contract period, there may be variation orders where certain services may be added on to or omitted from the integrated services of sound and communication systems works initially contracted for. Variation orders will be separately negotiated, or charged by reference to the contracted works should the nature and scope be similar.

Payments and certification

We enter into contracts with our customers for our integrated services of sound and communication systems pursuant to which we issue our invoices based on project milestones or the actual progress of our work performed. We recognise our revenue by reference to the stage of completion of the contract at the end of the financial reporting period.

We make claims to our customers in respect of the value of the works we have performed and materials delivered to project site, and issue invoices or submit payment applications for the customer's assessment. Upon submission of a payment application by us, the customer inspects and certifies the amount of work done and the value of materials provided on site. The customer then makes payment with reference to such certificates in accordance with the terms of the contract.

Post-project implementation phase

Upon substantial completion of our works, a mechanical and electrical consultant approved by the project owner will check our works and inspect, certify and approve our works for completion. We are required to prepare the necessary job completion forms and checklists, and provide trainings to our customers for proper handover. The defect liability period is typically 12 months, commencing from the date of substantial completion, during which we are required to rectify any defects brought to our attention. Specific to integrated services of sound and communication systems works where retention monies are applicable, we will monitor the returns of retention monies. Typically, upon substantial completion, 2.5% of the contract amount shall be released to us and the balance of 2.5% upon expiry of the defect liability period. During the Track Record Period, no material deduction was made against the retention monies.

In instances where our customers require performance bonds to be made in favour of them for a certain percentage of the full amount stipulated in the contract, our sale and contract department will coordinate with appropriate financial institutions and our accounts department will ensure that such performance bonds are appropriately discharged at the end of the contract.

For our sale of sound and communication systems and related services, integrated services of sound and communication systems, and AAS services

Our accounts department is responsible for the recording of accounts payables and receivables and the preparation of payment claims and invoices. We invoice our customers after a payment claim is approved by our customer, either upon acceptance of the sale of sound and communication systems and related services performed or upon approval of the progress claims for integrated services of sound and communication systems completed or the monthly AAS services performed. Credit terms to our customers are typically between 30 to 90 days. Credit terms extended to us by our suppliers and subcontractors are typically between 30 to 60 days. For subcontractors, they will submit their payment claims to us and we will ascertain the completion of their works. Once ascertained, we will request for their invoice and make payment within the credit term.

SALES AND MARKETING

Marketing activities

During the Track Record Period, we did not engage in any material marketing activities other than liaising with our private sector customers for relationship building and management. The majority of our revenue was derived from public sector projects, which are either awarded to us through open tendering process with Singapore Government agencies or through invited tendering process with private customers. We monitor GeBIZ, the Singapore Government's one-stop e-procurement portal where all public sector's invitations for quotations and tenders (except for security-sensitive contracts) are posted, on a daily basis for tenders put up by Singapore Government agencies. Our Directors consider that in order to obtain new contracts from Singapore Government agencies through open tendering process, we should focus on maintain and/or upgrade our qualifications and licences and maintaining our competitiveness as disclosed in the section headed "– Competitive Strengths" in this prospectus.

For projects with private customers, tenders are made by way of invitation. We are able to obtain information relating to new business opportunities from private customers through the contacts of our Directors and senior management members. Our Directors consider reputation and project references as important factors in being invited for private tenders. In addition, by acquiring a new sales office through the utilisation of our net proceeds from the Share Offer, our Directors consider that the showroom to be included in the new sales office will showcase our available sound and communication systems to potential and interested customers. For further details, please refer to the section headed "– Business Strategies – Setting up our new sales office in Singapore" in this section.

Pricing and tender strategy

Our pricing is generally determined based on certain mark-ups over our estimated costs including, but not limited to, supplies and labour. We need to estimate our costs in order to determine our fee quotation or tender price and there is no assurance that the actual amount of costs would not exceed our estimation during the performance of our projects. Nevertheless, during the Track Record Period and up to the Latest Practicable Date, we did not experience any material inaccurate estimation or cost overruns, and we did not sustain any loss-making sound and communication services solution projects. In order to minimise the risk of inaccurate estimation and cost overrun, the pricing of our services are overseen by our executive Directors, namely, Mr. Mong and Ms. Choon, based on our pricing strategy described in the following paragraphs. For further information on the experience of Mr. Mong and Ms. Choon, please refer to the section headed "Directors and Senior Management" in this prospectus.

We may respond to tender notices or invitations by submitting the relevant tenders which are within the scope of our business operations even at times when we may not have sufficient capacity to undertake more projects. Please refer to the section headed "Business – Project Management and Operations – Tender success rate" above for further details.

Typically, when we identify a new tender opportunity on GeBIZ, or if we are invited to quote or tender, our sales and contract department, together with Ms. Choon, will review the scope of services and the grading requirement for the mechanical and electrical workhead(s) to ensure that we are qualified to submit the tender.

For integrated services of sound and communication systems contracts, we will review the scope of services including the number of units, the type of systems, the duration of the contract, the frequency of scheduled maintenance, if required, and the requirements on dedicated personnel for the contract. After reviewing the tender terms, our Directors will submit the tender documents with a quoted contract sum or a quoted schedule of rates for a range of specified items (depending on the tender requirements), after considering various factors including but not limited to (i) costs likely to be incurred for the contract, including costs of supplies, required systems, replacement parts, consumables and components (if they fall under items that cannot be claimed for in the tender); and (ii) costs associated with labour including our in-house personnel specified as to be designated/made available for the contract, likelihood of using subcontractors during peak periods or for specialist works and the number of staff to fulfil the contract. Our existing capacity and resources and our past experience in tendering for similar contracts will also be considered.

Our sales and contract department will perform the costing and submit the proposed pricing to Ms. Choon, who will then make the final decision with Mr. Mong.

QUALITY CONTROL

Reliability and timeliness are important attributes in our business operations. To achieve consistent performance levels, we have implemented quality control systems which is certified to be in compliance with the ISO 9001:2015 standard, with the key objectives of (i) prompt response to customers' orders for services; (ii) completion of jobs to customers' satisfaction (timelines and proper execution of job schedule) and (iii) compliance with legal and contractual improvements, and continual improvements to our quality management system.

Our principal business activity is in the provision of sound and communication services solution, and the relevant quality aspects cover:

(i) Purchasing

As elaborated in the section headed "Business – Suppliers and subcontractors" below, we have an approved supplier list prepared by our sales and contract department and our on-site project manager/engineer (for our integrated services of sound and communication systems) or service manager/engineer (for our sale of sound and communication systems and related services) will provide feedback to our purchasing department of any material defects encountered with a product, which will be replaced by the relevant supplier. Our purchasing department also obtains feedback from our project implementation department and maintenance service department who will report any issues encountered with the use of certain supplies or subcontracting services.

(ii) On time delivery

As we do not keep any stock on the supplies required for our projects, the timeliness of delivery of required supplies to the relevant projects' job sites is representative of our commitment to service quality. Our purchasing department works together with our project implementation department to coordinate and ensure that ample notice is given to our suppliers for the timely delivery of the necessary supplies. During unforeseen circumstances, the relationships, built over time, with our suppliers ensure flexibility and priority given to us when supplies may be required on short notices. During the Track Record Period, there has been no material delays in the delivery of supplies to our projects' job sites.

(iii) On-site quality checks

Quality control at the job site comprises proper understanding of the services required, the building systems, the risks associated with works for certain building system, ensuring the right competencies required and executing the job with care. All installed or completed services or works have to be properly preserved to prevent damage to these systems or completed works.

Quality checks are conducted at each stage of the sound and communication services solution works, for instance:

- Visual checks, such as each unit is installed as per area design and/or per unit specifications;

- Check test data, such as checking test data for certain alert alarm call and public address systems; and

- Check by measurements, such as unit installations are installed at the right height and/or spacing.

(iv) Feedback

We will, among others, obtain feedback from our customers to gauge our performance level, and to identify opportunities for improvements. We also conduct annual internal audit by management review team to identify areas for improvements, in particular those to ensure compliance with ISO 9001:2015 standards.

CUSTOMERS

Type of customers

Our customers include (i) Singapore Government agencies such as ministries or statutory boards governing public housing, educational institutions and healthcare; (ii) private organisations in Singapore such as those engaged in building and construction works; and (iii) non-profit organisations in Singapore. For the two years ended 30 June 2017, we had 105 and 106 customers with revenue contribution to us, respectively.

Tenders put up by Singapore Government agencies are posted on GeBIZ while those from private organisations are either via open tender or by invitation.

GeBIZ is the Singapore Government's one-stop e-procurement portal where all public sector's invitations for quotations and tenders (except for security-sensitive contracts) are posted, on a daily basis, for tenders put up by Singapore Government agencies. Each tender notice posted by Singapore Government agencies on GeBIZ would state the scope of work, closing date for tender and other relevant details for the tender. Suppliers can search for government procurement opportunities, retrieve relevant procurement documentations and submit their bids online. The tender interview (if any) tender evaluation process and tender aware decision are all undertaken by the respective Singapore Government agencies, and tender evaluation process and tender award decision is also undertaken by respective Singapore Government agencies. Each Singapore Government agency is in charge of purchasing its own goods and services (i.e. tender evaluation and tender award process). As such, GeBIZ serves as a platform for each Singapore Government agency to independently post its tender notices and let contractors to view all the work opportunities in a convenient way.

Top five customers

For the two years ended 30 June 2017, revenue from our top five customers amounted to approximately S$2.8 million and S$3.3 million, representing approximately 35.2% and 38.5% of our total revenue, respectively. Revenue from our largest customer for the same period accounted for approximately S$0.9 million and S$1.1 million, representing approximately 11.5% and 13.1% of our total revenue, respectively.

Our top five customers during the Track Record Period included electrical contractors and different Singapore Government agencies, such as various ministries and statutory boards. Our Directors consider that it is appropriate to treat different Singapore Government agencies as separate customers instead of grouping them together as a single customer, having considered that (i) different ministries and statutory boards are in charge of different areas, such as social welfare and development, education and public housing; (ii) tender notices are posted on GeBIZ separately by different Singapore Government agencies; (iii) the tender approval processes are conducted independently by different Singapore Government agencies; and (iv) each of the Singapore Government agencies has its own team of officers to evaluate suppliers' bid and to approve the award of contracts; (v) each of the Singapore Government agency has

its own organisation chart, for instance a Singapore Government ministry will have its own minister, senior management and respective departments; and (vi) each Singapore Government agency is in charge of purchasing its own goods and services (i.e. tender evaluation and tender award process).

The following tables set forth details of our five largest customers for each of the two years ended 30 June 2017, respectively:

For the year ended 30 June 2016

Ranking	Customer	Approximate years of relationship with our Group as at the Latest Practicable Date	Scope of services provided by our Group	Payment method and credit terms	Revenue contribution	
					Aggregate amount *S$'000*	Approximate % of total revenue of our Group
1	Customer A	six years	Sale and maintenance of networking and communication systems	Bank transfer by way of standing instruction, 30 days	922	11.5
2	Customer B (a Singapore Government statutory board[1])	six years	AAS services for certain housing rental blocks	Bank transfer by way of standing instruction, 30 days	882	11.0
3	Customer C	seven years	Sale and maintenance of healthcare communication systems	Cheque, 30 days	445	5.6
4	Customer D	three years	Sale of networking and communication systems; Wireless and voice-communication systems	Cash on delivery	303	3.8
5	Customer E	four years	Sales of networking and communication systems; Wireless and voice-communication systems	Cheque, 30 days	266	3.3

Note:

(1) The Singapore Government statutory board is not specifically named to protect the confidential information relating to the contract.

For the year ended 30 June 2017

Ranking	Customer	Approximate years of relationship with our Group as at the Latest Practicable Date	Scope of services provided by our Group	Payment method and credit terms	Revenue contribution	
					Aggregate amount *S$'000*	Approximate % of total revenue of our Group
1	Customers F and G[2]	seven years (Customer F); one year (Customer G)	Sale and maintenance of networking and communication systems; wireless and voice-communication systems	Cheque, 30 or 60 days depending on projects involved (Customer F); cash on delivery (Customer G)	1,132	13.1
2	Customer B (a Singapore Government statutory board[1])	six years	AAS services for certain housing rental blocks	Bank transfer by way of standing instruction, 30 days	888	10.3
3	Customer A	six years	Sale and maintenance of networking and communication systems	Bank transfer by way of standing instruction, 30 days	609	7.1
4	Customer H	six years	Sale and maintenance of networking and communication systems; wireless and voice-communication systems	Cheque, 30 or 60 days on upon job completion depending on projects involved	352	4.1
5	Customer K	five years	Sale and maintenance of networking and communication systems; wireless and voice-communication systems	Cheque, 30 days upon job completion	340	3.9

Note:

(1) The Singapore Government statutory board is not specifically named to protect the confidential information relating to the contract.

(2) Customers F and G were together considered as our largest customer for the year ended 30 June 2017 as Customers F and G is wholly-owned by the same holding company.

None of our five largest customers during the Track Record Period is also our supplier.

None of our Directors, nor any of their respective close associates or any existing Shareholders which, to the knowledge of our Directors, owns more than 5% of the issued share capital of our Company immediately following the completion of the Share Offer and the Capitalisation Issue, had any interest in any of our five largest customers during the Track Record Period.

KEY CONTRACT TERMS WITH CUSTOMERS

Generally, contracts entered into with our customers contain terms relating to contract price, scope of work, duration, payment terms, liquidated damages and termination.

In relation to all of sale of sound and communication systems and related services, integrated services of sound and communication systems and AAS services

Duration

For sale of sound and communication systems and related services, the contract will state the duration for which the sale of sound and communication systems and related services, in particular the maintenance services, are to be performed, typically between one and four years.

For integrated services of sound and communication systems, the commencement date and the completion date of our works are to be in accordance with our customer's main project schedule, which will typically be stated in our contract and is usually between six months and two years, depending on the scale and complexity of the project.

For our AAS services contracts awarded to us in March 2013 and October 2014, their respective contract durations were based on a fixed period calculated from the date of substantial completion to commissioning of the AAS in the last housing rental block involved in each AAS services contract, with the fixed period being 72 months and 84 months, respectively.

Terms of payment

The credit terms for our customers are typically between 30 to 90 days. Certain of our sound and communication services solution contracts have retention sums, typically up to a maximum of 5.0% of the contract sum.

Insurance

Our contracts will typically include the requirement for us to procure insurance such as public liability insurance and work injury compensation insurance, or in certain projects, insurance against the works performed.

Performance bonds

We are usually required to arrange for the issuance of performance bonds by financial institutions such as insurance companies or banks in favour of our customers. There are typically two types of performance bonds requested by our customers: (i) banker's guarantee; or (ii) the purchase of insurance bond. Performance bonds obtained through a banker's guarantee are typically secured by a fixed deposit given by us, with a one-time administrative fee payable to the issuing bank. Performance bonds purchased from insurance companies typically includes a premium typically higher than the administrative fee charged for the issuance of a banker's guarantee. This is to remain in effect and typically discharged upon or after the defect liability period. Customers may claim on the performance bonds to make good of any losses, damages, costs and expenses as a result of our failure to fulfil the contract terms. Such performance bonds generally represent approximately 10% of the total contract value of the project. We did not experience any claim on any performance bonds during the Track Record Period.

For the purpose of satisfying the performance bonds requested by our customers, during the Track Record Period, we have obtained two banker's guarantees from a bank in Singapore, which are secured by fixed deposits placed by our Controlling Shareholders and executive Directors, Mr. Mong and Ms. Choon with the bank. Such fixed deposits placed in the names of Mr. Mong and Ms. Choon were replaced by fixed deposits in the name of ISPL. During the Track Record Period, we have also obtained nine insurance bonds in Singapore for the purpose of satisfying the performance bonds requested by our customers. These insurance bonds are guaranteed by ISPL, Mr. Mong and Ms. Choon. These personal guarantees provided by Mr. Mong and Ms. Choon for the insurance bonds will be released/replaced by corporate guarantees provided by our Company upon or before Listing.

Foreign workers

We will be fully responsible to ensure our employment of foreign workers is in compliance with the employment laws in Singapore. During the Track Record Period, our Directors confirm that we did not employ any illegal workers and no action or notification was made against us or issued to us in connection with the hiring of illegal workers. Please refer to the section headed "– Employees" for further information regarding our employment of foreign workers.

Liquidated damages

It is generally specified in our contracts (except for sale of sound and communication system and related services) with customers that liquidated damages will be imposed on us if we fail to fulfil our services or works within the stipulated time frame. The calculation mechanism for the liquidated damages is stated in the contract. In case of delay, we will need to pay some or all of the liquidated damages to the customer, depending on whether the delay was caused solely by us or other third parties. During the Track Record Period, our Group did not incur any material liquidated damages.

Termination

Our contracts can typically be terminated by our customers, among others, if we fail to execute the agreed scope of works, or if we become bankrupt or insolvent, or due to other reasons such as failure to procure performance bonds. During the Track Record Period, none of our contracts were terminated pursuant to the termination clause.

Defect liability period

The defect liability period in contracts for integrated services of sound and communication systems works refers to such period, typically 12 months, from the date of substantial completion of the works as certified by the customer or customer's representative. During the defect liability period, we are required to rectify any defect without delay at our own cost if the defect is due to our non-conformance of works performed, or where it is due to a fault in the design that we are responsible for, or due to our neglect or failure to comply with our contractual obligation.

Variation

We may be given variation orders whereby our customers amend the specification and/or scope of works from that originally contracted. A variation order may vary the original scope of work and alter the original contract sum. Should the amendment in the variation order require us to conduct additional works, these will be negotiated separately.

In relation to sale of sound and communication systems and related services only

Contract value

In some sale of sound and communication systems and related services contracts, the contract value and the scope of work are fixed, while in other contracts, there is no fixed or committed contract value and the actual amount and nature of works required to be performed by our Group are subject to the customer's work orders from time to time during the contract period, which are charged according to a pre-agreed schedule of rates.

Warranty period

For parts and components sold or used in our sale of sound and communication systems and related services, a warranty period is applicable. Warranty period shall commence from the date of acceptance of the services performed, typically for a period of 12 months. During the warranty period, we shall re-perform the services if there is any breakdown related to the parts and components we provided. During the Track Record Period, our Group did not experience any warranty claim from our customers that will materially impact our financial position. Further, as disclosed in the section "Suppliers and subcontractors – Key contract terms with our suppliers" below, our suppliers generally grant us a warranty period of one year for the equipment upon delivery (i.e. faulty equipment will be replaced or repaired by the suppliers). As such, no material warranty expenses is expected to incur during our warranty period given to our customers and thus no provision was made for warranty claim from our customers during the Track Record Period.

SUPPLIERS AND SUBCONTRACTORS

Suppliers

We source hardware such as sound and communication systems including nurse call stations, speakers and audio accessories, cables and wires, and other electronic and electrical components from both our Singapore and overseas suppliers. Our working relationships with many of these suppliers have lasted from one to eight years.

We typically make our purchases with our suppliers on a project-by-project basis, based on the services and works to be performed, and major components of building systems are used upon delivery on-site. We check and inspect the material and equipment upon delivery to our projects' job sites. During the Track Record Period, we did not experience any material shortage or delay in the supply of materials and equipment to our projects job site that significantly affected our business.

Key contract terms with our suppliers

Supplier selection

Our Group maintains an internal list of approved suppliers. We select our suppliers based on a number of factors, including their (i) product quality; (ii) timely supply; (iii) stability; and (iv) product price. We generally select the most suitable supplier from the approved list depending on requirements of the project and specifications from our customers, subject to the availability and fee quotations of our suppliers.

Key contract terms with our suppliers

We normally place purchase orders with our suppliers. The key contract terms with our suppliers typically include, amongst others, the following:

Key terms	Description
Specifications and quantities of equipment to be purchased	This is generally a form of price list showing the unit price and specifications of each equipment.
Delivery	The ordered equipment is usually directly delivered to our customers' designated job site for installation. For our Singapore suppliers, the costs of transportation are generally borne by them. If the equipment is damaged during delivery, the liability is borne by them and we will request for its replacement. For our overseas suppliers, the costs of transportation, including freight charges, international handling fees and insurance costs, where applicable, are generally borne by us. If the equipment is damaged during delivery, liability will generally rest with us and is covered by insurance.
Terms of payment	Our suppliers generally require us to settle between 50% and 100% of the total purchase price upon their confirmation of our purchase orders as prepayment. Such suppliers generally issue an invoice to us for the remaining payment upon delivery of the equipment. The typical credit period on purchase of goods is between 30 to 60 days. Certain suppliers require us to pay upon presentation of the invoice or upon collection of the materials or goods supplied to us from their designated collection point.

Key terms	Description
Product return	Upon the arrival of the equipment at the job sites, we will examine the same and proceed with the required work on the equipment. If defective goods are found in the process, our suppliers will arrange for replacement of the equipment to us. The defective equipment is then delivered back to the relevant suppliers and we generally bear the costs of delivery incurred in the product return.
Warranty Period	Our suppliers generally grant us a warranty period of one year for the equipment upon delivery.

Subcontractors

Although our Group had 38 operational workers as at the Latest Practicable date, additional manpower may be required on an ad-hoc basis for our sound and communication services solution projects. In our integrated services of sound and communication systems projects, we may subcontract certain conduit laying, cable installation and electrical works to subcontractors, and we would be required to ensure that the works are performed according to the clients' and or main contractors' specifications, and on a timely basis. We outsource such work to our subcontractors because we consider that (i) this minimises our need to employ a large workforce and special skilled labour in certain specialised areas; and (ii) this increases our flexibility and cost effectiveness in carrying out the projects. We typically require our subcontractors to arrange for and bear the costs of the relevant labours, materials, and machinery and equipment necessary for carrying out the subcontracted works. In some cases, we would not require our subcontractors to bear the cost of certain materials if we decide to purchase such materials on our own costs.

Our Group maintains an internal list of approved subcontractors. In general, we are liable to our customers for the performances of our subcontractors, including defects, delay in delivery schedule, and violation of rules and regulations. In order to be included in our internal approved list of subcontractors, we would consider, among others, (i) track record in respect of their timely supply of subcontract works and ability to work with us on an urgent delivery basis; (ii) quality of subcontract works; and (iii) pricing. The subcontracting fees are determined based on, among others, the scope of work required, the completion time and the complexity of the work involved.

In order to monitor our subcontractors' work quality, we typically inspect their work and communicate with them from time to time through our project implementation department and sales and contract department, and ensure that they understand our requirements and/or concerns. We periodically review the subcontractors on our approved list to ensure their capability and that their work is up to standard. In general, we will invite at least two

subcontractors to submit tender for each project. Our Directors together with our project implementation and sales and contract departments will decide which subcontractors to use for each project based on our previous work experience with them. The Directors confirm that we did not have any material disputes with our subcontractors during the Track Record Period, and that we have not entered into any long term agreement with our subcontractors during the same period. Our Directors consider that we maintain a good business relationship with our subcontractors.

For each of the two years ended 30 June 2016 and 2017, subcontracting cost attributable to our subcontractors collectively amounted to approximately S$437,677 and S$230,210, which accounted for approximately 8.4% and 4.2%, respectively, of our total cost of sales/services for the relevant year.

Key contract terms with our subcontractors

The key contract terms with our subcontractors typically include, amongst others, the following:

Key terms	Description
Project scope	Scope of the subcontract works to be outsourced.
Commencement and completion date	When the project begins and expected duration.
Terms of payment	Subcontractors generally issue an invoice to us for the outstanding payment upon completion of the projects.
Compensation	In the event that the subcontractors are unable to complete their work to our satisfaction within the specified period of time, they may be required to compensate us at a pre-agreed rate of damages.
Retention	We may retain approximately 5.0% of the contract price until the 18-months warranty period expires.
Defect liability period	Goods and services provided to us by the subcontractors are generally covered by a defect liability period of typically 12 months.

For the two years ended 30 June 2017, the total purchases made from our top five suppliers (including subcontractors) amounted to approximately S$3.2 million and S$3.4 million, representing approximately 55.0% and 55.5% of our total purchase, respectively. The purchases from our largest supplier for the same period accounted for approximately S$0.9 million and S$0.8 million, representing approximately 28.3% and 23.8% of our total purchase, respectively.

The following tables set forth details of our five largest suppliers/subcontractors for each of the two years ended 30 June 2017, respectively:

For the year ended 30 June 2016

Ranking	Supplier/ subcontractor	Approximate years of relationship with our Group as at the Latest Practicable Date	Type of goods/services provided by our supplier/ subcontractor	Payment and credit terms	Location	Costs of goods/services contribution	
						Aggregate amount *S$'000*	Approximate % of total purchase of our Group
1	Supplier A	eight years	Healthcare communication systems	Payable by telegraphic transfer/credit card, 60 days	U.S.	905	28.3
2	Supplier B	six years	Wireless and voice-communication systems	Payable by cheque/credit card, 60 days	U.S.	327	10.2
3	Supplier C	three years	Subcontracting services for conduit laying, cable installations and other electrical works	Payable by cheque, 30 days after certification of progress claim	Singapore	203	6.3
4	Supplier D	five years	Sound and communication systems related products	Payable by cheque, 30 days	Singapore	167	5.2
5	Supplier E	eight years	Sound and communication systems related products	Payable by telegraphic transfer, cash on delivery	Malaysia	159	5.0

For the year ended 30 June 2017

Ranking	Supplier/ subcontractor	Approximate years of relationship with our Group as at the Latest Practicable Date	Type of goods/services provided by our supplier/ subcontractor	Payment and credit terms	Location	Costs of goods/services contribution	
						Aggregate amount *S$ million*	Approximate % of total purchase of our Group
1	Supplier A	eight years	Healthcare communication systems	Payable by telegraphic transfer/credit card, 60 days	U.S.	821	23.8
2	Supplier F	one year	Subcontracting services for conduit laying, cable installations and other electrical works	Payable by cheque, 30 days	Singapore	328	9.5
3	Supplier E	eight years	Sound and communication systems related products	Payable by telegraphic transfer, cash on delivery	Malaysia	258	7.5
4	Supplier G	one year	Subcontracting services for conduit laying, cable installations and other electrical works	Payable by cheque, 30 days	Singapore	253	7.3
5	Supplier B	six years	Wireless and voice-communication systems	Payable by cheque/credit card, 60 days	U.S.	251	7.3

Our top five suppliers during the Track Record Period were Independent Third Parties. None of our Directors, Shareholders (who to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) or their respective close associates had any interest in any of our top five suppliers during the Track Record Period.

Our Directors consider that we have over the years maintained a good relationship with our suppliers. None of our major suppliers stated in the tables above were also our customer during the Track Record Period.

Supplier(s) concentration

Our Group's top five suppliers who accounted for approximately 55.0% and 55.5% of our total purchases from suppliers for the two years ended 30 June 2017, respectively were all Independent Third Parties. Also, approximately 28.3% and 23.8% of our Group's total purchase from suppliers were attributable to our largest supplier for the two years ended 30 June 2017, respectively. For the risk relating to suppliers concentration, please refer to the section headed "Risk Factors" in this prospectus. Despite the aforesaid figures during the Track Record Period exhibit suppliers concentration, our Directors consider that the Group is not reliant on any single supplier because of the following:

(i) our Group maintains a list of approved suppliers, comprising active and reserved suppliers, which have passed our periodic assessment on the raw materials, consumables and services supplied. Our Group procures from a number of suppliers for certain materials and services and in the event that a supplier ceases to supply to our Group, our Group could select other approved suppliers/sub-contractors from the list as replacement to prevent disruption to the supplies and ensure the quality thereof; and

(ii) our Directors consider that supplies of the raw materials, consumables and services used in Group's services are ample in the market with numerous suppliers, and that the Group could seek alternative suppliers as and when appropriate in the market without material limitation.

INVENTORY CONTROL

We typically make our purchases with our suppliers on a project-by-project basis, based on the services and works to be performed, and major components of building systems are used upon delivery on-site. Apart from certain goods in transit, we do not hold inventory for the purpose of carrying out our sound and communication services solution works. For further details on our inventory, please refer to "Appendix I – Accountants' Report" of this prospectus.

KEY QUALIFICATIONS AND LICENSES

Our Group holds a number of licenses and registrations which enable us to carry on our business operations. In particular, we are registered under the mechanical and electrical workhead ME04 (communication and security systems) in the Contractors Registration System with a "L5" grade, which allows us to tender for installation and maintenance of communication and security systems projects in the public sector of Singapore with a tendering limit of S$13,000,000, and we are also registered under the supply workhead EPU/AVP/10 (audio visual, photographic and optical products) in the Suppliers Directory under GeBIZ with a "S8" financial grade, which allows us to tender for certain supply project in the public sector of Singapore with a tendering limit of S$10,000,000. For further details of our licences and registrations, please refer to the section headed "Regulatory Overview – Laws and Regulations relating to the Carrying On of the Business of Our Group" in this prospectus.

Our Directors are of the view that our existing registrations under the Contractors Registration System and Suppliers Directory are adequate for our existing business needs. Our Directors confirm that our Group has obtained all necessary licences and registrations which are required to carry on our principal business activities in Singapore as at the Latest Practicable Date.

Requirements for maintaining our licences and registration

Our ability to maintain our registrations under the Contractors Registration System and Suppliers Directory are crucial to our business operations. Please refer to the section headed "Risk Factors – Failure to renew or, any suspension or cancellation of any of our existing licences and registrations could materially affect our operations and financial performance" in this prospectus for further information.

There are certain financial, personnel, track record, certification and other requirements that we have to comply with in order to maintain such licences and registrations, which are set forth in detail in the section headed "Regulatory Overview – Laws and Regulations relating to the Carrying On of the Business of Our Group" in this prospectus.

Personnel requirements

One of such requirements is in relation to the employment of management and technical personnel, which are set forth in detail in the section headed "Regulatory Overview – Laws and Regulations relating to the Carrying On of the Business of Our Group" in this prospectus and set out below.

Workhead and Grade	Experience and Expertise Requirement		Our Group's qualified personnel in fulfilling the requirement as at LPD
ME04 L5 Grade	The following two experience and expertise requirements need to be fulfilled:		
	1.	(a) 1 professional personnel with at least a degree in mechanical **or** electrical/electronics engineering recognised by the PEB **or** equivalent qualifications approved by BCA; **or**	Our Group currently fulfils requirement 1(b) and 1(c)
		(b) 1 professional personnel with a recognised degree in mechanical or electrical/electronics engineering or equivalent; **or**	2
		(c) 2 technical personnel with at least a polytechnic diploma in mechanical, electrical/electronics engineering **or** equivalent qualifications approved by BCA (with one of the technical personnel having at least eight years of relevant experience); **and**	3*Note*

Workhead and Grade	Experience and Expertise Requirement	Our Group's qualified personnel in fulfilling the requirement as at LPD
	2. at least (a) 1 professional personnel with at least a degree in mechanical **or** electrical/electronics engineering recognised by the PEB **or** equivalent qualifications approved by BCA with a certificate of attendance in BCCPE; **or**	Our Group currently fulfils requirement 2(c)
	(b) 1 professional personnel with a recognised degree in mechanical **or** electrical/electronics engineering **or** equivalent qualifications, with a certificate of attendance in BCCPE; **or**	Our Group currently fulfils requirement 2(c)*Note*
	(c) 1 technical personnel with a polytechnic diploma in mechanical, electrical/ electronics engineering **or** equivalent qualifications approved by BCA, with a certificate of attendance in BCCPE	1*Note*
	Note: If our remaining two employees with at least a polytechnic diploma in mechanical, electrical/electronics engineering **or** equivalent qualifications approved by BCA (with one of the technical personnel having at least eight years of relevant experience) attend a half day course in BCCPE, they will fulfill the requirement under 2(c). In addition, if our two employees with a recognised degree in electrical/electronics engineering attend a half day course in BCCPE, they will fulfill the requirement under 2(b)	

Workhead and Grade	Experience and Expertise Requirement	Our Group's qualified personnel in fulfilling the requirement as at LPD	Additional number of employees which are required to fulfill the requirement
ME04 L6 Grade	The following two experience **and** expertise requirements need to be fulfilled:		
	1. (a) 2 professional personnel with at least a degree in mechanical **or** electrical/ electronics engineering recognised by the PEB **or** equivalent qualifications approved by BCA (both with at least five years of relevant experience); **or**	0	Our Group currently fulfils requirement 1(b)
	(b) 2 professional personnel with a recognised degree in mechanical or electrical/ electronics engineering or equivalent (both with at least five years of relevant experience); **and**	2	N/A
	2. at least (a) 1 professional personnel with at least a degree in mechanical **or** electrical/ electronics engineering recognised by the PEB **or** equivalent qualifications approved by BCA with a Specialist Diploma in Construction Productivity conducted by BCA Academy **or** Certified Construction Productivity Professional status; **or**	0	1

Workhead and Grade	Experience and Expertise Requirement	Our Group's qualified personnel in fulfilling the requirement as at LPD	Additional number of employees which are required to fulfill the requirement
	(b) 1 professional personnel with a recognised degree in mechanical **or** electrical/ electronics engineering **or** equivalent qualifications approved by BCA, with a Specialist Diploma in Construction Productivity conducted by BCA Academy **or** Certified Construction Productivity Professional status	0	1

Our executive Directors confirm that during the Track Record Period and up to the Latest Practicable Date, all such personnel requirements under "L5" grade were fully complied with and were satisfied by our employment of the following management and technical personnel: (i) Mr. Mong; and (ii) Ms. Choon, our Controlling Shareholders and executive Directors. To qualify for the "L6" grade under the mechanical and electrical workhead ME04, the Group would hire an additional professional personnel who will meet the criteria 2(a) or 2(b) as stated in the table above.

As at the Latest Practicable Date, the Group also has three additional employees who are qualified to take up the relevant roles for fulfilling the personnel requirements under the "L5" grade. One of these three additional employees holds polytechnic diploma in mechanical or electrical/electronics engineering from BCA approved institutions with at least eight years of relevant experience and the other two hold recognised degree in mechanical or electrical/electronics engineering or equivalent. Having considered our employment of the aforesaid management and technical personnel which satisfies the relevant personnel requirements as well as the fact that our Group has, as at the Latest Practicable Date, three additional employees who are qualified to take up the relevant roles for fulfilling the personnel requirements under the "L5" grade in case any replacement is required, our Directors are of the view that our Group is not relying on any particular employee for fulfilling the relevant personnel requirements under ME04 "L5" grade.

Certification requirements

Another relevant requirement is in relation to the possessing of certain certifications with respect to quality control, workplace safety and health, and environmental protection. We have obtained such required certifications throughout the Track Record Period and up to the Latest Practicable Date, as set forth in the following table:

Relevant authority/ organisation	Relevant list/category	Qualification/ Licence/ Grading	Obtained by	Date of first grant/ registration	Date of expiry
An independent certification body accredited by the Singapore Accreditation Council	Quality management system for the provision of supply, installation, testing and commissioning and maintenance of sound and visual communication systems	ISO 9001:2015	ISPL	19 October 2011	18 October 2020
Workplace Safety and Health Council of Singapore	bizSAFE	bizSAFE Level 3	ISPL	19 August 2011	30 June 2020

WORKPLACE SAFETY AND HEALTH

Workplace safety and health policy

We are committed to creating a safe working environment for our employees. As part of our ongoing efforts, we have implemented a five-step programme initiated by the Workplace Safety and Health Council known as bizSAFE, which is designed to assist companies to develop their workplace safety and health standards. In 2011, we became a bizSAFE Level 3 certified business through fulfilling requirements such as implementing a risk management plan ("**RM Implementation**"), a process that involved conducting risk assessment for every work activity and process carried out at our workplaces, and engaging a Ministry of Manpower-approved auditor to assess our RM Implementation. BizSAFE Level 3 is the minimum level required to enter into tenders and contracts with bizSAFE partners.

Our workplace safety and health policy has the following objectives:

(i) Commitment to hazard anticipation and elimination in order to prevent personal injury;

(ii) Compliance with applicable regulatory requirements and adoption of best practices; and

(iii) Education and training for employees to prevent accidents and injuries.

We have established the following key steps in our bizSAFE risk management system:

I. Hazard identification, risk evaluation and controls' determination

This involves maintaining a list of workplace safety and health hazards, based on analysis of our services and works performed, inspection reports and incidents reports. Upon identification of the potential safety hazards, a risk assessment will be carried out to designate certain potential hazards as significant. Particular attention will be paid to these significant hazards during our formulation and implementation of controls. The list of potential hazards is reviewed and changes are updated once every three years.

II. Legal and regulatory compliance

We also maintain a list of applicable workplace safety and health regulations and ensure that this is up-to-date. Changes to these rules and regulations will be communicated to our relevant departments and evaluation of our workplace safety and health compliance will be carried out.

III. Objectives and key performance indicators

We believe that workplace safety and health related injuries can be prevented. One of the performance indicators are clearly defined, measured in terms of number of incidents.

IV. Delegation of responsibilities and monitoring

Responsibilities are delegated for action items to achieve our targets. Action items include the carrying out of inspection in accordance with the risk control action plan that we set up, and the monitoring and reporting of incidents. We have the following staff designations in our workplace safety and health risk management system:

- Our management is tasked with the overall responsibility for our workplace safety and health policy and the authority to stop unsafe work activities; and

- Our project manager/project engineers are tasked with the responsibility for identification, control and reporting of hazards and incidents. Being part of our workplace safety and health risk management team, they also have the responsibilities of (i) identification of training needs and ensuring that relevant staff received the relevant training; (ii) rectification of any unsafe work practices; (iii) conduct periodic inspections; and (iv) provide regular updates on the appropriate risk control measures implemented to eliminate or reduce identified risks;

- It is made known to our employees that they are responsible for performing their work in accordance with the work instructions and procedures, including but not limited to (i) wearing protective equipment (for our employees at job sites); (ii) attending the required training; (iii) reporting unsafe act and incident immediately; and (iv) participating in safety activities.

V. Training and awareness

Our workplace safety and health risk management team conduct internal trainings to inform our employees of, including but not limited to, our workplace safety and health policy, safety procedures and risk management regulations. If required, we also send relevant employees to training courses conducted by Ministry of Manpower or Ministry of Manpower accredited training centres, such as construction safety orientation courses for our operational employees.

To the best knowledge of our Directors, there has been no workplace related accidents that will materially affect our business operations or financial positions during the Track Record Period.

ENVIRONMENTAL MATTERS

As advised by our Singapore Legal Advisers, our sound and communication services solution operations in Singapore are not subject to any environmental protection law and regulation in Singapore.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, we have registered one domain name, **www.ispg.hk**, and we had registered our trademark in Singapore. Details of our intellectual property rights are set out in the paragraph headed "Further information about the business of our Group – 8. Intellectual property rights of our Group" in Appendix V to this prospectus. As at the Latest Practicable Date, we were not aware of any material infringements (i) by us of any intellectual property rights owned by third parties; or (ii) by any third parties of any intellectual property rights owned by us and we were also not aware of any pending or threatened claims against us or any of our subsidiaries in relation to the material infringement of any intellectual property rights of third parties.

EMPLOYEES

As at the Latest Practicable Date, our Group had a total of 51 full-time staff (including our executive Directors), of which 13 were local (Singapore) employees and 38 were foreign employees (including site foreign workers and other employees). All our employees are stationed in Singapore.

The following sets forth the number of our staff in the respective functions of our Group (including our executive Directors but not our independent non-executive Directors) as at 30 June 2016, 30 June 2017 and the Latest Practicable Date:

	For the year ended 30 June		As at the Latest
	2016	2017	Practicable Date
General management	3	4	4
Sales and contract department	5	6	6
Information technology support and development department	3	3	3
Project implementation department	21	21	21
Safety department	shared headcount[1]	shared headcount[1]	shared headcount[1]
Maintenance service department	13	13	13
Administrative and account department	4	4	4
Total	49	51	51

Note:

1. Members of the safety department of our Group is made up of employees from our other departments including employees from our general management, maintenance service department and project implementation department

Recruitment policies and foreign workers

Our administrative and account department assesses our available human resources on a continual basis and, together with our Directors and senior management, determines whether additional employees are required to cope with our business operations.

During the Track Record Period, our foreign workers are generally sourced and recruited through an Independent Third Party agency. The supply of foreign workers in Singapore is subject to various regulations and policies.

In particular, the availability of foreign workers to the construction industry is regulated by the Ministry of Manpower through certain policy instruments, including but not limited to (i) the dependency ceilings based on the ratio of local to foreign workers; and (ii) quotas based on the man year entitlements ("**MYE**") in respect of workers from non-traditional sources ("**NTS**") and the PRC.

(i) Dependency ceilings

The dependency ceiling refers to the maximum permitted number of foreign workers to the total workforce that a company in a stipulated sector is allowed to hire.

The dependency ceilings for the construction industry in Singapore is currently set at a ratio of one full-time local worker to seven foreign workers. However, the quota may not apply to higher skilled foreign employees. As at the Latest Practicable Date, our Group had a total of 51 full-time staff (including our executive Directors), of which 13 were local workers and 38 were foreign workers. Based on the ratio of one full-time local worker to seven foreign workers, the maximum number of foreign workers our Group can hire is 91, which means that we can hire 53 additional foreign workers based on the dependency ceilings.

(ii) MYE

MYE is a work permit allocation system for employment of construction workers from NTS countries and the PRC. MYE represents the total number of work permit holders a main contractor is entitled to employ based on the value of the projects or contracts awarded by the developers or owners. A main contractor's MYE will expire on the completion date of the relevant project.

As advised by the Singapore Legal Adviser, the maximum number of foreign workers our Group can employ is subject to the ratio of one full-time local worker to seven foreign workers set under the dependency ceilings, no matter how many MYE our Group has obtained. Companies without MYE may still employ NTS or PRC construction work permit holders upon a waiver granted by Ministry of Manpower, subject to the compliance with, inter alia, the dependency ceiling and paying a higher foreign worker levy rate.

Please see the section headed "Regulatory overview – Laws and regulations relating to employment, health and safety" in this prospectus for the entirety of the advice provided by the Singapore Legal Adviser in relation to the above.

Our foreign workforce comprises 38 employees holding various types of permits and passes, mainly including (i) work permits for our site foreign workers and semi-skilled foreign staff in other departments; and (ii) S Passes for some of our foreign employees in various departments who met certain criteria such as acceptable qualifications and a fixed monthly salary of at least S$2,200.

Security bonds for our foreign workers are required by the Ministry of Manpower for new applications of their work permits (see "Regulatory overview – Laws and regulations relating to employment, health and safety" in this prospectus).

All employers of foreign non-Malaysian work permit holders are required to furnish a S$5,000 security bond with the Ministry of Manpower in the form of insurance guarantee. As at the Latest Practicable Date, we had 17 foreign workers who were non-Malaysian work permit holders. During the Track Record Period, we have arranged for the issuance of security bonds by insurance companies for our relevant foreign workers. Such security bonds were secured by, among other things, personal guarantees given by Mr. Mong and Ms. Choon in favour of an insurance company in Singapore. As at the Latest Practicable Date, such personal guarantees have been released by the said insurance company.

We believe that any material difficulties in employing foreign labour may materially affect our operation and financial performance. In order to mitigate the impact of foreign labour shortages arising from changes in relevant laws and regulations in Singapore and/or other countries where the foreign labour originated, our management has adopted a policy to employ foreign labour from more than one countries including India, Bangladesh, Malaysia, Myanmar and PRC. To mitigate the increasing expenses (including foreign worker levies) incurred with employing foreign workers, our Group will either hire skilled foreign workers (where the applicable foreign worker levies are lower). After sufficient training, our Group would be able to apply to the BCA Academy to qualify them as skilled foreign workers so as to benefit from lower applicable foreign worker levies. In our recruitment exercise, our Group also makes it a point to hire more skilled foreign workers as they are normally more productive and incur lower foreign worker levies.

Employee's remuneration and benefits

Our employees are remunerated according to their job scope, responsibilities, and performance. Our local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of our Group. Our foreign workers are typically employed based on their work permit and subject to renewal based on their performance, and are remunerated according to their work skills. Our Group provides medical insurance coverage for our foreign workers as required by the Ministry of Manpower.

In relation to accommodation for our foreign non-Malaysian work permit holders, they are generally given the option of (i) staying in an accommodation provided by our Group; or (ii) staying in an accommodation of their choice as long as it is an accommodation approved by the Ministry of Manpower. All our foreign non-Malaysian work permit holders are given an accommodation allowance for such purpose.

Central Provident Fund

Our Group participates in the mandatory provident fund for our employees in accordance with the Central Provident Fund Act, Chapter 36 of Singapore, and has paid the relevant contributions accordingly.

Employees training

We recognise that having qualified and competent employees are crucial to our continued competitiveness and success. We organise internal training programmes and also send employees for external training courses to assist our employees in achieving better work quality and higher safety standards.

Our in-house training programmes include orientation programmes for new employees to familiarise them with the general working environment and work culture, and also on-the-job training for all employees to equip them with the skills and knowledge relevant to their respective job scope and to enhance their awareness of the relevant statutory requirements and building regulations and the latest industry developments.

Employee relations

Our Directors believe that we have a good relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with our employees. Our employees are not members of any labour union. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant problems with employees or other labour disturbances to our operations and we did not experience any material difficulties in the recruitment and retention of experienced staff.

INSURANCE

Our insurance policies as at the Latest Practicable Date include:

– Work injury compensation policies for all our manual workers and non-manual workers earning less than S$1,600 per month, as stipulated by the Ministry of Manpower, in the form of specific work injury compensation policies obtained in respect of the various contracts or projects which our manual workers are being deployed to, as well as a general work injury compensation policy, renewed annually, for our other workers who are not covered under the aforesaid specific policies;

– Public liability insurance to cover personal injury, damage to property, plant and machinery in Singapore, in connection with our business operations;

– Contractors' all risks insurance to cover both damage to property and third-party injury or damage claims;

– Foreign worker medical and personal accident insurance, as stipulated by the Ministry of Manpower, renewed annually;

– Group insurance policy to cover hospitalisation expenses for all Singaporean and permanent resident employees and foreign workers who are office staff; and

– Fire insurance to cover loss or damage to inventories, property, plant and machineries due to fire.

Our Directors consider that our insurance coverage is adequate for the operation of our business, and is in line with the industry norm.

Certain risks disclosed in the section headed "Risk Factors" in this prospectus, such as risks in relation to our ability to maintain and renew our licences and registrations, our ability to obtain new contracts, our ability to retain and attract personnel, customer concentration, performance of subcontractors, project and cost management, credit risk and liquidity risk, are generally not covered by insurance because they are either uninsurable or it is not cost justifiable to insure against such risks. Please refer to the section headed "– Internal Control and Corporate Governance" in this prospectus for further details regarding how our Group manages certain uninsured risks.

MARKET AND COMPETITION

According to the Frost & Sullivan Report, the market size of communication expenditure in total services sector has recorded an increase between 2012 and 2016 from S$3,830.8 million to S$4,008.0 million, representing a CAGR of 1.1%. Further, with the aging population in Singapore, health services expenditure is expected to rise steadily in the next five years at a CAGR of 3.3%, which will at the same time drive the growth of the communication expenditure in health services sector. The total communication expenditure is expected to increase at a CAGR of 2.0%, amounting to approximately S$4,319.6 million by 2021. Key reasons for such growth include, the increasing government expenditure by Singapore Government on healthcare, increasing demand for security and safety and a rapid development in communication technology.

For further details, please refer to the section headed "Industry Overview" in this prospectus. Our Directors believe that our competitive strengths will enable us to maintain our position as one of the active market players in the industry in Singapore. For details of our competitive strengths, please refer to the paragraph headed "– Competitive Strengths" in this prospectus.

SEASONALITY

Our Directors consider that seasonal fluctuations in the demands for our services are not particularly significant due to the following reasons:

(i) In respect of our integrated services of sound and communication systems business, our Directors consider that it is generally not subject to any material seasonal fluctuations as integrated services of sound and communication systems works generally take place throughout the year in Singapore based on the experience of our Directors.

(ii) In respect of our sale of sound and communication systems and related services business, for instance the maintenance of public address systems in schools, we generally experience more work orders in respect of such contracts during school holiday periods such as in June and mid-November to December. Apart from this, our Directors consider that demands for sale of sound and communication systems and related services are not subject to any material seasonal fluctuations as preventive and scheduled maintenance services are normally required on a regular basis, while breakdowns and repairs of building systems generally take place throughout the year based on the experience of our Directors.

(iii) In respect of our AAS services, as they are based on contractual terms, they are not subjected to any seasonal fluctuation. Based on the experience of our Directors, at the end of each AAS services contract, the Singapore Government agencies will typically seek tenderers through open tenders to bid for new AAS services contracts.

PROPERTIES

Owned property

The following table summarises information regarding our owned property as at the Latest Practicable Date:

Address	Gross floor area	Usage	Market Value
3 Ang Mo Kio Street 62, #01-39, LINK@AMK, Singapore 569139	Approximately 863 square metres	The property is occupied by the Group for office and storage purposes. A portion of the property was leased for commercial office use.	Approximately S$5.0 million as at 30 June 2017, as assessed by Ascent Partners Valuation Service Limited, an independent property valuer, details of which are set out in Appendix III to this prospectus.

Such owned property was pledged for a mortgage loan as at 30 June 2016 and 30 June 2017. For further information, please refer to the section headed "Financial Information – Discussion of Selected Combined Statement of Financial Position Items – Property, plant and equipment" in this prospectus.

Leased property

The following table summarises the information regarding our leased property as at the Latest Practicable Date:

Address	Gross floor area	Usage	Monthly rental	Tenure
Cochrane Lodge 1, State Land Lot 05127V (PT), 51 Admiralty Road West, Singapore 757443	Approximately 48 square metres	Foreign worker's accommodation	S$3,660	Six months, from 1 May 2017 to 31 October 2017

LITIGATION AND CLAIMS

Our Directors confirm that as at the Latest Practicable Date, save as disclosed under this sub-section headed "Litigation and Claims", no member of our Group was engaged in any litigation or claim of material importance, and no litigation or claim of material importance was known to our Directors to be pending or threatened against any member of our Group.

Concluded legal cases

During the Track Record Period and up to the Latest Practicable Date, we were involved in one case commenced by an Independent Third Party in relation to a traffic accident involving settlement amount of S$4,497.

NON-COMPLIANCE

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we had no material or systemic non-compliance incidents that would have a material adverse effect on our business, financial condition and results of operations taken as a whole.

Indemnity from our Controlling Shareholders

Our Controlling Shareholders have executed the Deed of Indemnity in favour of our Group whereby they will jointly and severally indemnify each member of our Group against, among others, any and all losses, claims, actions, demands, liabilities, damages, costs, expenses, penalties, fines and of whatever nature suffered or incurred by any member of our Group as a result of or in connection with any violations or breaches or non-compliance of any laws, rules or regulations and/or all litigations, arbitrations, claims, complaints, demands and/or legal proceedings by or against any of the member of our Group in Hong Kong, Singapore, the Cayman Islands, BVI or any other part of the world, which was issued, accrued and/or arising from any act of any of the member of our Group at any time on or before the Listing Date, including but not limited to our Group's non-compliance matters occurred during the Track Record Period. Please refer to the section headed "Other Information – 13. Tax and Other Indemnities" in Appendix V to this prospectus for further details of the Deed of Indemnity.

INTERNAL CONTROL AND CORPORATE GOVERNANCE

Our Directors are responsible for formulation and overseeing the implementation of the internal control measures and effectiveness of risk management system, which is designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

We have adopted the following measures to ensure on-going compliance with all applicable laws and regulations after the Listing and to strengthen our internal control:

(i) our Directors have attended trainings conducted by our Hong Kong legal advisers on the on-going obligations, duties and responsibilities of directors of publicly listed companies under the Companies Ordinance, the SFO and the GEM Listing Rules and our Directors are fully aware of their duties and responsibilities as directors of a listed company in Hong Kong;

(ii) we have appointed Kingsway Capital Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules to ensure that, among other things, we are properly guided and advised as to compliance with the GEM Listing Rules and all other applicable laws, rules, codes and guidelines;

(iii) our Group has appointed Ms. Choon as our compliance officer. The role of the compliance officer includes advising on and assisting our Board in implementing procedures to ensure that our Group complies with the GEM Listing Rules and other relevant laws and regulations applicable to our Group, and responding promptly and efficiently to all enquiries directed at her by the Stock Exchange;

(iv) our Group has established an audit committee with written terms of reference in accordance with Appendix 15 to the GEM Listing Rules to review the internal control system and procedures for compliance with the requirements of the GEM Listing Rules, the Companies Ordinance and other applicable laws, rules and regulations;

(v) our Group has appointed Mr. Lee Ka Hok George as our company secretary to oversee the company secretarial matters of our Group; and

(vi) our Company will, from time to time, appoint external legal advisers, where applicable, to advise us on compliance with and to provide us with updates on the changes in the GEM Listing Rules and the applicable laws, rules and regulations from time to time to see if any change is required to be made with our operation and internal control system.

With a view to strengthen the internal control procedures of our Group, we have engaged an independent internal control consultant to perform a review over selected areas of our internal controls over financial reporting. The selected areas of our internal control over financial reporting that were reviewed by the internal control consultant included entity level control, revenue, receivable and collection, procurement, accounts payable and payment, inventory management, human resources and payroll, fixed assets, cash and treasury management, financial reporting and disclosure control and tax management.

BOARD OF DIRECTORS

The Board currently consists of five Directors comprising two executive Directors and three independent non-executive Directors. The following table sets out the information regarding the members of the Board:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Relationship with Directors and other senior management	Roles and responsibilities
Executive Directors						
Mr. Mong Kean Yeow (蒙景耀)	49	Chairman of our Board, executive Director and chairman of the Nomination Committee	22 July 2002	21 July 2017	Spouse of Ms. Choon Shew Lang	Overall strategic planning and the daily operation of our Group including managing key customer relationship
Ms. Choon Shew Lang (莊秀蘭)	48	Executive Director, chief executive officer, compliance officer and member of the Remuneration Committee	22 July 2002	21 July 2017	Spouse of Mr. Mong Kean Yeow	Overseeing the sales and contract department and administrative and account department of our Group
Independent non-executive Directors						
Mr. Lim Loo Kit (林魯傑)	47	Independent non-executive Director, member of the Audit Committee and Nomination Committee	14 December 2017	14 December 2017	Nil	Supervising and providing independent judgement to our Board
Mr. Lim Meng Yi (林明毓)	46	Independent non-executive Director, chairman of the Remuneration Committee, member of the Audit Committee and Nomination Committee	14 December 2017	14 December 2017	Nil	Supervising and providing independent judgement to our Board

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Relationship with Directors and other senior management	Roles and responsibilities
Mr. Tang Chi Wai (鄧智偉)	44	Independent non-executive Director, chairman of the Audit Committee and member of the Remuneration Committee	14 December 2017	14 December 2017	Nil	Supervising and providing independent judgement to our Board

SENIOR MANAGEMENT

Our senior management comprises the following persons:

Name	Age	Position	Date of joining our Group	Relationship with Directors and other senior management	Roles and responsibilities
Mr. Goh Boon Pan (吳文平)	46	Senior Manager	1 July 2015	Nil	Management, design and implementation of our projects
Mr. Heng Yew Chong Benedict (王偃仲)	27	Financial Controller	19 June 2017	Nephew of Mr. Mong and Ms. Choon	Accounting and finance matters of our Group

EXECUTIVE DIRECTORS

Mr. Mong Kean Yeow (蒙景耀), aged 49, is the chairman of the Board, an executive Director and one of our Controlling Shareholders. He was appointed as a Director on 21 July 2017 and was redesignated as an executive Director and appointed as the chairman of the Board on 14 December 2017. Mr. Mong is the co-founder of ISPL and has been a director of that company since 22 July 2002. He is also the chairman of the Nomination Committee of the Board. Mr. Mong is responsible for the overall strategic planning and the daily operation of our Group including managing key customer relationship.

Mr. Mong has approximately 18 years of experience in sound and communication industry. Prior to joining our Group in 2002, Mr. Mong and Ms. Choon co-founded a telecommunication company named Intellink Systems Pte Ltd (now known as Intellilink Systems Pte. Ltd.) in 1999 and acted as a director of such company. Mr. Mong was responsible for new business development and managed the project planning and implementation process.

Between 1992 to 1995, Mr. Mong worked for Bell & Order Engineering Pte. Ltd. as a sales manager responsible for preparing tenders and quotations and communication with customers and suppliers of such company. He also worked closely with the project team for system design and integration to ensure engineering standards were met. After that, Mr. Mong has dedicated his time to family matters and later began the preparation of the establishment of Intellink Systems Pte Ltd with Ms. Choon.

Mr. Mong obtained a diploma in electronics and communication from Singapore Polytechnic and a management diploma in sales and marketing from Temasek Polytechnic in May 1989 and August 1993 respectively.

Mr. Mong was previously a director or manager of the companies and/or sole proprietorship shown in the following table which were struck off and dissolved or ceased registration due to cessation of business:

Name of company /entity	Place of incorporation/ establishment	Nature of business prior to dissolution	Position	Date of dissolution	Means of dissolution
Intellilink Systems Pte. Ltd. (formerly known as Intellink Systems Pte Ltd)	Singapore	Telecommunications activities and cyber cafes	director	5 May 2008	Struck off*(Note)*
ISPL Service Centre	Singapore	Telecommunications activities and cyber cafes	sole proprietor	21 June 2017	Ceased registration

Note: Under section 344A of the Companies Act (Chapter 50), a company may apply to the Accounting and Corporate Regulatory Authority ("**ACRA**") to strike off its name from the companies register in Singapore. ACRA may approve the application if it has reasonable cause to believe that the company is not carrying on business and if it fulfils certain other conditions, including (a) the company having no assets and liabilities (current and future), (b) the company not being involved in any court proceedings (within or outside of Singapore), (c) the company, having obtained the written consent of the majority of its shareholders for the application to strike off, and (d) the company having no outstanding debts owed to any government agency (including the Inland Revenue Authority of Singapore or the Central Provident Fund Board in relation to employer contributions to the Central Provident Fund).

It is confirmed by Mr. Mong that the Intellilink Systems Pte. Ltd.'s dissolution was voluntary by way of submitting an application to the ACRA to strike off its name due to cessation of business.

Mr. Mong has further confirmed that (1) the abovementioned company and/or sole proprietorship were solvent before and at the time of their respective dissolution; (2) there is no fraudulent act or misfeasance on his part leading to the striking off, dissolution and/or the cessation of registration of the abovementioned companies and/or sole proprietorship; and (3) he is not aware of any actual or potential claim which has been or will be made against him as a result of the striking off, dissolution and/or cessation of registration of these companies and/or sole proprietorship.

Ms. Choon Shew Lang (莊秀蘭), aged 48, is our executive Director, chief executive officer and compliance officer of our Company. Ms. Choon was appointed as a Director on 21 July 2017 and was redesignated as an executive Director on 14 December 2017. Ms. Choon is the co-founder of ISPL and has been a director of that company since 22 July 2002. She is also a member of the Remuneration Committee of our Company. Ms. Choon is responsible for overseeing the sales and contract department and administrative and account department of our Group.

Ms. Choon has over 18 years of experience in sound and communication industry. Prior to the founding of our Group in 2002, Ms. Choon and Mr. Mong co-founded a telecommunication company named Intellink Systems Pte Ltd (now known as Intellilink Systems Pte. Ltd.) in 1999 and acted as a director of such company. She was responsible for preparing tender proposal, attending product demonstration and managing relationship with customers and thereby having acquired her experience in sales and marketing. From August 1990 to September 1993, Ms. Choon worked in Conner Peripherals (S) Pte Ltd and was responsible for material planning, production control and inventory control of that company, her last position held was senior planner. Ms. Choon has worked in Eclipse International (S) Pte Ltd as sales engineer and was responsible for customer quality, delivery and inventory control from October 1993 until September 1995 when she left such company to attend to family matters and later began the preparation of the establishment of Intellink Systems Pte Ltd with Mr. Mong.

Ms. Choon obtained a diploma in electronics and communication engineering from Singapore Polytechnic and was awarded the management diploma in sales and marketing from Temasek Polytechnic in May 1989 and August 1993 respectively.

Ms. Choon was previously a director of the company shown in the following table which was struck off and dissolved due to cessation of business:

Name of company	Place of incorporation/ establishment	Nature of business prior to dissolution	Position	Date of dissolution	Means of dissolution
Intellilink Systems Pte. Ltd. (formerly known as Intellink Systems Pte Ltd)	Singapore	Telecommunications activities and cyber cafes	director	5 May 2008	Struck off*(Note)*

Note: Under section 344A of the Companies Act (Chapter 50), a company may apply to the Accounting and Corporate Regulatory Authority ("**ACRA**") to strike off its name from the companies register in Singapore. ACRA may approve the application if it has reasonable cause to believe that the company is not carrying on business and if it fulfils certain other conditions, including (a) the company having no assets and liabilities (current and future), (b) the company not being involved in any court proceedings (within or outside of Singapore), (c) the company, having obtained the written consent of the majority of its shareholders for the application to strike off, and (d) the company having no outstanding debts owed to any government agency (including the Inland Revenue Authority of Singapore or the Central Provident Fund Board in relation to employer contributions to the Central Provident Fund).

It is confirmed by Ms. Choon that the Intellilink Systems Pte. Ltd.'s dissolution was voluntary by way of submitting an application to the ACRA to strike off its name due to cessation of business.

Ms. Choon has further confirmed that (1) the abovementioned company was solvent before and at the time of its dissolution; (2) there is no fraudulent act or misfeasance on her part leading to the striking off and dissolution of the abovementioned company; and (3) she is not aware of any actual or potential claim which has been or will be made against her as a result of the striking off and dissolution of such company.

Independent Non-executive Directors

Mr. Lim Loo Kit (林魯傑), aged 47, was appointed as our independent non-executive Director on 14 December 2017. His appointment as a member of the Audit Committee and the Nomination Committee will take effect on the Listing Date. He is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Lim has over 20 years of experience in engineering. Mr. Lim has been serving as a senior project manager at China Construction (South Pacific) Development Co. Pte Ltd since July 2012. From Nov 2009 to July 2012, Mr. Lim served as a project manager at Qingjian Group Co., Pte Ltd Singapore branch. From December 2007 to October 2009, Mr. Lim was a project manager at Lian Beng Construction (1988) Pte Ltd. From June 2007 to December 2007, Mr. Lim was a site project manager at Jansen SC International Pte Ltd. From September 2006 to June 2007, Mr. Lim was an assistant project manager at Wee Hur Construction Pte Ltd. From April 1997 to March 2005, Mr. Lim was a project engineer at Chip Hup Hup Kee Construction Pte. Ltd.

Mr. Lim graduated from Nanyang Technological University with a bachelor of engineering (civil) with merit in June 1996. He also has completed and passed the examination for the risk management course accredited by the Singapore Ministry of Manpower which was conducted by the Singaporean Contractors Association Ltd (SCAL) SCAL Academy in March 2012.

Over the years, Mr. Lim has obtained various professional qualifications and memberships including the following:

Professional qualifications	**Dates of admission**
ISO internal auditor	September 1999
Form work supervisor	October 2001
Construction safety for project manager	April 2007
Certified Construction Quality Assessment System (CONQUAS) Manager	August 2015

Mr. Lim is not and has not been a director of any other listed company in Hong Kong or overseas in the past three years.

Mr. Lim Meng Yi (林明毓), aged 46, was appointed as our independent non-executive Director on 14 December 2017. His appointment as chairman of the Remuneration Committee, member of the Audit Committee and Nomination Committee will take effect on the Listing Date. He is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Lim has over 18 years of experience in architecture. From February 1999 to April 2005, Mr. Lim worked for Archispace Designs. From May 2005 to October 2006, Mr. Lim worked as a project director in Kyoob Architects Pte. Ltd. Mr. Lim then founded MYA Designs, a sole proprietorship established in Singapore in September 2005 and has since been its principal architect. From February 2008 to December 2008, Mr. Lim was a project architect in Kann Finch Group, working on a project in the United Arab Emirates. Since May 2012, Mr. Lim joined Context Architects Pte Ltd as one of the principal architects. During his terms of service in such company, Mr. Lim has established his professional practices through building a strong business network and ensuring dedicated consultancy services with design excellence.

Mr. Lim obtained a bachelor of arts degree in (architectural studies) in July 1995 and a bachelor of architecture degree in July 1998, both from the National University of Singapore. He has been a registered architect of the Singapore Board of Architects since May 2002.

Mr. Lim is not and has not been a director of any other listed company in Hong Kong or overseas in the past three years.

Mr. Tang Chi Wai (鄧智偉), aged 44, was appointed as our independent non-executive Director on 14 December 2017. His appointment as the chairman of the Audit Committee and a member of the Remuneration Committee will take effect on the Listing Date. He is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Tang has over 20 years of experience in auditing and accounting. Mr. Tang has been serving as a financial controller, company secretary and authorised representative of Universal Technologies Holdings Limited (stock code: 1026, the shares of which is listed on the main board of the Stock Exchange) since June 2008. Mr. Tang has been responsible for financial and accounting functions as well as secretarial and compliance related matters of the aforesaid company. From November 2003 to November 2007, Mr. Tang was a finance manager at Valueplus Supply Chain Solution Limited, a company principally engaged in coordinating various logistics services and warehousing services. From December 1996 to April 2001, he was an auditor in Deloitte Touche Tohmatsu. Mr. Tang has been an independent non-executive director of (1) CHerish Holdings Limited (stock code: 2113, the shares of which is listed on the main board of the Stock Exchange) since September 2016, (2) Xin Point Holdings Limited (stock code: 1571, the shares of which is listed on the main board of the Stock Exchange) since June 2017 and (3) Noble Engineering Group Holdings Limited (stock code: 8445, the shares of which is listed on GEM) since September 2017.

Mr. Tang graduated from The Hong Kong Polytechnic University with a bachelor of arts (honours) degree in accountancy in November 1996. He has been a practising Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants since April 2001 and a Certified Internal Auditor of the Institute of Internal Auditors since November 2015. Mr. Tang has also been a holder of the Practitioner's Endorsement from The Hong Kong Institute of Chartered Secretaries since August 2015.

Over the years, Mr. Tang has also obtained various professional qualifications and memberships including the following:

Professional qualifications	Dates of admission
Member of Chinese Institute of Certified Public Accountants	September 2003
Fellow of The Association of Chartered Certified Accountants	January 2005
Fellow of The Hong Kong Institute of Certified Public Accountants	September 2009
Fellow of The Taxation Institute of Hong Kong	July 2010
Fellow of The Institute of Chartered Secretaries and Administrators	July 2015
Fellow of The Hong Kong Institute of Chartered Secretaries	July 2015
Fellow of The Hong Kong Institute of Directors	April 2015

Save as disclosed above, Mr. Tang has not been a director of any other listed companies in the last three years.

Disclosure of relationships as required under Rule 17.50(2) of the GEM Listing Rules

Save as disclosed in this prospectus, each of our Directors has confirmed that (i) there is no other matter concerning their respective appointments that needs to be brought to the attention of the Shareholders and the Stock Exchange; (ii) he/she has no interests in the Shares within the meaning of Part XV of the SFO; (iii) he/she is independent from, and is not related to, any other Directors, members of the senior management, Substantial Shareholders or Controlling Shareholders; (iv) he/she does not hold any other position in our Company or any of its subsidiaries; (v) he/she does not have any interest in any business which competes or may compete, directly or indirectly, with us; and (vi) there is no other matter which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, none of our Directors has held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this prospectus.

Senior Management

Mr. Goh Boon Pan (吳文平), aged 46, is the senior manager of our Company. Mr. Goh joined our group in July 2015 and has been responsible for the management, design and implementation of our projects. Mr. Goh also oversees and manages the engineer and technician team of our Group. Mr. Goh has accumulated approximately 16 years' experience in project management. Prior to joining our Group, he worked in ISPL Service Centre from August 2002 to June 2015 as senior project manager and in Intellink Systems Pte Ltd (now known as Intellilink Systems Pte. Ltd.) from September 2000 to July 2002 as a project engineer.

Mr. Goh obtained a diploma in electronics, computer and communication engineering from Singapore Polytechnic in May 1997.

Mr. Heng Yew Chong Benedict (王偲仲), aged 27, is the financial controller of our Company. Mr. Heng joined our Group in 19 June 2017 and has been responsible for the accounting and finance matters of our Group. Mr. Heng is experienced in the fields of auditing, accounting and financial management. Prior to joining our Group, Mr. Heng worked for Ernst & Young LLP from August 2014 to June 2017, his last position held was an audit senior.

Mr. Heng obtained his bachelor of accountancy degree from Nanyang Business School, Nanyang Technological University in June 2014. Mr. Heng has been a member of the Institute of Singapore Chartered Accountants since September 2017.

Save as disclosed in this prospectus, none of the senior management has (i) any directorship in any listed companies in the last three years; (ii) any family relationship with the Directors; and (iii) any other relationships with the Controlling Shareholders.

COMPANY SECRETARY

Mr. Lee Ka Hok George (李家學), aged 51, was appointed as the company secretary of our Company on 19 August 2017. Mr. Lee is a partner of Guantao & Chow Solicitors and Notaries, a Hong Kong law firm. He is a practicing solicitor, specialising in initial public offerings, mergers and acquisitions, listing rules and takeovers code compliance, as well as general commercial matters. He is a China-appointed Attesting Officer (中國委託公證人). Mr. Lee was admitted as a solicitor of the High Court of Hong Kong in September 2000. He was also admitted as a solicitor of the Supreme Court of England & Wales in September 2002 (non-practicing). He obtained a Bachelor of Science degree in computer studies from City University of Hong Kong in November 1991 and common professional examination from Manchester Metropolitan University of United Kingdom and University of Hong Kong School of Professional and Continuing Education in September 1996.

Mr. Lee does not have any current or past directorships in any listed companies in the last three years.

COMPLIANCE OFFICER

Ms. Choon Shew Lang (莊秀蘭), is the compliance officer of our Company. Please refer to "Executive Directors" above for her biography.

CORPORATE GOVERNANCE

Our Company will comply with the Corporate Governance Code in Appendix 15 to the GEM Listing Rules. Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year and include our corporate governance report in our annual reports upon Listing. The terms of reference for performing the corporate governance functions in compliance with the Corporate Governance Code were approved by our Board for adoption on 14 December 2017.

BOARD COMMITTEES

Audit Committee

Our Company established the Audit Committee on 14 December 2017 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and paragraph C.3.3 of the Corporate Governance Code. The primary duties of our Audit Committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our annual report and accounts and our half-year report and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. Our Audit Committee comprises three independent non-executive Directors, namely Mr. Lim Loo Kit, Mr. Lim Meng Yi and Mr. Tang Chi Wai. Mr. Tang Chi Wai is the chairman of our Audit Committee.

Nomination Committee

Our Company established the Nomination Committee on 14 December 2017 with written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code. The primary duties of our Nomination Committee include, among others, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and making recommendations on any proposed changes to our Board to complement our corporate strategy; (b) identifying individuals suitably qualified to become members of our Board and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (c) assessing the independence of our independent non-executive Directors; and (d) making recommendations to our Board on the appointment and succession planning for our Directors. Our Nomination Committee comprises two independent non-executive Directors, namely Mr. Lim Loo Kit and Mr. Lim Meng Yi, and one executive Director, namely Mr. Mong. Mr. Mong is the chairman of our Nomination Committee.

Remuneration Committee

Our Company established the Remuneration Committee on 14 December 2017 with written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules and paragraph B.1.2 of the Corporate Governance Code. The primary duties of our Remuneration Committee, under the principle that no Director or any of his associates should be involved in deciding his own remuneration include, among others, making recommendations to our Board on (a) our remuneration policy and structure for all of our Directors and senior management; (b) the establishment of a formal and transparent procedure for developing remuneration policies; (c) the remuneration packages of our executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their offices or appointments; and (d) the remuneration of our non-executive Directors. Our Remuneration Committee comprises two independent non-executive Directors, namely Mr. Lim Meng Yi and Mr. Tang Chi Wai and one executive Director namely Ms. Choon. Mr. Lim Meng Yi is the chairman of our Remuneration Committee.

COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Company has appointed Kingsway Capital Limited as our compliance adviser, who will have access to all relevant records and information relating to our Company that it may reasonably require to properly perform its duties. Pursuant to Rule 6A.23 of the GEM Listing Rules, our Company must consult with and, if necessary, seek advice from the compliance adviser on a timely basis in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated by our Company, including share issues and share repurchases;

(iii) where our Company proposes 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

(iv) where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or trading volume of the Shares under Rule 17.11 of the GEM Listing Rules.

The term of appointment 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 its financial results for the second full financial year commencing after the Listing Date and such appointment shall be subject to extension by mutual agreement.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION POLICY

Our Directors and senior management receive compensation in the form of fixed monthly salaries in accordance with their respective employment contracts with our Group. Our Group also reimburses them for expenses which are necessarily and reasonably incurred for the provision of services to our Group or executing their functions in relation to the business operations.

The remuneration policies of our Group are and will be formulated by our Board on the recommendations of the remuneration committee of our Company (comprising two independent non-executive Directors and one executive Director). During the Track Record Period, the remuneration of our Directors and our senior management was determined with reference to their respective experience, responsibilities with our Group and general market conditions. Discretionary bonus (if any) is linked to the performance of our Group and of individual Director or senior management. Our Company intends to continue its remuneration policies after the Listing, subject to the review by and the recommendations of the remuneration committee of our Company.

For the years ended 30 June 2016 and 2017, the aggregate amount of remuneration paid or payable by our Group to our Directors was approximately S$438,630 and S$508,108, respectively.

For the years ended 30 June 2016 and 2017, the aggregate amount of remuneration paid or payable by our Group to our five highest paid individuals (excluding our Directors amongst the five highest paid individuals) was approximately S$227,907 and S$247,381, respectively.

Save as disclosed above, no other payments have been paid or are payable by our Group in respect of the two years ended 30 June 2017 to our Directors or the five highest paid individuals of our Group.

It is estimated that, under the arrangements currently in force, the aggregate remuneration (excluding any discretionary bonus) payable by our Group to our Directors for the year ending 30 June 2018 will be approximately S$559,980.

During the Track Record Period, no remuneration was paid by our Group to, or received by, our Directors as an inducement to join or upon joining our Group or as compensation for loss of office.

During the Track Record Period, none of our Directors waived or agreed to waive any remuneration.

EMPLOYEES' REMUNERATION AND RETIREMENT BENEFIT SCHEMES

For details of our employees' remuneration and retirement benefit schemes, see "Business – Employees".

Share Option Scheme

Our Directors may also receive options to be granted under the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in "Other information – Share Option Scheme" in Appendix V to this prospectus.

So far as our Directors are aware, as at the date of submission of application for the Listing and immediately following the 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 the exercise of any options which may be granted under the Share Option Scheme), the following persons/entities will have an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of our Company required to be kept under section 336 of the SFO, or who are/will be, directly or indirectly, interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Name	**Capacity/Nature of interest**	**Number of Shares held immediately after completion of the Share Offer and the Capitalisation Issue**[*(Note 1)*]	**Approximate percentage of interests in our Company immediately after completion of the Share Offer and the Capitalisation Issue**
Express Ventures	Beneficial owner[*(Note 2)*]	600,000,000	75%
Mr. Mong	Interest in a controlled corporation and interest held jointly with another[*(Note 3)*]	600,000,000	75%
Ms. Choon	Interest in a controlled corporation and interest held jointly with another[*(Note 3)*]	600,000,000	75%

Notes:

1. All interests stated are long positions.

2. Express Ventures is the direct Shareholder of our Company.

3. Express Ventures is beneficially owned as to 97.14% by Mr. Mong and 2.86% by Ms. Choon. Ms. Choon is an executive Director and the spouse of Mr. Mong. On 22 August 2017, Mr. Mong and Ms. Choon entered into the Acting in Concert Confirmation to acknowledge and confirm, among other things, that they are parties acting in concert during the Track Record Period and that to continue to act in the same manner in our Group upon the Listing. For details, please refer to "Relationship with Controlling Shareholders – Acting in Concert Confirmation". Accordingly, by virtue of the SFO, Mr. Mong and Ms. Choon are deemed to be interested in the Shares held by Express Ventures.

Save as disclosed above, our Directors are not aware of any person who will, immediately after 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 the exercise of any options which may be granted under the Share Option Scheme), have an interest or short position in the Shares or the underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, 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 member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

OUR CONTROLLING SHAREHOLDERS

Pursuant to the Acting in Concert Confirmation, Mr. Mong and Ms. Choon confirmed their acting in concert arrangements in the past, during the Track Record Period and agreed to continue to act in concert upon Listing. Accordingly, Mr. Mong and Ms. Choon are acting together as a group of Controlling Shareholders. Immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account the Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme), each of our ultimate Controlling Shareholders, Mr. Mong and Ms. Choon, acting in concert as a group of Controlling Shareholders and through Express Ventures (an investment holding company owned as to 97.14% by Mr. Mong and 2.86% by Ms. Choon) indirectly hold in aggregate 75% interest in our Company. Please see "Substantial Shareholders" for details of the shareholding interest of our Controlling Shareholders.

RULE 11.04 OF THE GEM LISTING RULES

Each of our Controlling Shareholders and Directors has confirmed that, he/she/it does not have and their respective close associates do not have interest in any business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business, and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

ACTING IN CONCERT CONFIRMATION

In preparation for the Listing, on 22 August 2017, Mr. Mong and Ms. Choon executed the Acting in Concert Confirmation, pursuant to which Mr. Mong and Ms. Choon confirmed their acting in concert arrangements in the past, as well as their understanding, during the Track Record Period, and to continue to act in the above manner in our Group upon Listing until the Acting in Concert Confirmation is terminated in writing. Under the acting in concert arrangements, Mr. Mong and Ms. Choon had exercised their voting rights unanimously at all shareholders' meetings of ISPL on all major affairs.

Pursuant to the Acting in Concert Confirmation, Mr. Mong and Ms. Choon undertake that (i) they shall actively cooperate with one another and acting in concert with an aim to achieve consensus and concerted action on all activities relevant to the operation of each member of our Group and major affairs relating to our Group; (ii) they shall continue to act in concert to exercise collective control in their capacity as shareholders in respect of such shareholding interests in our Company; (iii) when exercising their voting rights at the shareholders' meetings of each member of our Group, they shall vote, or procure any entities and trusts controlled by them to vote unanimously in accordance with the consensus achieved among them; (iv) prior to voting on any resolutions in shareholders' meeting of each member of our Group, they shall discuss the relevant matters with one another with a view to reaching consensus and a unanimous vote, and decisions based on the consensus achieved in the shareholders' meetings of each member of our Group shall not be challenged by any of them for any reason; and (v) they shall cooperate with each another to obtain and maintain the consolidated control and the management of our Group.

INDEPENDENCE FROM OUR 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.

Financial independence

We have our own accounting and finance team and make financial decisions according to our own business needs. We have our own financial management system, internal control and accounting systems, administrative and account department, independent treasure function for cash receipts and payments, and the ability to operate independently from our Controlling Shareholders from a financial perspective.

During the Track Record Period, our Group had banking facilities and performance bonds issued by authorised insurers that was guaranteed by our Controlling Shareholders, details of which are set out in "Financial Information – Indebtedness". At the close of business on 31 October 2017, our Group had utilized banking facility of S$3.4 million, which was secured by the legal mortgage and a joint and several personal guarantees from Mr. Mong and Ms. Choon and there are no material covenants relating to these outstanding indebtedness. Any personal guarantees provided by Mr. Mong and Ms. Choon will be released/replaced by corporate guarantees provided by our Company upon or before Listing.

During the Track Record Period, our Group had amount due to Mr. Mong, one of our Controlling Shareholders, of S$4.3 thousands as at 30 June 2016 and nil as at 30 June 2017, details of which are set out in note 22 to the Accountants' Report. All amount due to Mr. Mong is non-trade related, unsecured, non-interest bearing and without a fixed repayment term. As at the Latest Practicable Date, all amount due to our Controlling Shareholders was settled.

Save as disclosed herein, our Directors confirm that there was no other financial assistance, security or guarantee provided by our Controlling Shareholders or their respective close associates in favour of our Group or vice versa during the Track Record Period and as at the Latest Practicable Date.

Our Directors believe that, upon Listing, our Group is capable of obtaining financing from third parties without the support of our Controlling Shareholders. Therefore, our Group will be financially independent from our Controlling Shareholders and/or any of their respective close associates.

Operational independence

Having considered that (a) we have established our own operational structure comprising individual teams, each with specific areas of responsibilities; (b) we have established a set of internal control procedures to facilitate the effective operation of our business; (c) all the registered trademarks and other intellectual property necessary or desirable for our business are

registered in or has applied to be registered under the name of our Group; and (d) we have not shared our operational resources, such as suppliers, customers, marketing, sales and general administration resources with our Controlling Shareholders and/or their associates. Accordingly, our Directors consider that our Group's business operation to be independent from our Controlling Shareholders and their close associates.

Management independence

Our Group's management and operational decisions are made by our Board and a team of senior management. Our Board consists of five members, comprising of two executive Directors and three independent non-executive Directors. Although our Controlling Shareholders, namely Mr. Mong and Ms. Choon, will simultaneously be our executive Directors and retain a controlling interest in our Company after the Listing, we consider that our Board and team of management will function independently because:

(a) each of our Directors is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest;

(b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant meeting of the Board in respect of such transaction and shall not be counted in the quorum;

(c) with three independent non-executive Directors out of a total of five Directors in our Board, there will be a sufficiently robust and independent voice to the decision-making process of our Board to protect the interests of our independent Shareholders; and

(d) our senior management members are independent and possess in-depth experience and understanding of the industry in which our Group is engaged.

Our Directors are therefore of the view that we are capable of managing our business independently from our Controlling Shareholders after the Listing.

Major suppliers' independence

Our Directors confirm that none of our Controlling Shareholders, our Directors and their respective close associates, have any relationship with the major suppliers of our Group (other than the business contacts in the ordinary and usual course of business of our Group) during the Track Record Period.

Major customers' independence

Our Directors confirm that none of our Controlling Shareholders, our Directors and their respective close associates, have any relationship with the major customers of our Group (other than the business contacts in the ordinary and usual course of business of our Group) during the Track Record Period.

EXCLUDED BUSINESS

During the Track Record Period, Mr. Mong, our Chairman, an executive Director and a Controlling Shareholder, was interested in ISPL Service Centre, which is not included in our Group.

ISPL Service Centre was established in Singapore in July 2002 as a sole proprietorship enterprise by Ms. Choon and became wholly-owned by Mr. Mong in July 2005. The principal business of ISPL Service Centre was telecommunications activities and cyber cafes. The operation of ISPL Service Centre had ceased registration on 21 June 2017 due to cessation of business.

Our Directors are of the view that to the best of their knowledge and belief, none of our Controlling Shareholders and their respective close associates has interests in businesses which compete, or may compete, either directly or indirectly with the Group's business.

DEED OF NON-COMPETITION

For the purpose of the Listing, each of our Controlling Shareholders, Mr. Mong, Ms. Choon and Express Ventures (collectively, the "**Covenantors**") has given certain non-competition undertakings in favour of our Company (for itself and as trustee for and on behalf of other members of our Group) under the Deed of Non-competition, pursuant to which each of the Covenantors, irrevocably and unconditionally, jointly and severally, undertakes to and covenants with our Company (for itself and as trustee for other members of our Group) on the following terms with effect from the Listing Date and for as long as our Shares remain listed on the Stock Exchange and the Covenantors, individually or collectively with their close associates, are, directly or indirectly, interested in not less than 30% of our Shares in issue, or are otherwise regarded as Controlling Shareholders:

(i) undertaking not to engage in competing business: each of the Covenantors shall not, and shall procure each of his/its close associates (other than our Group) not to, whether on his/its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly (other than through our Group), whether as a shareholder, director, employee, partner, agent or otherwise (other than being a director or shareholder of our Group or members of our Group), carry on or be engaged in, directly or indirectly, a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest (save for the holding in aggregate by the Covenantors and their close associates of not more than 5%

shareholding interest in any company listed on the Stock Exchange or any other stock exchange) or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business which competes or may in any aspect compete directly or indirectly with the business or which is similar to the business currently and may from time to time be engaged by our Group ("**Restricted Business**");

(ii) undertaking not to solicit staff etc.: each of the Covenantors:

a. will not, and will procure his/its close associates (other than our Group) not to, invest or participate in any project or business opportunity that competes or may compete, directly or indirectly, with the business activities engaged by our Group from time to time unless pursuant to the provisions stipulated in the Deed of Non-competition;

b. will not offer employment to, enter into a contract for the services of, or attempt to solicit or seek to entice away from our Group any individual who is a director, officer, manager or employee of our Group, or procure or facilitate the making of any such offer or attempt by any other person;

c. will not, without the consent from our Company, make use of any information pertaining to the business of our Group which may have come to his/its knowledge in his/its capacity as the Controlling Shareholder for any purposes other than for the exercise of shareholders' rights; and

d. he/it will address such other enquiries as may be made by the Stock Exchange, the SFC, any other regulatory bodies or our Company from time to time;

(iii) undertakings in respect of new business opportunity: if each of the Covenantors and/or any of his/its close associates (other than our Group) is offered or becomes aware of any project or new business opportunity ("**New Business Opportunity**") that relates to the Restricted Business, whether directly or indirectly, he/it shall:

a. promptly in any event not later than seven days from the date of offer or becoming aware of the New Business Opportunity notify our Company in writing ("**Offer Notice**") of such opportunity and provide such information as is reasonably required by our Company in order to enable our Company to come to an informed assessment of such opportunity; and

b. use his/its best endeavours to procure that such opportunity is offered to our Company on terms no less favourable than the terms on which such opportunity is offered to him/it and/or his/its close associates (other than our Group).

If our Group gives a written notice declining the New Business Opportunity and confirming that the New Business Opportunity would not constitute competition with the business of our Group, or if our Group has not sent such written notice to the Covenantors within 30 business days from our Group's receipt of the Offer Notice, the Covenantors will be entitled to pursue the New Business Opportunity. The Covenantors agree to extend the 30 business days to a maximum of 60 business days if our Group requires further time to assess the New Business Opportunity by giving a written notice to the Covenantors within the original period of 30 business days.

(iv) general undertakings: each of the Covenantors shall:

a. provide our Company and our Directors (from time to time) with all information necessary and requested by the independent non-executive Directors, including but not limited to monthly turnover records and other relevant documents considered necessary by the independent non-executive Directors for their annual review with regard to the compliance and/or enforcement of the terms of Deed of Non-competition and the enforcement of the non-competition undertakings in the Deed of Non-competition;

b. provide our Group, after the end of each financial year of our Company, with a declaration made by each of the Covenantors which shall state whether or not he/it has during that financial year complied with all the terms of the Deed of Non-competition, and if not, particulars of any non-compliance, which declaration (or any part thereof) may be reproduced, incorporated, extracted and/or referred to in the annual report of our Company for the relevant financial year, such annual declaration shall be consistent with the principles of making voluntary disclosure in the corporate governance report of our Group; and

c. allow our Directors, their respective representatives and the auditors to have sufficient access to the records of the Covenantors and his/its close associates to ensure their compliance with the terms and conditions under the Deed of Non-competition.

Each of the Covenantors has undertaken to our Company that he/it will abstain from voting on the board level or the shareholder level of our Company and will not be counted in the quorum if there is any actual or potential conflict of interest in relation to the Restricted Business and the New Business Opportunity.

To ensure that the terms of the Deed of Non-competition are observed, our independent non-executive Directors will, based on the information available to them, review on an annual basis (i) the compliance with and the enforcement of the Deed of Non-competition; and (ii) all the decision made by our Group in relation to whether to take up any New Business Opportunity.

CORPORATE GOVERNANCE MEASURES TO SAFEGUARD THE INTEREST OF SHAREHOLDERS

Our Company will adopt the following corporate governance measures to avoid potential conflict of interests and safeguard the interests of our Shareholders:

(a) compliance with the GEM Listing Rules, in particular strictly observe any proposed transactions between us and connected persons and comply with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules where applicable;

(b) appointment of Kingsway Capital Limited as our compliance adviser to advise us on the compliance matters in respect of the GEM Listing Rules and applicable laws and regulations;

(c) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the meetings of the Board on matters in which such Director or his/her close associates have an actual or potential material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(d) appointment of three independent non-executive Directors in order to achieve a balanced composition of executive and non-executive Directors in our Board. Our independent non-executive Directors will conduct annual review on the compliance of the Deed of Non-competition and the enforcement thereby by our Company. We believe our independent non-executive Directors possess the qualification, integrity and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Further details of our independent non-executive Directors are set out in "Directors and Senior Management";

(e) our Controlling Shareholders have undertaken and agreed to provide all information requested by our Group which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition; and

(f) our Company will disclose decisions with basis on matters reviewed by our independent non-executive Directors in relation to the compliance with and the enforcement of the Deed of Non-competition either through our Company's annual report or by way of announcement to the public.

SHARE CAPITAL OF OUR COMPANY

The following is a description of the authorised and issued share capital of our Company immediately before and following the completion of the Capitalisation Issue and the Share Offer (without taking into account the Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme):

Authorised share capital		*HK$*
1,500,000,000	Shares of par value HK$0.01 each	15,000,000
Shares issued and fully paid or credited as fully paid upon completion of the Capitalisation Issue and the Share Offer		
10,000	Shares in issue as at the date of this prospectus	100
599,990,000	Shares to be issued pursuant to the Capitalisation Issue	5,999,900
200,000,000	Shares to be issued pursuant to the Share Offer	2,000,000
800,000,000	Total issued Shares	8,000,000

ASSUMPTIONS

The above table assumes that the Capitalisation Issue and the Share Offer become unconditional and the issue of Shares pursuant thereto are made as described herein. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme, or of any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates given to our Directors to allot and issue or repurchase the Shares as referred to below.

MINIMUM PUBLIC FLOAT

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 total issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules). The 200,000,000 Offer Shares represent not less than 25% of the issued share capital of our Company upon Listing.

RANKING

The Offer Shares are ordinary shares and will rank *pari passu* in all respects with all Shares now in issue or to be issued as mentioned in this prospectus, and will qualify in full for all dividends or other distributions declared, made or paid on Shares in respect of a record date which falls after the date of this prospectus, save for entitlements under the Capitalisation Issue.

CAPITALISATION ISSUE

Pursuant to the resolutions in writing of the sole Shareholder passed on 14 December 2017, subject to the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the allotment and issue of the Offer Shares by our Company pursuant to the Share Offer, our Directors are authorised to allot and issue a total of 599,990,000 Shares credited as fully paid at par to the holder(s) of Shares whose name(s) appear on the register of members or the principal share register of our Company at the close of business on 14 December 2017 (or as each of them may direct) in proportion (as nearly as possible in proportion to their then existing shareholdings save that no Shareholder shall be entitled to be allotted or issued any fraction of Share) by way of capitalisation of the sum of HK$5,999,900 standing to the credit of the share premium account of our Company, and our Shares to be allotted and issued pursuant to the Capitalisation Issue shall rank pari passu in all respects with the existing issued Shares.

GENERAL MANDATE TO ISSUE SHARES

Conditional on the fulfilment or waiver (as applicable) of the conditions set out in "Structure and Conditions of the Share Offer – Conditions of the Share Offer" of this prospectus, our Directors have been granted a general unconditional mandate to allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares, and to make or grant offers, agreements or options which might require such Share to be allotted and issued or dealt with subject to the requirement that the total number of Shares so allotted and issued or agreed conditionally to be allotted and issued (otherwise than pursuant to a rights issue, or scrip dividend scheme or similar arrangement, or a specific authority granted by the Shareholders) shall not exceed:

(a) 20% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer (excluding any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme); and

(b) the total number of Shares repurchased by our Company, if any, pursuant to the general mandate to repurchase Shares referred to in the paragraph headed "General Mandate to Repurchase Shares" below.

This general mandate to issue Shares does not cover Shares to be allotted, issued or dealt with under a rights issue or pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme or any other share option scheme of our Company or in lieu of the whole or part of a dividend on our Shares or similar arrangement in accordance with the Articles.

This general mandate to issue Shares will expire at the earliest of:

(a) the conclusion of our Company's next annual general meeting;

(b) the date by which the next annual general meeting of our Company is required by the Articles or any applicable law to be held; or

(c) the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors.

For further details of this general mandate to issue Shares, please refer to "Further information about our Company and its subsidiaries – Resolutions in writing of the sole Shareholder passed on 14 December 2017" in Appendix V to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Conditional on the fulfilment or waiver (as applicable) of the conditions set out in "Structure and Conditions of the Share Offer – Conditions of the Share Offer" of this prospectus, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with a total number of not more than 10% of the total number of Shares in issue following completion of the Capitalisation Issue and the Share Offer (excluding any Shares which may be allotted and issued pursuant to the exercise of the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme).

This mandate to repurchase Shares only relates to repurchases made on the Stock Exchange, or any other exchange on which our Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), which are made in accordance with all applicable laws and requirements of the GEM Listing Rules. Further information required by the Stock Exchange to be included in this prospectus regarding the repurchase of Shares is set out in "Further information about our Company and its subsidiaries – 6. Repurchase of our own securities" in Appendix V to this prospectus.

This general mandate to repurchase Shares will expire at the earliest of:

(a) the conclusion of the next annual general meeting of our Company;

(b) the date by which the next annual general meeting of our Company is required by the Articles or any applicable law to be held; or

(c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to our Directors.

For further details of this general mandate to repurchase shares, please refer to "Further information about our Company and its subsidiaries – 3. Resolutions in writing of the sole Shareholder passed on 14 December 2017" in Appendix V to this prospectus.

THE SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in "Other information – 12. Share Option Scheme" in Appendix V to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

The circumstances under which general meeting and class meeting are required are provided in our Articles of Association and the Companies Law. For details, please refer to Appendix IV to this prospectus.

*You should read this section in conjunction with our audited combined financial statements, including the notes thereto, as set out in the Accountants' Report set out in Appendix I to this prospectus. Our Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**"). You should read the entire Accountants' Report and not merely rely on the information contained in this section.*

The following discussion and analysis contains certain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by our Group in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors our Group believes are appropriate under the circumstances. However, whether actual outcomes and developments will meet our Group's expectations and projections depends on a number of risks and uncertainties over which our Group does not have control. For further information, you should refer to the section "Risk Factors" of this prospectus.

The following discussion and analysis also contain certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

OVERVIEW

We are a sound and communication services solution provider in Singapore. We have more than 15 years of experience in the provision of sound and communication systems services solution for various building systems in Singapore. We primarily provide (i) sale of sound and communication systems and related services; (ii) integrated services of sound and communication systems, with a focus on customization and installation of sound and communication systems in buildings; and (iii) AAS services for our customers in Singapore.

Our revenue for the two years ended 30 June 2016 and 2017 increased by 7.9% from S$8.0 million to S$8.6 million. For the same period, our profit and other comprehensive income for year increased by 4.5% from S$1.3 million to S$1.4 million.

BASIS OF PRESENTATION

Our Company was incorporated and registered as an exempted company in the Cayman Island with limited liability on 21 July 2017. In preparing for the Listing, the companies comprising our Group underwent the Reorganisation. ISPL, the only operating subsidiary of our Group, was controlled by Mr. Mong and Ms. Choon, who are spouse. As part of the Reorganisation, investment holding company, Holy Ark and our Company, were incorporated and interspersed between ISPL and our Controlling Shareholders. Since then, our Company became the holding company of our Group on 8 December 2017. Our Group comprising our

Company, Holy Ark and ISPL, resulting from the Reorganisation has always been under the common control of our Controlling Shareholders during the Track Record Period and before and after the Reorganisation. Therefore, it is regarded as a continuing entity and the historical financial information has been prepared as if the Company had always been the holding company of our Group. See the section headed "History, Reorganisation and Corporate Structure – Reorganisation" in this prospectus for further information about the Reorganisation.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Track Record Period include the results, changes in equity and cash flows of the companies comprising our Group as if our Company had always been the holding company of our Group and the current group structure had been in existence throughout the Track Record Period, or where it was incorporated after 30 June 2017, regardless of the actual dates when they formally and legally became subsidiaries of our Company.

The combined statements of financial position of the Group as at 30 June 2016 and 2017 have been prepared to present the assets and liabilities of the companies comprising our Group as if our Company had always been the holding company of the Group and the current group structure had been in existence at those dates taking into account the respective dates of incorporation, where applicable.

For the purpose of preparing and presenting the historical financial information for the Track Record Period, our Group has consistently applied IFRSs that are effective for the financial year beginning on 1 July 2016 throughout the Track Record Period.

The functional currency of our Company is Singapore dollars ("S$"), which is also the presentation currency of the Historical Financial Information.

FACTORS AFFECTING OUR FINANCIAL RESULTS

Our results of operations and financial performance have been and will continue to be affected by a number of factors, many of which may be beyond our control, including those factors set out in "Risk Factors" in this prospectus and those set out below.

Tender success rate

During the Track Record Period, we derived most of our revenue from contracts obtained through a competitive tender process and the revenue is not recurring in nature. The growth of our business depends on our ability to win the tender that we submit. For the two years ended 30 June 2016 and 2017, our tender success rate for sale of sound and communication systems and related services was approximately 63.3% and 57.7%, respectively. For the two years ended 30 June 2016 and 2017, our tender success rate for integrated services of sound and communication systems was approximately 50.0% and 71.4%, respectively. Our existing clients are not under any contractual obligation to give us first right for any future projects and

we need to undergo tender process again in order to be awarded future projects. We cannot assure you that we will be successful in our future tender with new clients. Our business, financial condition and financial results may be adversely affected if our tender success rate decreases in the future.

Market competition

The Sound and Communication Services Market in Singapore is relatively fragmented. As of 2016, there are more than 2,500 players with various scales. Players in the industry may have different expertise in providing services to various kinds of clients. Some players would focus on the public sector, while the other may focus more on the private sector. There are some large scaled players within the sound and communication services industry that would take part in multiple aspect of the construction value chain, and are often responsible for designing the entire electrical and mechanical system of the infrastructure, including the design of communication system, wiring for telecommunications, integrated building services and etc. On the other side, there are medium to smaller scaled players who specialize in specific parts of the sound and communication system with deep market know-how. These smaller players are often specialized in serving clients of particular industries, and have accumulated extensive industry-specific knowledge. For instances, the sound and communication service providers for health services industry would have to understand the exact demand from medical personnel, the knowledge of preventing potential system interference in hospitals, the ability to constantly upgrade software to keep up with the medical development trend, amongst other things.

Some of our competitors may have better track record, more resources and more qualifications entitling them to provide a wider range of services which increase their competitiveness. When we determine the tender price, we may face keen competition and significant downward pricing pressure which reduce our profit margins.

Fluctuations in our materials cost

For the two years ended 30 June 2016 and 2017, our materials cost amounted to S$2.8 million and S$3.1 million, respectively, representing 35.5% and 36.4% of our revenue for the same period, respectively. Materials cost was the largest component of our costs of sales/services during the Track Record Period.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our materials cost on our profit before taxation during the Track Record Period, assuming the fluctuation of materials cost to be 5% and 10% during the two years ended 30 June 2016 and 2017 with other variables remained constant:

	S$'000			
	5%	*-5%*	*10%*	*-10%*
Changes in profit before taxation				
For the year ended 30 June 2016	(142)	142	(284)	284
For the year ended 30 June 2017	(157)	157	(315)	315

Fluctuations in our staff cost under costs of sales/services

For the two years ended 30 June 2016 and 2017, our staff cost under costs of sales/services amounted to S$1.4 million and S$1.6 million, respectively, representing 18.0% and 18.5% of our revenue for the same period, respectively. Staff cost was the second largest component of our costs of sales/services during the Track Record Period.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our staff cost under costs of sales/services on our profit before taxation during the Track Record Period, assuming the fluctuation of staff cost under costs of sales/services to be 5% and 10% during the two years ended 30 June 2016 and 2017 with other variables remained constant:

	S$'000			
	5%	*-5%*	*10%*	*-10%*
Changes in profit before taxation				
For the year ended 30 June 2016	(72)	72	(144)	144
For the year ended 30 June 2017	(80)	80	(160)	160

Pricing

Our pricing is generally determined based on certain markups over our estimated costs. We need to estimate our costs in order to determine our fee quotation or tender price and there is no assurance that the actual amount of costs would not exceed our estimation during the performance of our projects. There are a range of factors that we typically consider when determining our pricing, including but not limited to the duration of the contract period and the competitive environment at the time of tendering, etc. For further details, please refer to the section headed "Business – Sales and Marketing – Pricing and tender strategy" in this prospectus. Our pricing directly affects our revenue and cash flows.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Directors have identified certain accounting policies that are significant to the preparation of our combined financial statements. The significant accounting policies which are important for an understanding of our financial condition and results of operation, are set forth in detail in Note 4 to the accountants' report included in Appendix I to this prospectus. Some of the accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. The determination of these items requires management judgments based on information and financial data that may change in future periods. Our Directors believe accounting policies such as revenue recognition and construction contracts involved the most significant estimates and judgments used in the preparation of our financial statements.

Our Directors also confirm that they have no plan to change the Company's accounting policy by using input method in respect of the revenue recognition on construction contracts, being provision of Integrated Services of Sound and Communication Systems and do not expect material impact to our financial results when IFRS 15 become effective. For further details of IFRS 15, please refer to Note 3 to the accountants' report included in Appendix I to this prospectus.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June	
	2016	2017
	S$	*S$*
Revenue	7,997,834	8,632,027
Costs of sales/services	(5,210,411)	(5,457,763)
Gross profit	2,787,423	3,174,264
Other income	26,328	10,248
Administrative expenses	(1,161,762)	(1,246,788)
Other losses	(58,828)	(33,251)
Listing expenses	–	(209,598)
Finance costs	(97,937)	(60,089)
Profit before taxation	1,495,224	1,634,786
Income tax expense	(202,896)	(284,190)
Profit and other comprehensive income for the year	1,292,328	1,350,596

PRINCIPAL COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME COMPONENTS

Revenue

Our revenue represents the fair value of amounts received and receivable from the provision of (i) sale of sound and communication systems and related services; (ii) integrated services of sound and communication systems; and (iii) AAS services provided by our Group to our customers in Singapore. Our revenue for the two years ended 30 June 2016 and 2017 was S$8.0 million and S$8.6 million, respectively.

Our revenue from integrated services of sound and communication systems was measured by the stage of completion and it is measured by the proportion of surveys of work performed to date with reference to customer certificate relative to the estimated total contract revenue.

The following table sets forth the breakdown of our revenue by segment for the periods indicated:

	Year ended 30 June	
	2016	2017
	S$	*S$*
Revenue from:		
Sale of sound and communication systems and related services	5,947,612	7,133,284
Integrated services of sound and communication System	1,174,678	623,199
AAS services	875,544	875,544
	7,997,834	8,632,027

Sale of sound and communication systems and related services

Our revenue generated from the sale of sound and communication systems and related services was S$5.9 million and S$7.1 million for the two years ended 30 June 2016 and 2017, respectively, which represent 74.4% and 82.6% of our total revenue for the same period. During the Track Record Period, our total revenue was predominantly contributed by our sale of sound and communication systems and related services and we expect our revenue generated from this segment to continue to account for a substantial portion of our total revenue.

Integrated services of sound and communication systems

Our revenue generated from the provision of integrated services of sound and communication systems was S$1.2 million and S$0.6 million for the two years ended 30 June 2016 and 2017, respectively, which represent 14.7% and 7.2% of our total revenue for the same period. Our Group will continue to explore, evaluate and tender for potential integrated services of sound and communication systems projects in Singapore and we expect our revenue generated from this segment to increase after the Track Record Period.

AAS services

Our revenue generated from the provision of AAS management services was S$0.9 million and S$0.9 million for the two years ended 30 June 2016 and 2017, respectively, which represent 10.9% and 10.1% of our total revenue for the same period. We expect to generate stable revenue from the two long term AAS services contracts with contract terms of June 2013 to April 2021 and January 2015 to April 2021.

For further details of the two long term AAS services contracts, please refer to the section headed "Business – Projects undertaken during the Track Record Period – AAS services".

Costs of sales/services

Our costs of sales/services primarily consists of materials cost, staff cost, subcontracting cost and depreciation. Costs of sales/services was the largest component of our expenses during the Track Record Period. For the two years ended 30 June 2016 and 2017, our costs of sales/services amounted to S$5.2 million and S$5.5 million, respectively, representing 65.1% and 63.2% of our revenue for the same period, respectively.

The following table sets forth the breakdown of our costs of sales/services for the period indicated:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Materials cost	2,842,372	3,145,946
Staff cost	1,441,082	1,597,375
Subcontracting cost	437,677	230,210
Depreciation	395,862	396,297
Other costs of sales/services	93,418	87,935
	5,210,411	5,457,763

Materials cost

Materials cost was the key component of our costs of sales/services, which represents the purchase of sound and communication system including nurse call stations, speakers and audio accessories, cable and wires and other electronics and electrical components. For the years ended 30 June 2016 and 2017, our materials cost amounted to S$2.8 million and S$3.1 million, respectively, representing 54.6% and 57.6% of our costs of sales/services for the same period, respectively.

Staff cost

Staff cost under the costs of sales/services represents salaries, wages, other benefits, foreign worker levy and skill development levy provided to our operational staff. For the years ended 30 June 2016 and 2017, our staff cost under the costs of sales/services amounted to S$1.4 million and S$1.6 million, respectively, representing 27.7% and 29.3% of our costs of sales/services for the same period, respectively.

Subcontracting cost

Subcontracting cost represents the cost incurred by our Group for engaging subcontractors to carry out works such as conduit laying, cable installation and electrical works. For the years ended 30 June 2016 and 2017, our subcontracting cost under the costs of sales/services amounted to S$0.4 million and S$0.2 million, respectively, representing 8.4% and 4.2% of our costs of sales/services for the same period, respectively.

Depreciation

Depreciation under the costs of sales/services represents the depreciation of alert alarm systems. For the years ended 30 June 2016 and 2017, our depreciation under the costs of sales/services amounted to S$0.4 million and S$0.4 million, respectively, representing 7.6% and 7.3% of our costs of sales/services for the same period, respectively.

Other costs of sales/services

Other costs of sales/services represent transportation cost, insurance cost and utilities expenses of managing alert alarm systems. For the years end 30 June 2016 and 2017, our other costs of sales/services amounted to S$0.1 million and S$0.1 million, respectively, representing 1.8% and 1.6% of our total costs of sales/services for the same period, respectively.

Gross profit and gross profit margin

Our gross profit was S$2.8 million and S$3.2 million for the two years ended 30 June 2016 and 2017, respectively, representing gross profit margin of 34.9% and 36.8% for the same period, respectively.

Sale of sound and communication systems and related services

Our gross profit generated from the sale of sound and communication systems and related services was S$2.0 million and S$2.6 million for the two years ended 30 June 2016 and 2017, respectively, which represent gross profit margin of 34.4% and 36.3% for the same period, respectively.

Integrated services of sound and communication systems

Our gross profit generated from the provision of integrated services of sound and communication systems was S$0.5 million and S$0.3 million for the two years ended 30 June 2016 and 2017, respectively, which represent gross profit margin of 40.8% and 50.1% for the same period, respectively.

AAS services

Our gross profit generated from AAS services was S$0.3 million and S$0.3 million for the two years ended 30 June 2016 and 2017, respectively, which represent gross profit margin of 29.7% and 31.3% for the same period, respectively.

Other income

For the two years ended 30 June 2016 and 2017, we had other income of S$26.3 thousand and S$10.2 thousand, respectively. Our other income primarily consists of government grants, interest income and others. The government grants represent grants under the Wage Credit Scheme of S$15.9 thousand and S$2.1 thousand for the two years ended 30 June 2016 and 2017, respectively. The remaining balances of grants are incentives received unconditionally for compensation of expenses already incurred or as immediate financial support. Compensation of expenses represent to salaries/bonus paid to employees which were subsequently subsidized by the government, and claimed and compensated to our Group only after salaries were incurred. The following table sets forth a breakdown of our other income during the Track Record Period:

	For the year ended 30 June		
	2016	**2017**	**Nature**
	S$	*S$*	
Temporary Employment Credit	–	4,179	Salaries/bonus
Interest income	5	39	N/A
Productivity and innovation credit cash bonus	9,690	–	N/A
Special Employment Credit	–	1,056	Salaries/bonus
Paternity Leave	–	2,596	Salaries/bonus
Wage credit scheme	15,852	2,144	Salaries/bonus
Other income	781	234	N/A
Total	26,328	10,248	

For further details, see Note 7 to the accountants' report included in Appendix I to this prospectus.

The following table sets forth the breakdown of our other income:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Government grants	25,542	9,975
Interest income	5	39
Others	781	234
	26,328	10,248

Administrative expenses

Our administrative expenses primarily consist of staff cost, depreciation, dormitory expense, rental expense, professional fee and other miscellaneous expenses. Administrative expenses were the second largest component of our expenses during the Track Record Period. For the two years ended 30 June 2016 and 2017, our administrative expenses amounted to S$1.2 million and S$1.2 million, respectively, representing 14.5% and 14.4% of our revenue for the same period, respectively.

The following table sets forth the breakdown of our administrative expenses for the period indicated:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Staff cost	671,953	773,468
Depreciation	167,374	181,555
Dormitory expense	51,529	38,670
Rental expense	49,750	920
Professional fee	13,510	62,690
Other miscellaneous expenses	207,646	189,485
	1,161,762	1,246,788

Staff cost

Staff cost under the administrative expenses represents salaries, wages, other benefits, foreign worker levy and skill development levy provided to our non-operational staff. For the years ended 30 June 2016 and 2017, our staff cost under the administrative expenses amounted to S$0.7 million and S$0.8 million, respectively, representing 57.8% and 62.0% of our administrative expenses for the same period, respectively.

Depreciation

Depreciation under the administrative expenses represents the depreciation of computers, office equipment, furniture, fixtures and fittings, motor vehicles and leasehold land and property. For the years ended 30 June 2016 and 2017, our depreciation under the administrative expenses amounted to S$0.2 million and S$0.2 million, respectively, representing 14.4% and 14.6% of our administrative expenses for the same period, respectively.

Dormitory expense

Dormitory expense represents the rental payment for providing accomodation to our foreign workers. For the years ended 30 June 2016 and 2017, our dormitory expense amounted to S$51.5 thousand and S$38.7 thousand, respectively, representing 4.4% and 3.1% of our administrative expenses for the same period, respectively.

Rental expense

Rental expense represents the costs for renting an office prior to the use of our owned office and rental payment of photocopy machine. For the years ended 30 June 2016 and 2017, our rental expense amounted to S$49.8 thousand and S$0.9 thousand, respectively, representing 4.3% and 0.1% of our administrative expenses for the same period, respectively.

Professional fee

Professional fee mainly represents the fee for handling of accounting related matters. For the years ended 30 June 2016 and 2017, our professional fee amounted to S$13.5 thousand and S$62.7 thousand, respectively, representing 1.2% and 5.0% of our administrative expenses for the same period, respectively.

Other miscellaneous expenses

Other miscellaneous expenses represent training and development expense, entertainment expense and other administrative charges. For the years ended 30 June 2016 and 2017, our other miscellaneous expenses amounted to S$0.2 million and S$0.2 million, respectively, representing 17.9% and 15.2% of our administrative expenses for the same period, respectively.

Other losses

Our other losses primarily consist of exchange loss and loss on write off property, plant and equipment. For the years ended 30 June 2016 and 2017, our other losses amounted to S$58.8 thousand and S$33.3 thousand, respectively, representing 0.7% and 0.4% of our revenue for the same period, respectively.

The following table sets forth the breakdown of our other losses:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Exchange loss, net	43,078	33,251
Loss on write off property, plant and equipment	15,750	–
	58,828	33,251

Listing expenses

Our Listing expenses represent expenses incurred for the Listing. For the two years ended 30 June 2016 and 2017, our Listing expenses were nil and S$0.2 million, respectively, representing nil and 2.4% of our revenue for the same period, respectively.

Finance costs

Our finance costs consist of interest on bank borrowings and finance leases. Our finance costs amounted to S$97.9 thousand and S$60.1 thousand for the two years ended 30 June 2016 and 2017, respectively, representing 1.2% and 0.7% of our revenue for the same period, respectively.

The following table sets forth the breakdown of our finance costs:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Interest on:		
Bank borrowings	95,749	55,982
Finance leases	2,188	4,107
	97,937	60,089

Income tax expense

Our income tax expense consists of current Singapore corporate income tax and deferred tax. Singapore corporate income tax is calculated at 17% of the estimated assessable profit. For further details, see Notes 11 and 25 to the accountants' report included in Appendix I to this prospectus. For the years ended 30 June 2016 and 2017, our effective tax rate was 13.6% and 17.4%, respectively.

The following table sets forth the breakdown of our income tax expense:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Tax expense comprises:		
Current tax		
– Singapore corporate income tax ("CIT")	177,616	271,325
– Over provision in prior years	–	(3,584)
Deferred tax	25,280	16,449
	202,896	284,190

The following table sets forth taxation for the Track Record Period reconciled to the profit before taxation per the combined statements of profit or loss and other comprehensive income:

	For the year ended 30 June	
	2016	**2017**
	S$	*S$*
Profit before taxation	1,495,224	1,634,786
Tax at applicable tax rate of 17%	254,188	277,914
Tax effect of expenses not deductible for tax purpose	14,816	50,447
Tax effect of income not taxable for tax purpose	(1,648)	–
Effect of tax concessions and partial tax exemption	(64,460)	(40,587)
Over provision of current tax in prior years	–	(3,584)
Taxation for the year	202,896	284,190

Tax concessions pertain to incentive schemes given by the Singapore tax authority. One of the major tax concessions is Productivity and Innovation Credit ("PIC") Scheme. Under the PIC Scheme, our Company enjoys 400% tax deductions for qualifying expenditure incurred from the years of assessment 2017 to 2018. For further details, see Note 11 to the accountants' report included in Appendix I to this prospectus.

The partial tax exemption scheme applies on the first S$300,000 of normal chargeable income, specifically 75% of up to the first S$10,000 of a company's normal chargeable income, and 50% of up to the next S$290,000, is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at 17%. In addition, our Group is eligible for Singapore corporate income tax ("CIT") rebate of 50% capped at S$25,000 and 20% capped

at S$10,000 for each of the years of assessment 2017 and 2018 (i.e. FY2016 and FY2017) respectively. For further details, see Note 11 to the accountants' report included in Appendix I to this prospectus.

The following table sets forth the impact of tax concession and partial tax exemption during the Track Record Period:

	For the year ended 30 June	
	2016	**2017**
	S$	*S$*
Effect of tax concessions	13,535	4,992
Effect of partial tax exemption	50,925	35,925
Total	64,460	40,587

Income tax paid

General rules for tax filing

In Singapore, companies are required by the Income Tax Act (Cap. 134) to report an estimated tax payable by three (3) months after the financial year end. The estimation is based on the company's knowledge and the available accounting information (without the need of audited figures) on the date of filing (hereafter known as: "**Initial filing**"). Upon filing of such an estimate, Inland Revenue Authority of Singapore ("**IRAS**") will subsequently issue an original notice of assessment based on the Initial filing. The company would then have to settle the outstanding payment of taxes within one (1) month from the date of issuance of the original notice of assessment, unless instalments are granted. After Initial filing, the company is required to submit the tax return, tax computation and audited accounts to the IRAS by 30 November of the year following the end of its financial year[(1)] (hereafter known as: "**Final filing**"). Once the Final filing is submitted to the IRAS, the IRAS will issue an amended notice of assessment (i.e. additional tax or tax refund) if there are any discrepancies between the Initial filing and the Final filing. After receiving the amended notice of assessment, the company should settle the outstanding payments within one (1) month from the date of issuance of the amended notice of assessment.

Note:

1. For example, companies are required to submit their Final filing by 30 November 2017 to report their taxable income in relation to their financial year 2016.

The tax filing procedures of our Group

In order to meet the statutory deadline mentioned above, we generally submit our Initial filing, based on our available accounting information, within 3 months after our financial year end. Subsequently, we will engage an auditor and tax representative for the preparation of the audited financial statements and the submission of final tax computation. We will settle the tax payments within the specified time frame according to the notice of assessments issued by the IRAS.

The cash outflow for tax for the year ended 30 June 2016 ("FY2016")

The income tax paid of $18,831 in FY2016 mainly represents (i) an additional tax payment (i.e. the difference from the tax paid between the Initial filing and the Final filing) for the financial year ended 30 June 2014 (i.e. Year of Assessment 2015) stated on the notice of assessment issued by IRAS on 21 November 2015, and (ii) an estimated tax payable for the financial year ended 30 June 2015 (i.e. Year of Assessment 2016) stated on the original notice of assessments issued by IRAS on 7 October 2015 based on our Initial filing.

The reason for zero cash outflow for tax for the year ended 30 June 2017 ("FY2017")

No tax payment was made in FY2017 due to net effect of (i) an overpayment of tax for the financial year ended 30 June 2015 (i.e. Year of Assessment 2016), and (ii) an estimated tax payable for the FY2016 (i.e. Year of Assessment 2017) based on our Initial filing.

We submitted the Initial filing for the FY2016 on 29 September 2016 which was prepared based on the available accounting information on the date of filing. In addition, after finalising of our financial statements for the year ended 30 June 2015, our tax representative prepared and submitted the Final filing to IRAS on 8 November 2016. Based on the final tax computation for the year ended 30 June 2015, the tax payable was lower than the tax paid under the original notice of assessment issued by IRAS because of the tax deductions on expenditure of renovation and refurbishment work and the capital allowances, which have not been included in the Initial filing. Therefore, we have overpaid the tax under the original notice of assessment.

Based on the notice of assessment issued by the IRAS on 19 November 2016, the final tax payable for the year ended 30 June 2015 and the estimated tax payable for the FY2016 is offset by the tax overpaid from Initial filing for the year ended 30 June 2015 and thus there was no cash outflow for tax (i.e. zero tax paid) in FY2017.

Moreover, the deadline for the Final filing for the FY2016 is 30 November 2017 and our tax representative has submitted the final tax computation on behalf of our Group based on the financial statements audited by Deloitte & Touche LLP.

Income tax payable

The significant increase in our income tax payable balance from S$168,204 as at 30 June 2016 to S$435,945 as at 30 June 2017 was mainly due to (i) no income tax was paid in FY2017 for the reasons mentioned above and (ii) the increase in income tax provision from S$177,616 for FY2016 to S$267,741 for FY2017 as a results of the increased in assessable profit for our Group during the year.

RESULTS OF OPERATION OF OUR GROUP

Comparison of the financial year ended 30 June 2017 to the financial year ended 30 June 2016

Revenue

Our revenue increased by S$0.6 million from S$8.0 million for the year ended 30 June 2016 to S$8.6 million for the year ended 30 June 2017, representing an increase of 7.9%. The increase in our revenue was primarily due to the increase in revenue from our sale of sound and communication systems and related services segment.

Sale of sound and communication systems and related services

Our revenue generated from the sale of sound and communication systems and related services increased by S$1.2 million from S$5.9 million for the year ended 30 June 2016 to S$7.1 million for the year ended 30 June 2017, representing an increase of 19.9%. The increase in our revenue generated from the sale of sound and communication systems and related services was primarily due to the increase in demand in our healthcare communication systems as a result of rising government expenditure on healthcare infrastructure, such as the increase in public hospital and nursing home capacity by 2020.

Integrated services of sound and communication systems

Our revenue generated from the integrated services of sound and communication systems decreased by S$0.6 million from S$1.2 million for the year ended 30 June 2016 to S$0.6 million for the year ended 30 June 2017, representing a decrease of 46.9%. The decrease in our revenue generated from the integrated services of sound and communication systems was primarily due to the completion of a project in August 2016 and no new projects was carried out during the year. For further details, please refer to the section headed "Business – Projects undertaken during the Track Record Period" in this prospectus.

AAS services

Our revenue generated from the AAS services remained stable at S$0.9 million for the two years ended 30 June 2016 and 2017. During the Track Record Period, we generated revenue from two long term AAS services contracts with contract terms of June 2013 to April 2021 and January 2015 to April 2021, respectively.

Costs of sales/services

Our costs of sales/services increased by S$0.3 million from S$5.2 million for the year ended 30 June 2016 to S$5.5 million for the year ended 30 June 2017, representing an increase of 4.7%. The increase in our costs of sales/services was primarily due to the increase in material cost and staff cost, which is in line with the increase in revenue generated from the sale of sound and communication systems and related services.

Materials cost

Our materials cost increased by S$0.3 million from S$2.8 million for the year ended 30 June 2016 to S$3.1 million for the year ended 30 June 2017, representing an increase of 10.7%. The increase in materials cost primarily due to the increase in systems purchased for the sale of sound and communication systems and related services as a result of the increase in revenue of this segment during the year ended 30 June 2017 and partially off set by the discount we received in relation to the purchase of materials for certain projects in this segment.

Staff cost

Our staff cost under costs of sales/services increased by S$0.2 million from S$1.4 million for the year ended 30 June 2016 to S$1.6 million for the year ended 30 June 2017, representing an increase of 10.8%. The increase in staff cost was primarily due to the increase in salary paid to operational staff for the year ended 30 June 2017 compared to the year ended 30 June 2016.

Subcontracting cost

Our subcontracting cost decreased by S$0.2 million from S$0.4 million for the year ended 30 June 2016 to S$0.2 million for the year ended 30 June 2017, representing a decrease of 47.4%. The decrease in subcontracting cost was primarily due to (i) the additional subcontracting costs incurred during the year ended 30 June 2016; and (ii) the decrease in revenue generated from the integrated services of sound and communication systems for the year ended 30 June 2017 compared to the year ended 30 June 2016, which required conduit laying, cable installation and electrical works to be conducted by subcontractors.

Depreciation

Our depreciation under costs of sales/services remained stable at S$0.4 million for the two years ended 30 June 2016 and 2017.

Other costs of sales/services

Our other costs of sales/services decreased by S$5.5 thousand from S$93.4 thousand for the year ended 30 June 2016 to S$87.9 thousand for the year ended 30 June 2017, representing a decrease of 5.9%. The decrease in other costs of sales/services was primarily due to the decrease in transportation cost as a result of bundling of purchases from overseas suppliers.

Gross profit and gross profit margin

Our gross profit increased by S$0.4 million from S$2.8 million for the year ended 30 June 2016 to S$3.2 million for the year ended 30 June 2017, representing an increase of 13.9%. Our gross profit margin increased from 34.9% for the year ended 30 June 2016 to 36.8% for the year ended 30 June 2017 primarily due to increase in gross profit margin from all three business segments, which will be addressed below.

Sale of sound and communication systems and related services

Our gross profit generated from the sale of sound and communication systems and related services increased by S$0.6 million from S$2.0 million for the year ended 30 June 2016 to S$2.6 million for the year ended 30 June 2017, representing an increase of 26.3%. The increase of gross profit generated from the sale of sound and communication systems and related services was primarily due to the increase in demand in our healthcare communication systems as a result of rising government expenditure on healthcare infrastructure. Our gross profit margin for the sale of sound and communication systems and related services increased from 34.4% for the year ended 30 June 2016 to 36.3% for the year ended 30 June 2017, representing an increase of 1.9%. The increase in gross profit margin was primarily due to the discount we received in relation to the purchase of materials for certain sale of sound and communication systems and related services projects.

Integrated services of sound and communication systems

Our gross profit generated from the provision of integrated services of sound and communication systems decreased by S$0.2 million from S$0.5 million for the year ended 30 June 2016 to S$0.3 million for the year ended 30 June 2017, representing a decrease of 34.9%. The decrease of gross profit generated from the provision of integrated services of sound and communication systems was primarily due to the completion of a project in August 2016 and no new project was carried out during the year. For further details, please refer to the section headed "Business – Projects undertaken during the Track Record Period" in this prospectus. Our gross profit margin for the provision of integrated services of sound and communication systems increased from 40.8% for the year ended 30 June 2016 to 50.1% for the year ended 30 June 2017, representing an increase of 9.3%. Our gross profit margin for the provision of integrated services of sound and communication systems for the year ended 30 June 2016 was lower than the year ended 30 June 2017 primarily due to the additional subcontracting cost incurred during the year ended 30 June 2016 as a result of the variation in the work schedule in a project as per our customer's request.

AAS services

Our gross profit generated from the AAS services remained stable at S$0.3 million for the two years ended 30 June 2016 and 2017. Our gross profit margin for the AAS services increased from 29.7% for the year ended 30 June 2016 to 31.3% for the year ended 30 June 2017, representing an increase of 1.6%. The increase in gross profit margin was primarily due to the reduced of our own labour in monitoring the system as our labour have became more experienced for monitoring such system for the year ended 30 June 2017 and therefore, less time was charged to AAS projects for the year ended 30 June 2017 and increased the gross profit margin.

Other income

Our other income decreased by S$16.1 thousand from S$26.3 thousand for the year ended 30 June 2016 to S$10.2 thousand for the year ended 30 June 2017, representing an decrease of 61.1%. The decrease in our other income was primarily due to the decrease in government grants under wage credit scheme from S$15.9 thousand for the year ended 30 June 2016 to S$2.1 thousand for the year ended 30 June 2017 as a result of the change in the amount co-funded by the government under wage credit scheme. For further details, see Note 7 to the accountant's report included in Appendix I to this prospectus.

Administrative expenses

Our administrative expenses increased by S$0.1 million from S$1.2 million for the year ended 30 June 2016 to S$1.2 million for the year ended 30 June 2017, representing an increase of 7.3%. The increase in our administrative expenses was primarily due to the increase in staff cost and professional fee.

Staff cost

Our staff cost under administrative expenses increased by S$0.1 million from S$0.7 million for the year ended 30 June 2016 to S$0.8 million for the year ended 30 June 2017, representing an increase of 15.1%. The increase in staff cost under administrative expenses was primarily due to the increase in number of back office staff and salary for the year ended 30 June 2017 compared to the year ended 30 June 2016.

Depreciation

Our depreciation under administrative expenses remained stable at S$0.2 million for the two years ended 30 June 2016 and 2017.

Dormitory expense

Our dormitory expense decreased by S$12.9 thousand from S$51.5 thousand for the year ended 30 June 2016 to S$38.7 thousand for the year ended 30 June 2017, representing a decrease of 25.0%. The decrease in dormitory expense was primarily due to the increase in number of foreign workers who opt to stay in accommodation of their choice, which the accommodation allowance was classified as staff cost.

Rental expense

Our rental expense decreased by S$48.8 thousand from S$49.8 thousand for the year ended 30 June 2016 to S$0.9 thousand for the year ended 30 June 2017, representing a decrease of 98.2%. The decrease in rental expense was primarily due to the expiry of the lease of our office in October 2015.

Professional fee

Our professional fee increased by S$49.2 thousand from S$13.5 thousand for the year ended 30 June 2016 to S$62.7 thousand for the year ended 30 June 2017, representing an increase of 364.0%. The increase in professional fee was primarily due to the increase in the auditor's remuneration during the year ended 30 June 2017.

Other miscellaneous expenses

Our other miscellaneous expenses decreased by S$18.2 thousand from S$207.6 thousand for the year ended 30 June 2016 to S$189.5 thousand for the year ended 30 June 2017, representing a decrease of 8.7%. The decrease in other miscellaneous expenses was primarily due to the decrease in training costs borne by us by S$19.9 thousand as a result of the reimbursement from the Building & Construction Authority during the year ended 30 June 2017.

Other losses

Our other losses decreased by S$25.6 thousand from S$58.8 thousand for the year ended 30 June 2016 to S$33.3 thousand for the year ended 30 June 2017, representing an decrease of 43.5%. The decrease in our other losses was primarily due to the one-off loss on write off property, plant and equipment of S$15.8 thousand for the year ended 30 June 2016 and the decrease in exchange loss of S$9.8 thousand.

Listing expenses

Our Listing expenses increased from nil for the year ended 30 June 2016 to S$0.2 million for the year ended 30 June 2017 primarily due to the one-off Listing expenses incurred during the year ended 30 June 2017.

Finance costs

Our finance costs decreased by S$37.8 thousand from S$97.9 thousand for the year ended 30 June 2016 to S$60.1 thousand for the year ended 30 June 2017, representing an decrease of 38.6%. The decrease in our finance costs was primarily due to the decrease in applicable interest rate for the mortgage loan.

Profit before taxation

As a result of the foregoing, our profit before taxation increased by S$0.1 million from S$1.5 million for the year ended 30 June 2016 to S$1.6 million for the year ended 30 June 2017, representing an increase of 9.3%.

Income tax expense

Our income tax expense increased by S$0.1 million from S$0.2 million for the year ended 30 June 2016 to S$0.3 million for the year ended 30 June 2017, representing an increase of 40.1%. The increase in income tax expense was primarily due to the increase in our profit before taxation for the year ended 30 June 2017.

Our effective tax rate increased from 13.6% for the year ended 30 June 2016 to 17.4% for the year ended 30 June 2017 primarily due to (i) the decrease of tax concessions and partial tax exemption; and (ii) increase in non-deductible Listing expenses incurred.

Profit and other comprehensive income for the year

As a result of the factors discussed above, our profit and other comprehensive income for the year increased by S$0.1 million from S$1.3 million for the year ended 30 June 2016 to S$1.4 million for the year ended 30 June 2017, representing an increase of 4.5%. Our net profit margin decreased from 16.2% for the year ended 30 June 2016 to 15.6% for the year ended 30 June 2017.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our liquidity and capital requirements primarily through a combination of capital contributions from our Controlling Shareholder and internally generated funds from our operating activities. As at 30 June 2016 and 2017, we had bank balances and cash of S$1.2 million and S$3.7 million, respectively.

We had net cash from operating activities of S$1.8 million and S$3.1 million for the year ended 30 June 2016 and 2017, respectively. We require cash primarily for operations and general working capital needs. Going forward, we expect to fund our working capital requirements with a combination of various sources, including but not limited to cash generated from our operations, the net proceeds from the Share Offer, the bank balances and cash. For more information on our expected capital expenditure requirements, please refer to the sub-section headed "Financial Information – Capital Expenditure" of this prospectus.

Cash flows of our Group

The following table sets forth the selected cash flow data from the combined statements of cash flows for the Track Record Period:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Net cash from operating activities	1,834,916	3,113,006
Net cash used in investing activities	(623,444)	(4,982)
Net cash used in financing activities	(400,180)	(556,323)
Net increase in cash and cash equivalents	811,292	2,551,701
Cash and cash equivalents at beginning of year	346,293	1,157,585
Cash and cash equivalents at end of year	1,157,585	3,709,286

Net cash from operating activities

Our cash inflow from operating activities is principally derived from the receipts from (i) sale of sound and communication systems and related services; (ii) integrated services of sound and communication systems, with a focus on customisation and installation of sound and communication systems in buildings; and (iii) AAS services for our customers in Singapore. Our operating expenses comprised mainly costs of sales/services and administrative expenses. During the Track Record Period, our net cash flows from operating activities represented profit before taxation for the year adjusted for depreciation of property, plant and equipment, loss on write off property, plant and equipment, interest income and finance costs and changes in working capital.

For the year ended 30 June 2017, we had net cash flows generated from operating activities of approximately S$3.1 million. This amount represents profit before taxation of approximately S$1.6 million, (i) adjusted for certain non-cash gains and expenses, mainly included depreciation of property, plant and equipment of S$0.6 million and finance costs of approximately S$0.1 million, and (ii) for changes in certain working capital items that positively affected operating cash flow, mainly included the increase in trade and other payables of approximately S$0.8 million and decrease in trade receivables of S$0.2 million, offset by changes in certain working capital items that negatively affected operating cash flow, mainly included the increase in other receivable, deposits and prepayments of S$0.2 million.

For the year ended 30 June 2016, we had net cash flows generated from operating activities of approximately S$1.8 million. This amount represents profit before taxation of approximately S$1.5 million, (i) adjusted for certain non-cash gains and expenses, mainly included depreciation of property, plant and equipment of S$0.6 million and finance costs of approximately S$0.1 million, and (ii) for changes in certain working capital items that positively affected operating cash flow, mainly included the decrease in amount due from customers for contract works of approximately S$0.1 million, and offset by changes in certain working capital items that negatively affected operating cash flow, mainly included the decrease in trade and other payables of S$0.3 million and increase in trade receivables of S$0.2 million.

Net cash used in investing activities

Our cash used in investing activity consists of acquisition of property, plant and equipment.

For the year ended 30 June 2017, we had net cash used in investing activities of S$5.0 thousand, which primarily consists of the purchase of computers of S$4.6 thousand.

For the year ended 30 June 2016, we had net cash used in investing activities of S$0.6 million, which primarily consists of the purchase of motor vehicles of S$88.4 thousand, furniture, fixtures and fittings of S$72.5 thousand, alert alarm systems of S$57.3 thousand and office equipment of S$55.4 thousand.

Net cash used in financing activities

Our cash used in financing activities mainly consists of dividends paid, repayment to a Director, repayment of finance leases, repayment of borrowings and interest paid. Our cash from financing activities represents proceeds from borrowing.

For the year ended 30 June 2017, we had net cash used in financing activities of S$0.6 million, which primarily consists of dividends paid of S$0.3 million and repayment of borrowings of S$0.1 million.

For the year ended 30 June 2016, we had net cash used in financing activities of S$0.4 million, which primarily consists of repayment to a Director of S$0.6 million and repayment of borrowing of S$0.1 million, offset by the proceeds from borrowings of S$0.4 million.

WORKING CAPITAL

The following table sets forth the breakdown of our current assets and current liabilities as at 30 June 2016, 30 June 2017 and 31 October 2017:

	As at 30 June		As at 31 October
	2016	2017	2017
	S$	*S$*	*S$*
			(unaudited)
Current assets			
Inventories	–	19,735	–
Trade receivables	1,864,851	1,708,213	2,118,121
Other receivables, deposits and prepayments	129,216	281,473	651,093
Amount due from customers for contract works	55,781	416	5,024
Bank balances and cash	1,157,585	3,709,286	1,647,146
Total current assets	3,207,433	5,719,123	4,421,384
Current liabilities			
Trade and other payables	636,682	1,736,950	919,164
Amounts due to customers for contract works	–	–	175,026
Amount due to a Director	4,300	–	–
Obligation under finance leases – due within one year	12,432	–	–
Borrowings due within one year	138,478	126,833	119,171
Income tax payable	168,204	435,945	486,520
Total current liabilities	960,096	2,299,728	1,699,881
Net current assets	2,247,337	3,419,395	2,721,503

Our total current assets as at 30 June 2016, 30 June 2017 and 31 October 2017 amounted to S$3.2 million, S$5.7 million and S$4.4 million, respectively, which primarily consisted of inventories, trade receivables, other receivables, deposit and prepayments, amount due from customers for contract works and bank balances and cash. Our total current liabilities for the same period amounted to S$1.0 million, S$2.3 million and S$1.7 million, respectively, which primarily consisted of trade and other payables, amounts due to customers for contract works, amount due to a Director, obligations under finance leases (due within one year), borrowings due within one year and income tax payable.

Our Group's net current assets increased from S$2.2 million as at 30 June 2016 to S$3.4 million as at 30 June 2017. The increase in net current assets was primarily due to the increase in bank balances and cash of S$2.6 million from our operations, partially off-set by the increase in trade and other payables of S$1.1 million due to the purchase of materials close to the financial year end of 30 June 2017.

Our Group's net current assets decreased from S$3.4 million as at 30 June 2017 to S$2.7 million as at 31 October 2017. The decrease in net current assets was primarily due to the decrease in bank balances and cash as a result of settlement of listing expenses during the four months ended 31 October 2017.

Our Directors confirm that, taking into consideration the financial resources presently available to us, including our existing cash and cash equivalents, cash flows from operations and net proceeds from the Share Offer and the unutilised banking facilities of S$0.5 million, we have sufficient working capital for our present requirements for at least the next 12 months commencing on the date of this prospectus.

DISCUSSION OF SELECTED COMBINED STATEMENTS OF FINANCIAL POSITION ITEMS

	As at 30 June	
	2016	**2017**
	S$	*S$*
Non-current assets		
Property, plant and equipment	6,903,982	6,331,112
Pledged bank deposits	206,947	206,947
	7,110,929	6,538,059
Current assets		
Inventories	–	19,735
Trade receivables	1,864,851	1,708,213
Other receivables, deposits and prepayments	129,216	281,473
Amounts due from customers for contract works	55,781	416
Bank balances and cash	1,157,585	3,709,286
	3,207,433	5,719,123
Current liabilities		
Trade and other payables	636,682	1,736,950
Amount due to a director	4,300	–
Obligations under finance leases – due within one year	12,432	–
Borrowings due within one year	138,478	126,833
Income tax payable	168,204	435,945
	960,096	2,299,728
Net current assets	2,247,337	3,419,395
Total assets less current liabilities	9,358,266	9,957,454
Non-Current liabilities		
Obligations under finance leases – due after one year	41,024	–
Borrowings due after one year	3,473,277	3,346,444
Deferred tax liabilities	244,456	260,905
	3,758,757	3,607,349
Net assets	5,599,509	6,350,105
Capital and reserves		
Share capital	525,000	525,000
Accumulated profit	5,074,509	5,825,105
Equity attributable to owners of the Company	5,599,509	6,350,105

Property, plant and equipment

Our property, plant and equipment consist of computers, office equipment, furniture, fixtures and fittings, motor vehicles, leasehold land and property and alert alarm systems. We had property, plant and equipment of S$6.9 million, and S$6.3 million as at 30 June 2016 and 2017, respectively. As at 30 June 2016 and 2017, the leasehold land and property of our Group was pledged to a bank for a mortgage loan raised by our Group.

The following table sets forth the breakdown of our property, plant and equipment as at the respective dates indicated:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Computer	5,604	2,993
Office equipment	40,345	21,923
Furniture, fixtures and fittings	103,446	49,791
Motor vehicles	78,831	64,097
Leasehold land and property	4,793,347	4,706,196
Alert alarm systems	1,882,409	1,486,112
	6,903,982	6,331,112

Our property, plant and equipment decreased by S$0.6 million or 8.3% from S$6.9 million as at 30 June 2016 to S$6.3 million as at 30 June 2017 primarily due to the depreciation of S$0.6 million during the year ended 30 June 2017.

Pledged bank deposits

Our pledged bank deposits represent deposits placed to a bank for corresponding amounts of performance guarantee arranged by our Group in favor of a customer with an original maturity term of 36 months. The balances carry interest of 0.65% per annum as at 30 June 2016 and 2017. We had pledged bank deposits of S$0.2 million as at 30 June 2016 and 2017.

Inventories

Our inventories represent sound and communication system in transit. We had inventories of nil as at 30 June 2016 and S$19.7 thousand as at 30 June 2017.

Trade receivables

Our trade receivables primarily consist of trade receivables, unbilled revenue and retention receivables. As at 30 June 2016 and 2017, we had trade receivables of S$1.9 million and S$1.7 million, respectively.

The following table sets forth the breakdown of our trade receivables as at 30 June 2016 and 2017:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Trade receivables	1,564,435	1,490,542
Unbilled revenue	113,875	86,369
Retention receivables	186,541	131,302
	1,864,851	1,708,213

Trade receivables

As at 30 June 2016 and 2017, we had trade receivables of S$1.6 million and S$1.5 million, respectively. Our Group grants credit terms to customers typically between 30 to 90 days from the invoice date for trade receivables. Our Group does not charge interest nor hold any collateral over these balances.

Our trade receivables remained stable at S$1.6 million as at 30 June 2016 and S$1.5 million as at 30 June 2017.

The table below sets forth an analysis of trade receivables by age presented based on the invoice date at the end of each period:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Within 30 days	569,355	780,658
31 days to 90 days	773,002	530,794
91 days to 180 days	131,885	130,601
181 days to 365 days	79,339	10,941
Over 365 days	10,854	37,548
	1,564,435	1,490,542

Before accepting any new customer, our Group assesses the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed once a year.

Included in our Group's trade receivables were aggregate carrying amounts of S$1.0 million and S$0.7 million which were past due as at 30 June 2016 and 2017, respectively, for which our Group had not provided for impairment loss as there had not been a significant change in credit quality and amounts were still considered recoverable based on repayment history of respective customer.

The table below sets forth trade receivables which were past due but not impaired based on invoice date as at each reporting date:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Within 30 days	18,966	71,835
31 days to 90 days	759,787	445,037
91 days to 180 days	131,885	130,601
181 days to 365 days	79,339	10,941
Over 365 days	10,854	37,548
	1,000,831	695,962

In the opinion of the management of our Group, trade receivables at the end of each reporting period were of good credit quality which considering the high credibility of these customers, good track record with our Group and subsequent settlement, the management believes that no impairment allowance is necessary in respect of the remaining unsettled balances.

The following table sets forth our average trade receivables turnover days for the years indicated:

	Year ended 30 June	
	2016	**2017**
Trade receivables turnover days[(1)]	70	65

Note:

1. Trade receivables turnover days were calculated based on the averaged of the opening and closing trade receivables divided by revenue for the relevant year multiplied by the number of calendar days in the respective year.

Our trade receivables turnover days decreased from 70 days for the year ended 30 June 2016 to 65 days for the year ended 30 June 2017 primarily due to the fluctuation of the amounts settled by different customers to us as at the respective reporting dates due to the different settlement practices of different customers as well as the different credit periods granted by us.

As at Latest Practicable Date, approximately S$1.3 million or 85.3% of our trade receivable as at 30 June 2017 have been subsequently settled.

Retention receivables

Retention receivables represent monies withheld by customers of contract works that will be released after the completion of maintenance period of the relevant contracts. As at 30 June 2016 and 2017, we had retention receivables of S$0.2 million and S$0.1 million, respectively. Our retention receivables decreased by S$0.1 million or 29.6% from S$0.2 million as at 30 June 2016 to S$0.1 million as at 30 June 2017 primarily due to the retention monies released by our customers during the year ended 30 June 2017 as a result of the expiry of maintenance period of certain contracts.

As at Latest Practicable Date, approximately 3.4% of our retention receivable as at 30 June 2017 have been subsequently settled.

Other receivables, deposits and prepayments

Our other receivables, deposits and prepayments primarily consist of deposits, prepayments, deferred listing expenses and others. As at 30 June 2016 and 2017, we had other receivables, deposits and prepayment of S$0.1 million and S$0.3 million, respectively.

The following table sets forth the breakdown of our other receivables, deposits and prepayments as at 30 June 2016 and 2017:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Deposits	61,353	30,338
Prepayments	64,188	179,569
Deferred listing expenses	–	67,815
Others	3,675	3,751
	129,216	281,473

Our other receivables, deposits and prepayments increased by S$0.2 million or 117.8% from S$0.1 million as at 30 June 2016 to S$0.3 million as at 30 June 2017 primarily due to the increase in prepayments of S$0.1 million and deferred Listing expenses of S$0.1 million in relation to the Listing.

Amount due from customers for contract works

Our amount due from customers for contract works represents contract costs incurred plus recognized profits less recognized loss, offset by progress billing. Our Group presents the balance as an asset when the gross amount due from customers for contract works for all projects in progress for which cost incurred plus recognized profits and less recognized losses exceed progress billings. As at 30 June 2016 and 2017, we had amount due from customers for contract works of S$55.8 thousand and S$0.4 thousand, respectively.

For details of our amount due from customers for contract works, see Note 19 to the accountant's report included in Appendix I to this prospectus.

Trade and other payables

Our trade and other payables primarily consist of trade payables, retention payables, good and services tax payable, prepayments by customers, accrued operating expenses, accrued Listing expenses, payroll payable, dividend payable and others. As at 30 June 2016 and 2017, we had trade and other payables of S$0.6 million and S$1.7 million, respectively.

The following table sets forth the breakdown of our trade and other payables as at 30 June 2016 and 2017:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Trade payables	372,312	922,272
Retention payables	62,498	51,682
	434,810	973,954
Other payables		
Goods and Services Tax ("GST") payable	86,940	120,042
Prepayments by customers	54,972	48,163
Accrued operating expenses	31,391	81,820
Accrued listing expenses	–	177,226
Payroll payable	14,591	17,827
Dividend payable	–	300,000
Others	13,978	17,918
	201,872	762,996
	636,682	1,736,950

Our trade and other payables increased by S$1.1 million or 172.8% from S$0.6 million as at 30 June 2016 to S$1.7 million as at 30 June 2017 primarily due to the increase in trade payable of S$0.5 million, the increase in Listing related accrual of S$0.2 million and the increase in dividend payable of S$0.3 million.

As at Latest Practicable Date, S$0.3 million or 100.0% of our dividend payable as at 30 June 2017 have been subsequently settled.

Trade payables

As at 30 June 2016 and 2017, we had trade payables of S$0.4 million and S$0.9 million, respectively. The increase in trade payables of S$0.5 million or 147.7% was primarily due to two invoices of S$0.6 million in relation to the purchase of materials for projects newly awarded in June 2017 and not yet due as at 30 June 2017. The credit period on purchases from suppliers and subcontractors is typically between 30 to 60 days. No interest was charged on the outstanding balance.

The table below sets forth an aged analysis of trade payable presented based on the invoice date at the end of each period:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Within 30 days	158,634	686,828
31 days to 90 days	204,803	118,798
91 days to 180 days	150	112,864
Over 180 days	8,725	3,782
	372,312	922,272

The following table sets forth our average trade payable turnover days for the years indicated:

	Year ended 30 June	
	2016	**2017**
Trade payables turnover days[(1)]	52	68

Note:

1. Trade payables turnover days were calculated based on the averaged of the opening and closing trade payables divided by costs of sales/services less staff cost and depreciation for the relevant year multiplied by the number of calendar days in the respective year.

Our trade payable turnover days increased from 52 days for the year ended 30 June 2016 to 68 days for the year ended 30 June 2017 primarily due to two invoices of S$0.6 million in relation to the purchase of materials for projects newly awarded in June 2017 and not yet due as at 30 June 2017.

As at Latest Practicable Date, approximately S$0.9 million or 99.0% of our trade payable as at 30 June 2017 have been subsequently settled.

Amount due to a Director

Our amount due to a Director represents amount due to Mr. Mong which is non-trade related, unsecured, non-interest bearing and without a fixed repayment term. We had amount due to a Director of S$4.3 thousand as at 30 June 2016 and nil as at 30 June 2017.

Obligations under finance leases

Our Group had obligation under finance leases of S$53.5 thousand as at 30 June 2016 and nil as at 30 June 2017.

The following table sets forth our obligation under finance leases as at 30 June 2016 and 2017:

	Minimum lease payments As at 30 June		Present value of minimum leases payments As at 30 June	
	2016	**2017**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*
Amounts payable under finance leases:				
Within one year	15,088	–	12,432	–
In more than one year but no more than two years	8,640	–	6,512	–
In more than two year but no more than five years	25,920	–	22,068	–
More than five years	12,945	–	12,444	–
	62,593	–	53,456	–
Less: future finance charges	(9,137)	–	–	–
Present value of lease obligations	53,456	–	–	–
Less: Amount due for settlement within one year (shown under current liabilities)			(12,432)	–
Amount due for settlement after one year			41,024	–

Interest rates underlying all obligations under finance leases are fixed at respective contract date during the Track Record Period. The interest rate per annum was 5.56% to 5.85% as at 30 June 2016 and 2017.

Our obligation under finance leases decreased by S$53.5 thousand from S$53.5 thousand as at 30 June 2016 to nil as at 30 June 2017 primarily due to the full settlement of hire purchase for two of our motor vehicles before the financial year end as at 30 June 2017.

Borrowings

For details of borrowing, please refer to the paragraph headed "– Indebtedness" in this section.

INDEBTEDNESS

At the close of business on 31 October 2017, being the latest practicable date for this indebtedness statement, our Group had utilized banking facility of S$3.4 million, which was secured by the legal mortgage and a joint and several personal guarantees from Mr. Mong and Ms. Choon and there are no material covenants relating to these outstanding indebtedness. Any personal guarantees provided by Mr. Mong and Ms. Choon for our Group's indebtedness will be released/replaced by corporate guarantees provided by our Company upon or before Listing. As at close of business on 31 October 2017, our Group had unutilized uncommitted banking facility of approximately S$0.5 million.

As at 30 June 2016, 30 June 2017 and 31 October 2017, we had borrowings of S$3.6 million, S$3.5 million and S$3.4 million, respectively.

The table below sets forth a breakdown of our bank borrowings as at 30 June 2016, 30 June 2017 and 31 October 2017 by scheduled repayment date:

	As at 30 June		As at 31 October
	2016	2017	2017
	S$	*S$*	*S$*
			(unaudited)
Bank loans – Secured and guaranteed	3,611,755	3,473,277	3,429,371
Analysed as:			
Carrying amount repayable			
– Within one year	138,478	126,833	119,171
– More than one year, but not exceeding two years	126,833	89,444	91,054
– More than two years, but not exceeding five years	284,658	302,215	307,652
– More than five years	3,061,786	2,954,785	2,911,494
	3,611,755	3,473,277	3,429,371
Less: Amount due within one year shown under current liabilities	(138,478)	(126,833)	(119,171)
Amount due for settlement after one year	3,473,277	3,346,444	3,310,200

During the Track Record Period, our bank loans represent a mortgage loan. For further details, see Note 24 to the accountants' report included in Appendix I to this prospectus.

Save for the aforesaid or otherwise disclosed herein and apart from intra-group liabilities, our Group did not have, at the close of business on 31 October 2017, any outstanding debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowings including overdrafts, liabilities under acceptance, acceptance credit, debentures, charges, mortgages, hire purchase and finance lease commitments, any guarantees or other material contingent liabilities. Our Directors also confirmed that we did not have any further plan for material debt financing as the Latest Practicable Date. Since 31 October 2017 and up to the Latest Practicable Date, there has been no material adverse change in our indebtedness.

Our Directors confirmed we had not materially defaulted in payments of trade and non-trade payables and borrowings, and/or breaches of finance covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES AND COMMITMENTS

During the Track Record Period and as at the Latest Practicable Date, saved as the additions to our property, plant and equipment as disclosed in Note 15 to the accountants' report included in Appendix I to this prospectus, we did not have any material capital expenditures and commitments.

OPERATING LEASE COMMITMENTS

Our operating lease commitments represent the minimum please payments paid during each of the year under operating lease in respect of office premises, staff dormitories and office equipment. We had operating lease commitments of S$101.3 thousand as at 30 June 2016 and S$39.6 thousand as at 30 June 2017.

For further details, see Note 27 to the accountants' report included in Appendix I to this prospectus.

CONTINGENT LIABILITIES

We were not involved in any legal proceedings pending or, to our knowledge, threatened against our Group which could have a material adverse effect on our business or operations. The Directors confirm that as at the Latest Practicable Date, we did not have any material contingent liabilities.

RELATED PARTY TRANSACTIONS

During the Track Record Period, other than (i) the personal guarantees from Mr. Mong and Ms. Choon, which will be released before the Listing/will be replaced by corporate guarantees provided by our Company before the Listing; and (ii) compensation of key management personnel, our Group did not entered into other related party transactions. For further details, see Note 29 to the accountants' report included in Appendix I to this prospectus.

OFF BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we had no off-balance sheet arrangements.

CAPITAL RISK MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital risk management

Our Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes obligations under finance leases and borrowings, as disclosed in Notes 23 and 24 to the accountants' report included in Appendix I to this prospectus, net of pledged bank deposits, bank balances and cash and equity attributable to owners of the Group, comprising share capital and accumulated profits.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

Financial risk management

Our Group's major financial instruments include trade and other receivables, bank deposits, bank balances and cash, trade and other payables, amount due to a director and borrowings. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. Our management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. For further details, please refer to Note 31 to the accountants' report included in Appendix I to this prospectus.

KEY FINANCIAL RATIOS

	Year ended 30 June	
	2016	**2017**
	%	
Profitability ratios		
Gross profit margin[(1)]	34.9	36.8
Net profit margin[(2)]	16.2	15.6
Return on equity[(3)]	23.1	21.3
Return on total assets[(4)]	12.5	11.0

	As at 30 June	
	2016	**2017**
	Times	
Liquidity ratios		
Current ratio[(5)]	3.3	2.5
Quick ratio[(6)]	3.3	2.5
	%	
Capital adequacy ratios		
Gearing ratio[(7)]	65.5%	54.7%

Notes:

1. The calculation of gross profit margin is based on gross profit divided by revenue and multiplied by 100%.

2. The calculation of net profit margin is based on profit for the period divided by revenue and multiplied by 100%.

3. The calculation of return on equity is based on profit for the year attributable to the owners of the company divided by total equity and multiplied by 100%.

4. The calculation of return on total assets is based on profit for the year divided by total assets and multiplied by 100%.

5. The calculation of current ratio is based on current assets divided by current liabilities.

6. The calculation of quick ratio is based on current assets less inventories divided by current liabilities.

7. The calculation of gearing ratio is based on interest-bearing liabilities divided by the total equity and multiplied by 100%.

See the section headed "Financial Information – Results of Operation of Our Group" for the discussion of factors affecting our gross profit margin and net profit margin during the Track Record Period.

Return on equity

Our return on equity was 23.1% and 21.3% for the year ended 30 June 2016 and 2017, respectively. The decrease of our return on equity was primarily due to the increase in our equity primarily due to the increase in our bank balances and cash as we retained certain amount of cash for the expected Listing expenses.

Return on total assets

Our return on total assets was 12.5% and 11.0% for the year ended 30 June 2016 and 2017, respectively. The decrease of our return on total assets was primarily due to the increase in our current assets, mainly bank balances and cash and partially off-set by the decrease in our non-current assets as a result of the depreciation of property, plant and equipment.

Current ratio

Our current ratio was 3.3 times and 2.5 times as at 30 June 2016 and 2017, respectively. The decrease of our current ratio was primarily due to the increase in our current liabilities as a result of the increase in our trade payables.

Quick ratio

Our quick ratio was 3.3 times and 2.5 times as at 30 June 2016 and 2017, respectively. The decrease of our quick ratio was primarily due to the increase in our current liabilities as a result of the increase in our trade payables.

Gearing ratio

Our current ratio was 65.5% and 54.7% as at 30 June 2016 and 2017, respectively. The decrease of our gearing ratio was primarily due to the repayment of the principal of the borrowings and the full settlement of hire purchase for two motor vehicles.

DIVIDEND

During the year ended 30 June 2017, a subsidiary of our Company declared dividends of S$0.6 million to our Controlling Shareholders, which was fully settled as at 30 September 2017.

In future, declaration and payment of any dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to Shareholders' approval, but no dividend shall be declared in excess of the amount recommended by the Board. A decision to declare or to pay any dividend in the future, and the amount of any dividends, depends on a number of factors, including our results of operations, financial condition, the payment by our subsidiaries of cash dividends to us, and other factors the Board may deem relevant. There will be no assurance that our Company will

be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

As at the Latest Practicable Date, we did not have any specific dividend policy nor pre-determined dividend payout ratios.

LISTING EXPENSES

Assuming the Offer Size Adjustment Option is not exercised and assuming the Offer Price of HK$0.35 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the total amount of expenses in relation to the Listing are estimated to be approximately HK$26.0 million including the underwriting commission of approximately HK$6.0 million and other listing expenses and fees of approximately HK$20.0 million. The expenses in relation to the Listing shall be borne by our Company, of which approximately HK$1.2 million was recognised as listing expenses in our combined statement of profit or loss and other comprehensive income for the year ended 30 June 2017. We expect to incur additional listing expenses of approximately HK$14.1 million which will be recognised as listing expenses for the year ending 30 June 2018, and approximately HK$10.7 million of its estimated listing expenses is directly attributable to the issue of the Offer Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standard after Listing.

EFFECT ON OUR FINANCIAL PERFORMANCE DUE TO LISTING EXPENSES

Our net profit for the year ending 30 June 2018 will have a considerable reduction due to the incurrence of listing expenses during the year ending 30 June 2018. Our financial performance for the year ending 30 June 2018 will be affected by such expenses as compared with our financial performance for the year ended 30 June 2017.

DISTRIBUTABLE RESERVE

As at 30 June 2017, our Company had no reserves available for distribution to our Shareholders.

PROPERTY INTERESTS AND PROPERTY VALUATION

Ascent Partners Valuation Service Limited, an independent property valuer, has valued the property owned by our Group located at 3 Ang Mo Kio Street 62, #01-39, LINK@AMK, Singapore 569139 (being our office building as disclosed in the section headed "Business – Properties – Owned property" in this prospectus) as of 31 October 2017 and is of the opinion that the value of such property as of such date was S$5,000,000. The full text of the letter and the valuation certificate issued by Ascent Partners Valuation Service Limited are set out in Appendix III to this prospectus. The table below shows a reconciliation of the amount of the property as reflected in our combined financial information as at 30 June 2017 as set out in Appendix I to this prospectus with the valuation of the property as at 31 October 2017 as set out in Appendix III to this prospectus:

	S$
Net book value of the property as at 30 June 2017	
– Leasehold land and property	4,706,196
Less: Movements for the four months ended 31 October 2017	
– Depreciation	(29,051)
Net book value of the property as at 31 October 2017	4,677,145
Net valuation surplus	322,855
Valuation as at 31 October 2017	5,000,000

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

Please refer to Appendix II of this prospectus for the unaudited pro forma adjusted net tangible assets.

FINANCIAL INSTRUMENT

As of the Latest Practicable Date, we had not entered into any financial instrument for hedging purposes.

DISCLOSURE UNDER RULES 17.15 TO 17.21 OF THE GEM LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

RECENT DEVELOPMENT

Subsequent to the Track Record Period, we continue to explore different methods to expand our sound and communication services solution business operation in Singapore. Since 1 July 2017 to the Latest Practicable Date, we have been awarded with 63 new projects for our sale of sound and communication systems and related services operations and six new projects for our integrated services of sound and communication systems operations. The total contract value of these 69 new sound and communication services solution projects awarded to us subsequent to the Track Record Period is approximately S$7.4 million, and the expected duration of these projects ranges from July 2017 to December 2020.

In October 2017, we received a letter of intent from a health institution in Singapore for the sale of our sound and communication systems. To the best knowledge and belief of our Directors after making reasonable enquiries, it is estimated the health institution in Singapore will issue us with a letter of award by January 2018; the agreement contemplated in the letter of intent would be worth approximately S$540,000. Our Directors, based on the letter of intent, expect that delivery of the sound and communications systems will be required within eight to 12 weeks upon confirmation of order by the health institution in Singapore.

As set out in the paragraph headed "– Factors affecting our financial results" in this section above, our revenue may be affected by certain factors such as our tender success rate, competition within the sound and communication services market in Singapore, fluctuation in our materials cost and staff costs, and pricing of our sound and communication services solution projects. According to our unaudited management accounts for the five months ended 30 November 2016 and the unaudited management accounts for the five months ended 30 November 2017, we recorded an increase of approximately 30.0% in revenue for the five months ended 30 November 2017 as compared to the unaudited management accounts for the five months ended 30 November 2016.

NO MATERIAL ADVERSE CHANGE

Save for the expenses incurred in connection with the Listing, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial, operational or trading position since 30 June 2017, being the end of the period reported on in the accountants' report in Appendix I to this prospectus.

BUSINESS OBJECTIVES

Our Group will endeavour to expand our business operations and by adopting our business strategies through the following implementation plans. For details of our business strategies, please see the section headed "Business – Business Strategies" in this prospectus. Investors should note that the implementation plans and their scheduled times for attainment are formulated on the bases and assumptions referred to in the paragraph headed "Bases and assumptions" in this section. These bases and assumptions are subject to uncertainties, variables and unpredictable factors, in particular the risk factors set out in the section headed "Risk factors" in this prospectus. Our Group's actual course of business may vary from the business objectives set out in this prospectus. There can be no assurance that the plans of our Group will be materialised in accordance with the expected time frame or that the business objectives of our Group will be accomplished at all.

IMPLEMENTATION PLANS

We will endeavour to achieve the following milestone events for each of the six-month period from the Latest Practicable Date up to 31 December 2019, and their respective scheduled completion times are based on certain bases and assumptions as set out in "– Bases and assumptions" section below.

From the Latest Practicable Date to 31 December 2017

Business strategies	Implementation plans	Use of proceeds
Strengthen our marketing efforts in the sound and communication industry in Singapore	• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement	HK$0.2 million
	• Maintain and improve our corporate websites, which includes appointing an external consultant for customized website development	
	• Participate in industry trade show(s)	

For the six months ending 30 June 2018

Business strategies	Implementation plans	Use of proceeds
Strengthen our marketing efforts in the sound and communication industry in Singapore	• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement	HK$0.5 million
	• Maintenance and update of our corporate website by the aforementioned external consultant	
	• Participate in trade show(s)	
Expand and train our sales and marketing, technical and support workforce	• New headcount of approximately one project manager, two engineers and 10 technicians to be recruited by February 2018, and the associated staff accommodation costs	HK$1.1 million
	• To provide internal and external trainings and workshops to our sales and technical staff	
Purchase transportation vehicle	• Purchase of one van for maintenance operations and, transportation of relevant equipment and/or labour	HK$0.5 million
Partial repayment of mortgage loan	• Partial repayment for the bank loan in relation to the mortgage loan secured for the purchase of our head office in Singapore. For further details please refer to the section headed "Business – Properties" in this prospectus	HK$10.0 million

Business strategies	Implementation plans	Use of proceeds
Expansion of our sound and communication services solution business	• To explore, evaluate and tender for potential integrated services of sound and communication systems projects in Singapore, particularly larger scale projects which may be required for the provision of performance bonds. For further details, please refer to the paragraph headed "Business – Business strategies"	HK$1.0 million
Take steps to obtain higher grade level under our current mechanical and electrical workhead	• Satisfy the minimum financial requirements for "L6" grade under our current mechanical and electrical workhead. For further details, please refer to the paragraph headed "Business – Business Strategies"	HK$2.5 million

For the six months ending 31 December 2018

Business strategies	Implementation plans	Use of proceeds
Strengthen our marketing efforts in the sound and communication industry in Singapore	• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement • Maintenance and update of our corporate website by the aforementioned external consultant • Participate in trade show(s)	HK$0.25 million
Expand and train our sales and marketing, technical and support workforce	• Staff cost for retaining the aforesaid additional staff, taking in account potential increase in wage level, and the associated staff accommodation and training costs	HK$1.3 million

Business strategies	Implementation plans	Use of proceeds
	• New headcount of approximately one sales manager, two sales and marketing executives and 10 technicians to be recruited by July 2018, and the associated staff accommodation costs	HK$1.3 million
	• to provide internal and external trainings and workshops to our sales and technical staff	
Purchase transportation vehicles	• Purchase of one van for maintenance operations and, transportation of relevant equipment and/or labour	HK$1.3 million
	• Purchase of one lorry for delivery and transportation of larger equipment and/or labour	
Setting up a new sales office in Singapore	• Purchase of one new property to be used by our sales and contract department and act as a demonstration facility for our sound and communication systems	HK$10.0 million

For the six months ending 30 June 2019

Business strategies	Implementation plans	Use of proceeds
Strengthen our marketing efforts in the sound and communication industry in Singapore	• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement	HK$0.25 million
	• Maintenance and update of our corporate website by the aforementioned external consultant	
	• Participate in trade show(s)	
Expand and train our sales and marketing, technical and support workforce	• Staff cost for retaining the aforesaid one project manager, two engineers and 10 technicians, who are expected to be recruited by February 2018, taking in account potential increase in wage level, and the associated staff accommodation and training costs	HK$1.5 million
	• Staff cost for retaining the aforesaid one sales manager, two sales and marketing executives and 10 technicians, who are expected to be recruited by July 2018, taking in account potential increase in wage level, and the associated staff accommodation and training costs	HK$1.3 million

Business strategies	Implementation plans	Use of proceeds
Expansion of our sound and communication services solution business	• To explore, evaluate and tender for potential integrated services of sound and communication systems projects in Singapore, particularly larger scale projects which may be required for the provision of performance bonds. For further details, please refer to the paragraph headed "Business – Business strategies"	HK$1.0 million

For the six months ending 31 December 2019

Business strategies	Implementation plans	Use of proceeds
Strengthen our marketing efforts in the sound and communication industry in Singapore	• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement	HK$0.2 million
	• Maintenance and update of our corporate website by the aforementioned external consultant	
	• Participate in trade show(s)	
Expand and train our sales and marketing, technical and support workforce	• Staff cost for retaining the aforesaid one project manager, two engineers and 10 technicians, who are expected to be recruited by February 2018, taking in account potential increase in wage level, and the associated staff accommodation and training costs	HK$1.5 million

Business strategies	Implementation plans	Use of proceeds
	• Staff cost for retaining the aforesaid one sales manager, two sales and marketing executives and 10 technicians, who are expected to be recruited by July 2018, taking in account potential increase in wage level, and the associated staff accommodation and training costs	HK$1.5 million
	• New headcount of approximately one marketing manager, four engineers and 15 technicians to be recruited by July 2019, and the associated staff accommodation costs	HK$2.1 million
	• to provide internal and external trainings and workshops to our sales and technical staff	
Purchase transportation vehicles	• Purchase of one van for maintenance operations and, transportation of relevant equipment and/or labour	HK$1.2 million
	• Purchase of one lorry for delivery and transportation of larger equipment and/or labour	

BASES AND ASSUMPTIONS

The implementation plan set out by our Directors is based on the following bases and assumptions:

- our Group 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 funding requirement for each of our Group's future plans described in this prospectus from the amount as estimated by our Directors;
- there will be no material changes in existing laws and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- there will be no changes in the effectiveness of the licences, permits and qualifications obtained by our Group;
- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- there will be no disasters, natural, political or otherwise, which would materially disrupt the businesses or operations of our Group; and
- our Group will not be materially affected by the risk factors as set out in the section headed "Risk factors" in this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds from the Share Offer based on the Offer Price of HK$0.35 per Offer Share, being the mid-point of the indicative Offer Price range of HK$0.30 to HK$0.40 per Offer Share, after deducting the related expenses, are estimated to be approximately HK$44.0 million. We intend to apply such net proceeds in the following manner:

	From the Latest Practicable Date to 31 December 2017 *HK$'million*	**For the six months ending 30 June 2018** *HK$'million*	**For the six months ending 31 December 2018** *HK$'million*	**For the six months ending 30 June 2019** *HK$'million*	**For the six months ending 31 December 2019** *HK$'million*	**Total** *HK$'million*	**Approximate % of net proceeds**
Strengthen our marketing efforts in the sound and communication industry in Singapore	0.2	0.5	0.25	0.25	0.2	1.4	3.2
Expand and train our sales and marketing, technical and support workforce	–	1.1	2.6	2.8	5.1	11.6	26.4
Purchase transportation vehicles	–	0.5	1.3	–	1.2	3.0	6.8
Setting up of a new sales office in Singapore	–	–	10.0	–	–	10.0	22.7
Partial repayment of bank loan	–	10.0	–	–	–	10.0	22.7
Resources for the provision of performance bonds	–	1.0	–	1.0	–	2.0	4.5
Take steps to obtain higher grade level under our current mechanical and electrical workhead	–	2.5	–	–	–	2.5	5.7
Total	**0.2**	**16.6**	**14.15**	**3.05**	**6.5**	**40.5**	**92**

- the remaining balance of approximately HK$3.5 million, representing approximately 8% of the net proceeds will be used as our general working capital and for general corporate purposes.

With respect to the partial repayment of our bank loans, we intend to use approximately HK$10.0 million (approximately 22.7% of the net proceeds) for the partial repayment of our bank loan to reduce our interest expenses. As at 30 June 2017, the bank loans of approximately S$3.5 million (approximately HK$20.1 million) were secured by the legal mortgage, being our head office in Singapore, and a joint and several personal guarantee from Mr. Mong and Ms. Choon. The bank loans bear floating interest rates with weighted average effective interest rate at 6.0% per annum for the two years ended 30 June 2016 and 2017. Our Directors consider that the partial repayment of our bank loans would lower the exposure of our Group to any future interest rates hike that may cause us to incur higher interest expenses in relation to our bank loans. The amount of the bank loan is repayable at the date throughout to 2038. Any personal guarantees provided by Mr. Mong and Ms. Choon for our Group's indebtedness will be released/replaced by corporate guarantees provided by our Company upon or before Listing. The bank loans of approximately S$3.5 million (approximately HK$20.1 million) were used for the sole purpose of purchasing our head office in Singapore. For further details, please refer to the section headed "Financial Information – Indebtedness" in this prospectus. The Directors believe that the repayment of the bank loans by the use of net proceeds from the Share Offer can effectively lower our bank borrowing level and our gearing ratio and hence enhance our profitability.

In relation to purchasing transportation vehicles for our business operations, we intend to use approximately HK$3.0 million (approximately 6.8% of the net proceeds from the Share Offer) for the purchase of a total of three vans and two lorries by 31 December 2019 to support our maintenance operations and/or transportation of certain relevant equipment and/or labour.

With regard to expanding and training our sales and marketing, technical and support workforce, we intend to use approximately HK$11.6 million (approximately 26.4% of the net proceeds from the Share Offer) for the staff salaries and training costs from employing a total of an additional 46 staff, including one project manager, six engineers, 35 technicians, one marketing manager, one sales manager and two sales and marketing executives, by 31 December 2019 in order to expand and train our sales and marketing, technical and support workforce. Going forward, our Directors expect that the related costs for these additional 46 staff will be financed through our internal resources. For further details of our business strategies in expanding our manpower, please refer to the section headed "Business – Business Strategies – Expand our manpower and other resources" in this prospectus.

If the final Offer Price is set at the highest or lowest point of the indicative Offer Price range, the net proceeds of the Share Offer will increase or decrease by approximately HK$10.0 million, respectively. In such event, the net proceeds will be used in the same proportions as disclosed above irrespective of whether the Offer Price is determined at the highest or lowest of the indicative Offer Price range.

Our Directors consider that the net proceeds from the Share Offer will be sufficient to finance our Group's business plans up to the year ending 31 December 2019.

To the extent that the net proceeds from the issue of the Share Offer are not immediately required for the purposes above, it is the present intention of our Directors that such net proceeds will be placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong or banks in Singapore. Should our Directors decide to re-allocate the intended use of proceeds to other business plans and/or new projects of our Group to a material extent and/or there is to be any material modification to the use of proceeds as described above, our Group will issue an announcement in accordance with the GEM Listing Rules. In the event that the net proceeds from the Share Offer are insufficient to finance the expenditure as mentioned above, the shortfall will be financed by the internal resources of our Group and/or external borrowings.

Reasons for the Listing

We believe that the Listing and proceeds from the Share Offer will enhance our capital base and facilitate the implementation of our business strategies. The below are our key reasons for the Listing:

- the net proceeds from the Share Offer will provide financial resources to our Group for our business plans as set out in the section headed "Business – Business Strategies" of this prospectus, which will further strengthen our market position and expand our market share in the sound and communication systems market in Singapore;

- a public listing status will also enhance our corporate profile and enable our Group to be considered more favourably by our customers when tendering for contracts, given that a listed company is subject to ongoing regulatory compliance for announcements, financial disclosures and corporate governance;

- the Share Offer will provide a fund-raising platform for our Company, thereby enabling us to raise the capital required to finance our future growth and expansion without reliance on our Controlling Shareholders. Such platform would allow us to gain direct access to the capital market for equity and/or debt financing, both at the time of the Listing as well as at later stage, to fund our existing operations and future expansion, which could be instrumental to our expansion and improving our operating and financial performance to enhance Shareholder's return; and

- upon the Listing, our Shares will be freely traded on the Stock Exchange. A public listing status on GEM will offer us a broader shareholder base which could lead to a more liquid market in the trading of our Shares. We also believe that our internal control and corporate governance practices could be further enhanced following the Listing.

Our Directors had considered and evaluated different listing venues including Hong Kong and Singapore and concluded that Hong Kong is the suitable venue to pursue a listing after taking into account the following principal factors:

- Higher liquidity in Hong Kong – our Directors consider that the level of trading activities on a stock exchange is one of the key factors indicating the ease of conducting secondary fund raising exercises after a listing. For instance, a secondary fund raising exercise such as a secondary placement of shares would generally be easier and more attractive to investors if there is a more liquid market, because a more liquid market generally means that there are more ready and willing buyers (who may invest in the shares under the fund raising exercise) and sellers (who may realise their investment subsequently) in the market. According to the data compiled by the World Bank, in 2016, the turnover ratio of stocks traded in the Hong Kong stock market was approximately 40.9% while the turnover ratio of stocks traded in the Singapore stock market was approximately 31.9%. Based on the information from the Stock Exchange, the average daily turnover of stocks in Hong Kong was approximately HK$105.6 billion (S$18.4 billion) and HK$66.9 billion (S$11.6 billion) for each of the two years ended 31 December 2016 respectively. By comparison, according to the Stock Exchange of Singapore, the average daily turnover of stocks in Singapore was approximately HK$6.3 billion (S$1.1 billion) and HK$6.3 billion (S$1.1 billion) for each of the two years ended 31 December 2016 respectively. In addition, our Directors note that for companies which have similar market capitalisation to our Group (i.e. companies with market capitalisation between HK$240.0 million and HK$320.0 million as at 9 October 2017), the total turnover of stocks for such companies listed on the Stock Exchange in Hong Kong and those listed on the Singapore stock market for the year ended 31 December 2016 was approximately HK$47.4 billion (S$8.3 billion) and HK$16.1 billion (S$2.8 billion) respectively, according to the data retrieved from Bloomberg. Our Directors are of the view that it would be easier to conduct secondary fund raising in the Hong Kong stock market, if necessary, for our further expansion in the future, than in the Singapore stock market as the Hong Kong stock market has higher liquidity.

- Enhance our Group's visibility – our customers and suppliers consists of main contractors, sub-contractors and multinational companies that have regional or international presence, who may prefer work with business partners who are listed companies given their reputation and listing status. And also, there are main contractors and sub-contractors who are active in Singapore construction industry that are listed in Hong Kong and/or the PRC who may view contractors listed in Hong Kong more favorably. The Listing in Hong Kong will in the long run heighten the Company's profile, market visibility and provides a more level playing field when exploring new business opportunities with existing customers or potential customers.

NO LISTING APPLICATION MADE IN SINGAPORE

Our Directors confirmed that we have not applied for listing in Singapore, and to the best of their knowledge and belief, there would have been no impediments to our listing application if we were to apply for listing in Singapore.

PUBLIC OFFER UNDERWRITERS

Kingsway Financial Services Group Limited

Great Wall Securities Limited

JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS

Kingsway Financial Services Group Limited

Great Wall Securities Limited

UNDERWRITING ARRANGEMENTS, COMMISSIONS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is initially offering the Public Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

The Public Offer Underwriting Agreement is conditional upon and subject to, amongst others, the Offer Price having been agreed between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company.

Subject to, among other conditions, the Listing Division granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have agreed to subscribe or procure subscribers to subscribe for the Public Offer Shares which are not taken up under the Public Offer.

Grounds for termination

The Joint Bookrunners (for themselves and on behalf of the Underwriters) shall have the right upon giving a written notice to our Company to terminate the Public Offer Underwriting Agreement if any of the following events occur at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date:

(A) if it has come to the notice of the Joint Bookrunners that:

(i) any statement, estimate, forecast or expression of opinion, intention or expectation considered by the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) in their reasonable opinion to be material, contained in the prospectus, Application Forms and any other documents issued or used in connection with the Share Offer (including any supplement or amendment thereto) was, when the same was issued, or has become, untrue, incorrect or misleading in any material respect or that any forecasts, expression of opinion, intention or expectation expressed in any of such documents are not, in the reasonable opinion of the Joint Bookrunners, in all material respects fair and honest and based on reasonable assumptions, when taken as a whole; or

(ii) any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission therefrom considered by the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) in their reasonable opinion to be material in the context of the Share Offer; or

(iii) any of the representations and warranties given by the Company or the Controlling Shareholders or the executive Directors in the Public Offer Underwriting Agreement or the Placing Underwriting Agreement is (or would when repeated be) untrue, inaccurate or misleading or having been breached and considered by the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) in their reasonable opinion to be material in the context of the Share Offer; or

(iv) any material breach of any of the obligations or undertakings imposed upon any party (other than the Joint Bookrunners, the Sponsor or the Underwriters) to the Public Offer Underwriting Agreement or the Placing Underwriting Agreement; or

(v) any material adverse change or prospective material adverse change in the conditions, business, prospects, assets and liabilities, in the financial or trading position or results of operations of any company within the Group which is considered by the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) in their reasonable opinion to be material in the context of the Share Offer; or

(vi) approval by the Listing Division of the listing of, and permission to deal in, the Shares is refused or not granted, other than subject to customary conditions, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(vii) the Company withdraws any of the documents issued in connection with the Public Offer or the Placing and/or any other documents used in connection with the contemplated subscription of the Offer Shares (including any supplement or amendment thereto); or

(viii) any matter, event, act or omission which gives or is likely to give rise to any material liability of the Company or the Controlling Shareholders or the executive Directors pursuant to the indemnities contained in the Public Offer Underwriting Agreement; or

(ix) any expert (other than the Joint Bookrunners and the Public Offer Underwriters) has withdrawn or sought to withdraw its consent to being named in the prospectus or to the issue of the prospectus; or

(B) if there develops, occurs, exists or comes into effect:

(i) any change or development involving a prospective change in, or any event or series of events resulting or likely to result in or representing any change or development in local, national, regional or international financial, political, military, industrial, legal, economic, currency market, fiscal or regulatory or market matters or conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a devaluation of the Singapore dollars against any foreign currencies) in or affecting Hong Kong, Singapore, Cayman Islands, the United States, the United Kingdom, the European Union (or any member thereof), Japan, or any other jurisdiction relevant to the Group (each, a "**Relevant Jurisdiction**"); or

(ii) any new laws or change or development involving a prospective change in any existing laws or any change or development in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or

(iii) any event or series of events beyond the reasonable control of the Public Offer Underwriters (including, without limitation, acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases or

epidemics (including without limitation Severe Acute Respiratory Syndrome, avian influenza A (H5N1) and swine influenza (H1N1) and such related or mutated forms or interruption or delay in transportation) in or affecting any of the Relevant Jurisdictions; or

(iv) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(v) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for the United States or by the European Union (or any member thereof) on any of the Relevant Jurisdictions; or

(vi) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, or (B) a general moratorium on commercial banking activities in any of the Relevant Jurisdictions declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or

(vii) any material adverse change or development or event involving a prospective material adverse change in the Group's assets, liabilities, profit, losses, performance, condition, business, financial, earnings, trading position or prospects; or

(viii) any material adverse change or development or event involving a prospective material adverse change in taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment laws in any of the Relevant Jurisdictions or affecting an investment in the Shares; or

(ix) any change or development involving a prospective change, or a materialisation of, any of the risks set out in the section headed "Risk Factors" in this prospectus that will likely result in a material adverse change to the operations of the Group; or

(x) any material litigation or claim (other than those legal proceedings and claims as disclosed in the Prospectus) being threatened or instigated against the Company or any company within the Group or the Controlling Shareholders; or

(xi) a Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(xii) the chairman or chief executive officer of the Company vacating his office in circumstances where the operations of the Group will be materially and adversely affected; or

(xiii) the commencement by any judicial or regulatory body or organisation of any publication against a Director or an announcement by any judicial or regulatory body or organisation that it intends to take any such action; or

(xiv) a material contravention by any member of the Group of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or any of the GEM Listing Rules; or

(xv) a prohibition on the Company for whatever reason from allotting or selling the Offer Shares pursuant to the terms of the Share Offer; or

(xvi) non-compliance of the prospectus or offering document or any other documents used in connection with the subscription of the Offer Shares or any aspect of the Share Offer with the GEM Listing Rules or any other applicable law or regulation; or

(xvii) other than with the approval of the Joint Bookrunners, the issue or requirement to issue by the Company of a supplementary prospectus (or any other documents used in connection with the subscription of the Offer Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the GEM Listing Rules in circumstances where the matter to be disclosed is, in the reasonable opinion of the Joint Bookrunners materially adverse to the marketing for or implementation of the Share Offer; or

(xviii) a valid demand by any creditor for repayment or payment of any indebtedness of the Company or any company within the Group or in respect of which the Company or any company within the Group are liable prior to its stated maturity, or any loss or damage sustained by the Company or any of its subsidiaries (howsoever caused and whether or not the subject of any insurance or claim against any person) which will have a material adverse effect to the financial position of the Group; or

(xix) a petition is presented for the winding-up or liquidation of the Company or any company within the Group or the Company or any company within the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of the Company or any company within the Group or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of the Company or any company within the Group or anything analogous thereto occurs in respect of the Company or any company within the Group;

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Bookrunners (for themselves and on behalf of the Underwriters):

(1) is or may or will or is likely to be materially adverse to, or materially and prejudicially affect, the general affairs, management, business, financial, trading or other condition or prospects of the Company or the Group or any company within the Group or on any present or prospective shareholder in his, her or its capacity as such; or

(2) has or may have or will have or is likely to have a material adverse effect on the success, marketability or pricing of the Share Offer or the level of applications under the Public Offer or the level of interest under the Placing and/or make it impracticable or inadvisable for any part of the Public Offer Underwriting Agreement (including underwriting), the Public Offer or the Share Offer to be performed or implemented as envisaged; or

(3) makes or may make or will or is likely to make it inadvisable, inexpedient or impracticable to proceed with the Public Offer and/or the Share Offer or the delivery of the Offer Shares on the terms in the manner contemplated by the prospectus, or to market the Share Offer; or

(4) would have the effect of preventing the processing of applications and/or payments pursuant to the Share Offer or pursuant to the underwriting thereof.

Undertakings pursuant to the Public Offer Underwriting Agreement

Undertakings by our Company

Our Company has undertaken to the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters, and each of our Controlling Shareholders and executive Directors has undertaken to and covenants with the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters that he/it will procure that except pursuant to the Share Offer (including the exercise of the Offer Size Adjustment Option), the options which may be granted under the Share Option Scheme or with the prior written consent of the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) and unless in compliance with the requirements of the GEM Listing Rules, the Company will not, at any time within the period commencing from the date of the Public Offer Underwriting Agreement and ending on the date which is six months following the Listing Date (the "**First Six-Month Period**"), whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise:

(a) offer, accept subscription for, pledge, issue, sell, lend, mortgage, assign, charge, contract to issue or sell, sell any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any

Shares or other securities of the Company (including, but not limited to, any securities that are convertible into or exchangeable for, or that represent the right to receive any Shares or securities or any interest therein) or repurchase Shares or other securities of the Company; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequence of ownership of any Shares or securities or any interest therein; or

(c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or

(d) agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraphs (a), (b) or (c) above.

Undertakings by our Controlling Shareholders

Each of the Controlling Shareholders undertakes jointly and severally to the Company, the Sole Sponsor and the Public Offer Underwriters that, except pursuant to the Share Offer (including the Offer Size Adjustment Option) and the grant or exercise of any options which may be granted under the Share Option Scheme:

(a) it or he shall not and shall procure that the relevant registered holders(s) of the Shares (if applicable) shall not dispose of nor enter into any agreement to dispose of or otherwise create any option, right, interest or encumbrance in respect of, any of its or his direct and indirect interest in the Shares in respect of which it or he is shown in this prospectus to be the beneficial owner(s) (the "**Relevant Securities**") (save for pursuant to a pledge or charge as security in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in which case it shall inform the Company, the Stock Exchange and the Sole Sponsor) during the First Six-Month Period; and

(b) it or he shall not and shall procure that the relevant registered holder(s) of the Shares (if applicable) shall not during the period of six (6) months from the date on which the First Six-Month Period expires, dispose of, nor enter into any agreement to dispose of or otherwise create any option, right, interest or encumbrance in respect of, any of its or his direct and indirect interest in the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it or he will cease to be a controlling shareholder (within the meaning of the GEM Listing Rules) of the Company (save for pursuant to a pledge or charge as security in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in which case it shall inform the Company, the Stock Exchange and the Sole Sponsor).

Each of the Controlling Shareholders further undertakes jointly and severally to the Company, the Sole Sponsor and the Public Offer Underwriters that, during the twelve (12) months from the Listing Date, he or it will inform the Company and the Stock Exchange of:

(a) any pledge(s) or charge(s) of any Shares or securities of the Company beneficially owned by any of them in favour of any authorised institution as permitted under the GEM Listing Rules, and the number of such Shares or securities of the Company so pledged or charged; and

(b) any indication(s) received by any of them, either verbal or written, from any pledgee or chargee of any Shares or other securities of the Company pledged or charged that any of such Shares or other share capital will be sold, transferred or disposed of.

Placing

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company, our Controlling Shareholders and our executive Directors will enter into the Placing Underwriting Agreement with the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Placing Underwriters and other parties (if any) on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to severally, but not jointly, agree to procure subscribers and purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed. The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed "Undertakings pursuant to the Public Offer Underwriting Agreement" above in this section.

Undertakings to the Stock Exchange

Our Controlling Shareholder has undertaken to and covenanted with the Stock Exchange, our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters that save as provided in Rule 13.18 of the GEM Listing Rules, she shall not and shall procure that the relevant registered holder(s) of the Shares shall not:

(a) in the period (the "**First Lock-up Period**") commencing from the date of the Public Offer Underwriting Agreement and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the Relevant Securities; and

(b) in the period of six months commencing on the date immediately following the date on which the First Lock-up Period expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, she would cease to be a Controlling Shareholder.

The restrictions in (a) shall not apply to any Shares which our Controlling Shareholders or any of her close associates may acquire or become interested in following the Listing Date.

Notwithstanding the above, nothing shall prevent the disposal of any interest of our Controlling Shareholder in the Relevant Securities (i) pursuant to a pledge or charge in favour of an Authorised Institution as security for a bona fide commercial loan, (ii) pursuant to a power of sale under the pledge or charge (granted pursuant to sub-paragraph (i)), (iii) on the death of our Controlling Shareholder or (iv) in any other exceptional circumstances to which the Stock Exchange has given its prior approval.

Our Company will inform the Stock Exchange as soon as it has been informed of such matters and must forthwith publish an announcement giving details of the same in accordance with the requirements of Rule 17.43 of the GEM Listing Rules.

Commission and expenses

The Underwriters will receive a commission of 8.5% on the aggregate Offer Price of all the Offer Shares, out of which will, as the case may be, be applied to any sub-underwriting commissions and selling concession. Assuming the Offer Price of HK$0.35 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the underwriting commission will be approximately HK$6.0 million. The underwriting commission, documentation fee, Stock Exchange listing fees, brokerage, Stock Exchange trading fee, SFC transaction levy, legal and other professional fees together with applicable printing and other expense relating to the Share Offer are estimated to be approximately HK$26.0 million.

Underwriters' interest in our Company

Save for its interests and obligations under the Underwriting Agreements and save as disclosed in this prospectus, none of the Underwriters or any of its close associates is interested beneficially or non-beneficially in any shares in any member of our Group nor has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares of any member of our Group.

Compliance Adviser's agreement

Under the Compliance Adviser's Agreement, our Company appoints Kingsway Capital Limited and Kingsway Capital Limited agrees to act as the compliance adviser to our Company for the purpose of the GEM Listing Rules for a fee from the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date or until the agreement is terminated, whichever is earlier.

Sole Sponsor's interest in our Company

Kingsway Capital Limited being the Sole Sponsor, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Save for the advisory and documentation fees to be paid to Kingsway Capital Limited as the Sole Sponsor to the Listing, its obligations under the Underwriting Agreements and the Compliance Adviser's Agreement, its acting as compliance adviser and any interests in securities that may be subscribed by it pursuant to the Share Offer, neither Kingsway Capital Limited nor any of its associates has or may, as a result of the Share Offer, have any interest in any class of securities of our Company or any other company in our Group (including options or rights to subscribe for such securities).

No director or employee of Kingsway Capital Limited who is involved in providing advice to our Company has or may, as a result of the Share Offer, have any interest in any class of securities of our Company or other company in our Group (including options or rights to subscribe for such securities but, for the avoidance of doubt, excluding interests in securities that may be subscribed for or purchased by any such director or employee pursuant to the Share Offer).

No director or employee of Kingsway Capital Limited has a directorship in our Company or any other company in our Group.

THE SHARE OFFER

This prospectus is published in connection with the Public Offer as part of the Share Offer.

The Share Offer consists of:

(a) the Public Offer of 20,000,000 New Shares (subject to reallocation as mentioned below) in Hong Kong as described below under the section headed "The Public Offer" below; and

(b) the Placing of an aggregate of 180,000,000 New Shares (subject to reallocation as mentioned below and the Offer Size Adjustment Option) which will conditionally be 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 number of Offer Shares to be offered under the Public Offer and the Placing may be subject to reallocation as described in the paragraph headed "The Public Offer – Reallocation" below.

References in this prospectus to applications, the Application Forms, application monies or the procedure for application relate solely to the Public Offer.

THE PUBLIC OFFER

Number of Offer Shares initially offered

Our Company is initially offering 20,000,000 Public Offer Shares for subscription (subject to reallocation) at the Offer Price by members of the public in Hong Kong under the Public Offer, representing 10% of the total number of Offer Shares initially available under the Share Offer. The Public Offer Shares initially offered under the Public Offer, subject to any reallocation of Offer Shares between the Placing and the Public Offer, will represent 2.5% of our Company's enlarged issued share capital after completion of the Capitalisation Issue and Share Offer.

The Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investors. Professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in 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" of 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 Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of 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 20,000,000 Public Offer Shares, being the 100% of the 20,000,000 Public Offer shares initially available under the Public Offer are liable to be rejected.

Reallocation

The allocation of Offer Shares between the Public Offer and the Placing is subject to reallocation. A clawback mechanism will be put in place, which would have the effect of increasing the number of Public Offer Shares under the Public Offer to a certain percentage of the total number of Offer Shares offered in the Share Offer if certain prescribed total demand levels are reached. In the event of over-applications in the Public Offer, the Joint Bookrunners (for themselves and on behalf of the Underwriters) shall apply a clawback mechanism following the closing of the application lists on the following basis:

(a) if the number of Public Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Public Offer, then Offer Shares will be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be 60,000,000 Offer Shares, representing 30% of the number of the Offer Shares initially available for subscription under the Share Offer;

(b) if the number of Public Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Public Offer, then Offer Shares will be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be 80,000,000 Offer Shares, representing 40% of the number of the Offer Shares initially available for subscription under the Share Offer; and

(c) if the number of Public Offer Shares validly applied for under the Public Offer represents 100 times or more the number of Offer Shares initially available for subscription under the Public Offer, then Offer Shares will be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be 100,000,000 Offer Shares, representing 50% of the number of the Offer Shares initially available for subscription under the Share Offer.

In each case, additional Offer Shares will be reallocated to the Public Offer and the number of Offer Shares allocated to the Placing will be correspondingly reduced, in such manner as the Joint Bookrunners (for themselves and on behalf of the Underwriters) deem appropriate. In addition, the Joint Bookrunners (for themselves and on behalf of the Underwriters) may in its sole and absolute discretion reallocate Shares from the Placing to the Public Offer to satisfy valid applications under the Public Offer.

If the Public Offer Shares are not fully subscribed, the Joint Bookrunners (for themselves and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed Public Offer Shares to the Placing in such amount as the Joint Bookrunners (for themselves and on behalf of the Underwriters) deem appropriate.

Applications

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making 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 Placing 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) or if he or she has been or will be placed or allocated Placing Shares under the Placing.

THE PLACING

Number of Offer Shares offered

Subject to reallocation as described above, the Placing will consist of 180,000,000 Shares, representing approximately 90% of the total number of Offer Shares initially available under the Share Offer. Subject to the reallocation of the Offer Shares between the Placing and the Public Offer, the number of Offer Shares initially offered under the Placing will represent approximately 22.5% of our Company's enlarged issued share capital immediately after completion of the Capitalisation Issue and Share Offer.

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed on behalf of our Company by the Placing Underwriters or through selling agents appointed by them. The Placing Shares will be selectively placed to certain professional and institutional and other investors who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The Placing is subject to the Public Offer being unconditional.

Allocation of Offer Shares pursuant to the Placing will be effected in accordance with the "book-building" process described in the paragraph headed "Pricing and allocation" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in relevant sector 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 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 Joint Bookrunners (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the Placing, and who has made an application under the Public Offer to provide sufficient information to the Joint Bookrunners so as to allow it 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.

Reallocation

The total number of Offer Shares to be issued and sold pursuant to the Placing may change as a result of the clawback arrangement described in the subsection headed "The Public Offer – Reallocation" above, and/or any reallocation of unsubscribed Offer Shares originally included in the Public Offer.

Offer Price range

The Offer Price will not be more than HK$0.4 per Offer Share and is expected to be not less than HK$0.3 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Public Offer. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but not expected to be, lowered than the indicative Offer Price range as stated in this prospectus.

Price payable on application

Applicants for Offer Shares under the Public Offer are required to pay, on application, the maximum Offer Price of HK$0.4 for each Public Offer Share (plus the brokerage, Stock Exchange trading fee and SFC transaction levy payable on each Offer Share), amounting to a total of HK$4,040.31 per board lot of 10,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK$0.4 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.

If, for any reason, our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before Tuesday, 9 January 2018, the Share Offer will not proceed and will lapse.

Further details are set out in the section headed "How to apply for the Public Offer Shares" in this prospectus.

Change to Offer Price range

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during a book building process in respect of the Placing, and with the consent of our Company, reduce the number of the Offer Shares being offered under the Share Offer and/or change the indicative Offer Price 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, our Company will, as soon as practicable following the decision to make such change, and in any event not later than the morning of the last day lodging applications under the Public Offer, cause there to be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ispg.hk** notices of reduction in the number of the Offer Shares and/or the indicative Offer Price range. Upon issue of such a notice, the revised number of the Offer Shares and/or Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company, will be fixed within such revised number of the Offer Shares and/or 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 change.

Before submitting applications for the Public Offer Shares, applicants should have regard to the possibility that any announcement of an extension or 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 number of the Offer Shares and/or change 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 Joint Bookrunners (for themselves 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 the Offer Price and the basis of allocations

Announcement of the final Offer Price, together with the level of indication of interests in the Placing, and the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be published on Monday, 15 January 2018 on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ispg.hk**.

OFFER SIZE ADJUSTMENT OPTION

Our Company has granted the Offer Size Adjustment Option, exercisable by the Joint Bookrunners on behalf of the Placing Underwriters at any time during the period from the date of the Placing Underwriting Agreement to the business day immediately before the date of the announcement of the results of allocations and the basis of allocation of the Public Offer Shares or otherwise it will lapse, to require our Company to allot and issue up to an aggregate of 30,000,000 additional Shares, representing 15% of the number of the Offer Shares initially being offered under the Share Offer, on the same terms as those applicable to the Share Offer. The Offer Size Adjustment Option will not be used for price stabilisation purposes in the secondary market after listing of the Shares on the Stock Exchange and is not subject to the Securities and Future (Price Stabilizing) Rules of the SFO. Any such additional Shares may be

issued to cover any excess demand in the Placing and in the event that the Offer Size Adjustment Option is exercised, the Joint Bookrunners in their absolute discretion may decide to whom and proportions in which the additional Shares will be allotted. If the Offer Size Adjustment Option is exercised in full, the additional 30,000,000 Shares and the Offer Shares will represent approximately 3.75% and 28.75% respectively of our Company's enlarged share capital immediately after completion of the Share Offer and the exercise of the Offer Size Adjustment Option.

Our Company will disclose in the announcement of the results of allocations and the basis of allocation of the Public Offer Shares whether, and to what extent, the Offer Size Adjustment Option has been exercised. In the event that the Offer Size Adjustment Option has not been exercised by the Joint Bookrunners on behalf of the Placing Underwriters, our Company will confirm in such announcement that the Offer Size Adjustment Option has lapsed and cannot be exercised at any future date.

UNDERWRITING

The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement. We expect to enter into the Placing Underwriting Agreement relating to the Placing on or around Friday, 5 January 2018. These underwriting arrangements and the Underwriting Agreements are summarised in the section headed "Underwriting" of this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares is conditional upon, amongst other things, the satisfaction of all the following conditions, 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 30 days after the date of this prospectus:

(a) the Listing Division of 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 pursuant to the Capitalisation Issue and the Share Offer (including the Shares which fall to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme);

(b) the entering into the Price Determination Agreement between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on the Price Determination Date; and

(c) the obligations of the Underwriters under each of the Underwriting Agreements becoming and remaining unconditional and not being terminated in accordance with the terms of the Underwriting Agreements.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming and remaining unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not 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 Public Offer will be published by us on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ispg.hk** on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in "How to apply for the Public Offer Shares". In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended from time to time).

Share certificates for the Offer Shares are expected to be issued on Monday, 15 January 2018 but will only become valid certificates of title at 8:00 a.m. on Tuesday, 16 January 2018 provided that (i) the Share Offer has become unconditional in all respects, and (ii) the right of termination as described in the paragraph headed "Underwriting – Underwriting arrangements and expenses – Public Offer – Grounds for termination" in this prospectus has not been exercised.

SHARES WILL BE ELIGIBLE FOR CCASS

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

If the Stock Exchange grants the listing of, and permission to deal in, the Shares 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 the Stock Exchange or any other date HKSCC chooses. 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 activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, 16 January 2018, it is expected that dealings in Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 16 January 2018.

The Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8487.

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; 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 Joint Bookrunners, the Joint Lead Managers 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 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 Joint Bookrunners and Joint Lead Managers 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.

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 (as defined in the GEM Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Share Offer;
- are an 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, use a **WHITE** Application Form.

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 Friday, 29 December 2017 to 12:00 noon on Thursday, 4 January 2018 from:

(i) the following office of the Public Offer Underwriters:

Kingsway Financial Services Group Limited	7/F, Tower One, Lippo Centre 89 Queensway, Hong Kong
Great Wall Securities Limited	17/F, No. 148 Electric Road North Point, Hong Kong

(ii) any of the following branches of Industrial and Commercial Bank of China (Asia) Limited, the receiving bank for the Public Offer:

District	Branch Name	Address
Hong Kong Island	Happy Valley Branch	23 King Kwong Street Happy Valley, Hong Kong
	Sai Wan Ho Branch	Shop G10 G/F, Tai On Building 57-87 Shau Kei Wan Road Hong Kong
Kowloon	Mei Foo Branch	Shop N95A, 1/F Mount Sterling Mall Mei Foo Sun Chuen, Kowloon
	Hung Hom Branch	Shop 2A, G/F Hung Hom Shopping Mall 2-34E Tak Man Street Hung Hom, Kowloon
New Territories	Sheung Shui Branch	Shop 2, G/F, San Fung Building No.33 San Fung Avenue Shek Wu Hui, Sheung Shui New Territories

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 29 December 2017 until 12:00 noon on Thursday, 4 January 2018 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 "ICBC (Asia) Nominee Limited – ISP Global 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:

- Friday, 29 December 2017 – 9:00 a.m. to 5:00 p.m.
- Saturday, 30 December 2017 – 9:00 a.m. to 1:00 p.m.
- Tuesday, 2 January 2018 – 9:00 a.m. to 5:00 p.m.
- Wednesday, 3 January 2018 – 9:00 a.m. to 5:00 p.m.
- Thursday, 4 January 2018 – 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, 4 January 2018, 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, 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 Joint Bookrunners and/or the Joint Lead Managers (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 Joint Bookrunners, the Joint Lead Managers, 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 Branch Share Registrar, the receiving bank, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, 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;

(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 Joint Bookrunners, the Joint Lead Managers 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 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 Joint Bookrunners and Joint Lead Managers 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 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 **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 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 Joint Bookrunners, the Joint Lead Managers and our Hong Kong Branch Share Registrar.

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 Joint Bookrunners, the Joint Lead Managers 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;

- agree that none of our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, 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 Branch Share Registrar, the receiving bank, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, 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

- 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 10,000 Public Offer Shares. Instructions for more than 10,000 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:

- Friday, 29 December 2017 – 9:00 a.m. to 8:30 p.m.(1)
- Saturday, 30 December 2017 – 8:00 a.m. to 1:00 p.m.(1)
- Tuesday, 2 January 2018 – 8:00 a.m. to 8:30 p.m.(1)
- Wednesday, 3 January 2018 – 8:00 a.m. to 8:30 p.m.(1)
- Thursday, 4 January 2018 – 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.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 29 December 2017 until 12:00 noon on Thursday, 4 January 2018 (24 hours daily, except on 30 December 2017 and on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, 4 January 2018, 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 Branch Share Registrar, the receiving banker, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, 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.

6. 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. 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 Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant will be allotted any 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 Thursday, 4 January 2018.

7. 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, 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).

8. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for 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 in respect of a minimum of 10,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 10,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

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).

9. 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 Thursday, 4 January 2018. 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 Thursday, 4 January 2018 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.

10. 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 Monday, 15 January 2018 on our Company's website at **www.ispg.hk** 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 **www.ispg.hk** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Monday, 15 January 2018;
- from the designated results of allocations website at **www.ewhiteform.com.hk/results** with a "search by ID" function on a 24-hour basis from 9:00 a.m. on Monday, 15 January 2018 to 12:00 midnight on Sunday, 21 January 2018;
- by telephone enquiry line by calling (852) 2153 1688 between 9:00 a.m. and 6:00 p.m. from Monday, 15 January 2018 to Friday, 19 January 2018 on a Business Day (excluding Saturday, Sunday and public holiday in Hong Kong);
- in the special allocation results booklets which will be available for inspection during opening hours from Monday, 15 January 2018 to Wednesday, 17 January 2018 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.

11. 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, 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.

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 Joint Bookrunners, the Joint Lead Managers 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 Listing Committee 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 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 or the Joint Bookrunners, or the Joint Lead Managers 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.

12. 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$0.4 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 Monday, 15 January 2018.

13. 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 Monday, 15 January 2018. 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 Tuesday, 16 January 2018 provided that the Share Offer has become unconditional and the right of 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 Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Monday, 15 January 2018 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 Branch 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 Monday, 15 January 2018, 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 Monday, 15 January 2018, 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 Monday, 15 January 2018, 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.

- *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 Monday, 15 January 2018 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 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 Monday, 15 January 2018, or, on any other date determined by HKSCC or HKSCC Nominees.

- 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 Monday, 15 January 2018. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, 15 January 2018 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 Monday, 15 January 2018. 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 Monday, 15 January 2018.

14. 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 set out on pages I-1 to I-36 received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purposes of inclusion in this Prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ISP GLOBAL LIMITED AND KINGSWAY CAPITAL LIMITED

Introduction

We report on the historical financial information of ISP Global Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-36 which comprises the combined statements of financial position as at 30 June 2016 and 2017 and the combined statements of profit or loss and other comprehensive income and the combined statements of cash flows for each of the two years ended 30 June 2017 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-36 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 29 December 2017 (the "Prospectus") in connection with the initial listing of shares of the Company on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibilities for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatements, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "*Accountants' Reports on Historical Financial Information in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement

of the Historical Financial Information, whether due to fraud or error. In making those risk assessment, the reporting accountants consider internal control relevant to the Group's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Group's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical 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 the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's combined financial position as at 30 June 2016 and 2017 and of the Group's combined financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparation of the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about dividend paid by the Company's subsidiaries and states that no dividend have been paid by the Company in respect of the Track Record Period.

No historical financial information for the Company

No financial statements have been prepared for the Company since its date of incorporation.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 December 2017

A. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of the accountants' report.

The Historical Financial Information in this report was prepared based on the financial statements of ISPL Pte. Ltd. ("ISPL") for the Track Record Period, in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). The financial statements of ISPL were audited by Deloitte & Touche LLP, a firm of Public Accountants and Chartered Accountants registered in Singapore, in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Singapore dollars ("S$").

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 30 June	
	NOTES	**2016**	**2017**
		S$	*S$*
Revenue	*6*	7,997,834	8,632,027
Costs of sales/services		(5,210,411)	(5,457,763)
Gross profit		2,787,423	3,174,264
Other income	*7*	26,328	10,248
Administrative expenses		(1,161,762)	(1,246,788)
Other losses	*8*	(58,828)	(33,251)
Listing expenses		–	(209,598)
Finance costs	*9*	(97,937)	(60,089)
Profit before taxation	*10*	1,495,224	1,634,786
Income tax expense	*11*	(202,896)	(284,190)
Profit and total comprehensive income for the year		1,292,328	1,350,596

COMBINED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at 30 June 2016 S$	2017 S$
Non-current assets			
Property, plant and equipment	*15*	6,903,982	6,331,112
Pledged bank deposits	*20*	206,947	206,947
		7,110,929	6,538,059
Current assets			
Inventories	*16*	–	19,735
Trade receivables	*17*	1,864,851	1,708,213
Other receivables, deposits and prepayments	*18*	129,216	281,473
Amounts due from customers for contract works	*19*	55,781	416
Bank balances and cash	*20*	1,157,585	3,709,286
		3,207,433	5,719,123
Current liabilities			
Trade and other payables	*21*	636,682	1,736,950
Amount due to a director	*22*	4,300	–
Obligations under finance leases – due within one year	*23*	12,432	–
Borrowings due within one year	*24*	138,478	126,833
Income tax payable		168,204	435,945
		960,096	2,299,728
Net current assets		2,247,337	3,419,395
Total assets less current liabilities		9,358,266	9,957,454
Non-Current liabilities			
Obligations under finance leases – due after one year	*23*	41,024	–
Borrowings due after one year	*24*	3,473,277	3,346,444
Deferred tax liabilities	*25*	244,456	260,905
		3,758,757	3,607,349
Net assets		5,599,509	6,350,105
Capital and reserves			
Share capital	*26*	525,000	525,000
Accumulated profits		5,074,509	5,825,105
Equity attributable to owners of the Company		5,599,509	6,350,105

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Accumulated profits	Total
	S$	*S$*	*S$*
At 1 July 2015	525,000	3,782,181	4,307,181
Profit and total comprehensive income for the year	–	1,292,328	1,292,328
At 30 June 2016	525,000	5,074,509	5,599,509
Profit and total comprehensive income for the year	–	1,350,596	1,350,596
Dividends	–	(600,000)	(600,000)
At 30 June 2017	525,000	5,825,105	6,350,105

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 30 June	
	2016	2017
	S$	*S$*
Operating activities		
Profit before taxation	1,495,224	1,634,786
Adjustments for:		
Depreciation of property, plant and equipment	563,236	577,852
Loss on write off property, plant and equipment	15,750	–
Interest income	(5)	(39)
Finance costs	97,937	60,089
Operating cash flow before movement in working capital	2,172,142	2,272,688
Movements in working capital:		
(Increase)/decrease in trade receivables	(181,697)	156,638
Decrease/(increase) in other receivable, deposits and prepayments	45,396	(152,257)
Decrease in amounts due from customers for contract works	106,889	55,365
Decrease/(increase) in inventories	17,495	(19,735)
(Decrease)/increase in trade and other payables	(306,483)	800,268
Cash generated from operations	1,853,742	3,112,967
Interest received	5	39
Income taxes paid	(18,831)	–
Net cash from operating activities	1,834,916	3,113,006
Investing activity		
Acquisition of property, plant and equipment	(623,444)	(4,982)
Net cash used in investing activity	(623,444)	(4,982)
Financing activities		
Dividends paid	–	(300,000)
Proceeds from borrowings	384,000	–
Repayment to a director	(560,202)	(4,300)
Repayment of finance leases	(15,044)	(53,456)
Repayment of borrowings	(110,997)	(138,478)
Interest paid	(97,937)	(60,089)
Net cash used in financing activities	(400,180)	(556,323)
Net increase in cash and cash equivalents	811,292	2,551,701
Cash and cash equivalents at beginning of the year	346,293	1,157,585
Cash and cash equivalents at end of the year represented by bank balances and cash	1,157,585	3,709,286

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 July 2017. The registered office of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is at No. 3 Ang Mo Kio Street 62, #01-39, LINK@AMK, Singapore 569139.

The Company is an investment holding company and the principal activities of its operating subsidiary are sale of sound and communication systems and related services, provision of integrated services of sound and communication systems, and provision of alert alarm system services in Singapore.

The functional currency of the Company is Singapore dollars ("S$"), which is also the presentation currency of the Historical Financial Information.

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRSs and the conventions applicable for group reorganisation (details are set out below).

In preparing for the initial listing of the shares of the Company on the GEM of the Stock Exchange, the companies comprising the Group underwent a group reorganisation as described below (the "Reorganisation"). Prior to the Reorganisation, ISPL, the only operating subsidiary of the Group, was controlled by Mr. Mong Kean Yeow ("Mr. Mong") and Ms. Choon Shew Lang ("Ms. Choon"), who are spouse and owned 97.14% and 2.86% equity interests in ISPL respectively (together, the "Controlling Shareholders"). As part of the Reorganisation, investment holding company, Holy Ark Limited ("Holy Ark") and the Company, were incorporated and interspersed between ISPL and the Controlling Shareholders. Since then, the Company became the holding company of Group on 8 December 2017. The Group comprising the Company, Holy Ark and ISPL, resulting from the Reorganisation has always been under the common control of the Controlling Shareholders during the Track Record Period and before and after the Reorganisation. Therefore, it is regarded as a continuing entity and the Historical Financial Information has been prepared as if the Company had always been the holding company of the Group.

The Reorganisation comprised of the following steps:

- On 4 May 2017, Express Ventures Global Limited ("Express Ventures", a company not forming part of the Group) was incorporated in the British Virgin Island ("BVI") which is authorised to issue a maximum of 50,000 shares of one class with no par value.

- On 22 June 2017, 510 ordinary shares and 15 ordinary shares of Express Ventures were issued and allotted as fully-paid to Mr. Mong and Ms. Choon respectively.

- On 29 May 2017, Holy Ark was incorporated in the BVI which is authorised to issue a maximum of 50,000 shares of one class with no par value.

- On 22 June 2017, 510 ordinary shares and 15 ordinary shares of Holy Ark were issued and allotted to Mr. Mong and Ms. Choon respectively.

- On 21 July 2017, the Company was incorporated in the Cayman Islands as an exempted company with limited liability with an initial authorised share capital of HK$100,000 divided into 10,000,000 ordinary shares with par value of HK$0.01 each.

- On 21 July 2017, one nil-paid subscriber share, was allotted and issued to the initial subscriber. The nil-paid subscriber share was transferred to Express Ventures on the same day.

– On 17 August 2017, Mr. Mong and Ms. Choon, as vendors, and Holy Ark, as purchaser, entered into a sale and purchase agreement, pursuant to which Holy Ark acquired 510,000 shares and 15,000 shares of ISPL, representing all of its issued shares in aggregate, from Mr. Mong and Ms. Choon at the consideration of S$6,171,000 and S$181,500, respectively. In settlement of the aforesaid consideration, Holy Ark issued and allotted 510 ordinary shares and 15 ordinary shares to Mr. Mong and Ms. Choon respectively.

– Upon the completion of the above acquisition on 5 September 2017, ISPL became a wholly-owned subsidiary of Holy Ark.

– On 8 December 2017, Mr. Mong and Ms. Choon, as vendors, and the Company, as purchaser, entered into a sale and purchase agreement, pursuant to which the Company acquired 1,020 ordinary shares and 30 ordinary shares of Holy Ark, representing all of its issued shares in aggregate, from Mr. Mong and Ms. Choon at the consideration of S$6,171,000 and S$181,500, respectively. In settlement of the aforesaid consideration, the Company issued and allotted 9,999 new Shares, credited as fully paid, at par to Express Ventures, and crediting as fully paid at par one nil-paid Share held by Express Ventures, at the instructions of Mr. Mong and Ms. Choon.

– Upon completion of the above acquisition on 8 December 2017, Holy Ark became a wholly-owned subsidiary of the Company.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Track Record Period include the results, changes in equity and cash flows of the companies comprising the Group as if the Company had always been the holding company of the Group and the current group structure had been in existence throughout the Track Record Period, regardless of the actual dates when they formally and legally became subsidiaries of the Company.

The combined statements of financial position of the Group as at 30 June 2016 and 2017 have been prepared to present the assets and liabilities of the companies comprising the Group as if the Company had always been the holding company of the Group and the current group structure had been in existence at those dates taking into account the respective dates of incorporation, where applicable.

For the purpose of the report, the Historical Financial Information has been prepared and presented using carrying amounts of assets and liabilities of ISPL for all periods presented.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in a jurisdiction where there are no statutory audit requirements.

3. APPLICATION OF IFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRSs that are effective for the financial year beginning on 1 July 2016 throughout the Track Record Period.

At the date of issuance of this report, the Group has not applied the following new and amendments to IFRSs, amendments to International Accounting Standards ("IASs") and the new interpretations that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
IFRS 16	Leases[3]
IFRS 17	Insurance Contracts[2]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[1]
IFRIC 23	Uncertainty over Income Tax Treatments[3]
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts[1]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IAS 7	Disclosure Initiative[5]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[5]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[3]
Amendments to IAS 40	Transfers of Investment Property[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014 – 2016 Cycle[6]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015 – 2017 Cycle[3]

1. Effective for annual periods beginning on or after 1 January 2018

2. Effective for annual periods beginning on or after 1 January 2021

3. Effective for annual periods beginning on or after 1 January 2019

4. Effective for annual periods beginning on or after a date to be determined

5. Effective for annual periods beginning on or after 1 January 2017

6. Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

Except as described below, the management of the Group considers that the application of the other new and amendments to IFRSs, amendments to IASs and new interpretations is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in future.

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to the Group are described below:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at 'fair value through other comprehensive income'. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Except for the potential early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs, the management of the Group anticipates that the adoption of IFRS 9 in the future may not have other significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 30 June 2017.

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.

In 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of IFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Under the IFRS 16 lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

The directors of the Company anticipate that the application of IFRS 16 may result in more disclosures, but will have no material impact on the amounts recognised as the Group has non-cancellable operating lease commitments of S$14,640 with terms ranging from 4 to 12 months as at 30 June 2017, as disclosed in Note 27, which qualify for short-term leases upon the application of IFRS 16.

Amendments to IAS 7 *Disclosure Initiative*

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both cash and non-cash changes.

The Group's liabilities arising from financing activities consist of borrowings, finance leases and advances from a director. The directors of the Company anticipate that the application of the amendment in the future will result in disclosure of a reconciliation of changes in liabilities arising from financing activities.

4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared on the historical cost basis and in accordance with the following accounting policies which conform with IFRSs. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

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 would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of assets*.

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 measurements are observable and the significance of 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 adopted are set out below.

Basis of combination

The Historical Financial Information incorporates the financial statements of the Company and companies controlled by the Company and its subsidiaries. Control is achieved when a 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.

Combination 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 combined statements 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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Revenue from contract works, being provision of Integrated Services of Sound and Communication Systems (as defined in Note 6)

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Revenue from contract works is recognised in accordance with the Group's accounting policy on construction contracts (see below construction contracts policy).

(ii) Revenue from sale of goods, being sale of sound and communication systems

Revenue from sale of goods is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

(iii) Revenue from provision of services, including Alert Alarm System Services (as defined in Note 6)

Revenue from provision of services is recognised when the services are provided.

(iv) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

The stage of completion is measured by the proportion of surveys of work performed to date with reference to customer certificate relative to the estimated total contract revenue.

Variations in contract work and claims are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probably recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of construction contracts include costs that relate directly to the specific contract and costs that are attributable to contract activity and can be allocated to the contract. Such costs include but are not limited to material, labour, depreciation and hire of equipment, interest expense, subcontract cost and estimated costs of rectification and guarantee work, including expected warranty costs.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract works. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract works. Amounts billed for work performed but not yet paid by the customer are included in the combined statements of financial position under trade receivables.

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. Where 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Leasing

Leases are classified as finance leases 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

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the combined statements of financial position as obligation under finance lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets

are recognised as deferred revenue in the combined statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments made to Central Provident Fund ("CPF") are recognised as expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS requires or permits their inclusion in the cost of an asset.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the combined statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax base 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 difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises 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.

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 is realised, based on tax rate (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.

Current and deferred tax are recognised in profit or loss, except when it relates 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.

Property, plant and equipment

Property, plant and equipment including leasehold land and property held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated 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 property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an item of property, 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.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Impairment of tangible assets

At the end of each reporting period, the management of the Group reviews the carrying amounts of its tangible assets 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 values 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 a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the Historical Financial Information 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The Group's financial asset is classified into "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, pledged bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

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. Interest income is recognised on an effective interest basis.

Interest income is recognised on an effective interest basis for debt instruments.

Impairment loss on financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where 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 financial assets have been affected.

For financial assets held by the Group, 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.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate.

For certain categories of financial asset, 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 past the credit period of 30 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 or other receivable is 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

Financial liabilities and equity instruments issued by the Group are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities (including trade payables, other payables, amount due to a director and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group companies after deducting all of its liabilities. Equity instruments issued by the group companies are recognised at the proceeds received, net of direct issue costs.

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 payment (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.

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.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Historical Financial Information in the period in which the dividends are approved by the group companies' shareholders or directors, where appropriate.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Contracts for provision of Integrated Services of Sound and Communication Systems

Such contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. Where the outcome of a contract work can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

The stage of completion is measured by the proportion of surveys of work performed to date with reference to customer certificate relative to the estimated total contract revenue.

Variations in contract works and claims are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Management reviews these contracts for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated total contract cost. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date and the adjustment would be recognised in the period of changes in estimates.

The carrying amounts of assets and liabilities arising from construction contracts are disclosed in Note 19 to the Historical Financial Information.

Estimated impairment of trade receivables

Management assesses at the end of each reporting period whether there is any objective evidence that trade receivables are impaired. If there is objective evidence that an impairment loss on trade receivables has been incurred, the amount of loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows. Where the actual future cash flows are less than expected, an impairment loss may arise. The carrying amounts of the trade receivables are disclosed in Note 17 to the Historical Financial Information.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from (1) sale of sound and communication system and related services ("Sale of Sound and Communication Systems and Related Services"), (2) provision of integrated services of sound and communication systems, includes installation and customisation of sound and communication systems in buildings in Singapore ("Integrated Services of Sound and Communication Systems") and (3) provision of alert alarm system services ("Alert Alarm System Services") to external customers. The Group's operations are solely derived from Singapore during the Track Record Period.

Information is reported to the Controlling Shareholders, being the chief operating decision maker ("CODM") of the Group, for the purposes of resources allocation and performance assessment. The accounting policies are the same as Group's accounting policies described in Note 4. The CODM reviews revenue by nature of revenue i.e. Sale of Sound and Communication Systems and Related Services, Integrated Services of Sound and Communication Systems and Alert Alarm System Services. No analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

An analysis of the Group's revenue for the Track Record Period is as follows:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Revenue from:		
Sale of Sound and Communication Systems and Related Services	5,947,612	7,133,284
Integrated Services of Sound and Communication Systems	1,174,678	623,199
Alert Alarm System Services	875,544	875,544
	7,997,834	8,632,027

Major customers

The revenue from customers individually contributed over 10% of total revenue of the Group during the Track Record Period are as follows:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Customer I	921,963	N/A*
Customer II	882,234	887,744

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the reporting period.

Geographical information

The Group principally operates in Singapore, which is also the place of domicile. All revenue are derived from Singapore based on the location where products and services are delivered and the Group's property, plant and equipment are all located in Singapore.

7. OTHER INCOME

	Year ended 30 June	
	2016	2017
	S$	*S$*
Government grants *(Note)*	25,542	9,975
Interest income	5	39
Others	781	234
	26,328	10,248

Note: Included in the amounts are S$15,852 and S$2,144, representing grants under Wage Credit Scheme ("WCS") for each of the years ended 30 June 2016 and 2017, respectively. Under the WCS, the government co-funds 40% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000 and below during the calendar year of 2015. Over the period of the calendar years from 2016 to 2017, the government co-funds 20% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000 and below. For wage increases given in 2015 which are sustained in years of 2016 and 2017 by the same employer, employers will continue to receive co-funding at 20% for the years.

The remaining balances of grants are incentives received unconditionally for compensation of expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

8. OTHER LOSSES

	Year ended 30 June	
	2016	2017
	S$	*S$*
Exchange loss, net	43,078	33,251
Loss on write off property, plant and equipment	15,750	–
	58,828	33,251

9. FINANCE COSTS

	Year ended 30 June	
	2016	2017
	S$	*S$*
Interest on:		
Bank borrowings	95,749	55,982
Finance leases	2,188	4,107
	97,937	60,089

10. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Depreciation of property, plant and equipment		
Recognised in costs of sales/services	395,862	396,297
Recognised in administrative expenses	167,374	181,555
	563,236	577,852
Directors' and chief executive's emoluments *(Note 12)*	438,630	508,108
Other staff costs		
– Salaries, wages and other benefits	1,432,563	1,550,047
– Defined contribution plans, including retirement benefits	53,528	66,362
– Foreign worker levy and skill development levy	235,010	237,657
Total staff costs	2,159,731	2,362,174
Auditor's remuneration	–	46,500
Cost of materials recognised as expenses*	2,842,372	3,145,946
Subcontractor costs recognised as expenses*	437,677	230,210

** Included in costs of sales/services*

11. INCOME TAX EXPENSE

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Tax expense comprises:		
Current tax		
– Singapore corporate income tax ("CIT")	177,616	271,325
– Over provision in prior years	–	(3,584)
Deferred tax *(Note 25)*	25,280	16,449
	202,896	284,190

Singapore CIT is calculated at 17% of the estimated assessable profit and the Group is further eligible for CIT rebate of 50% capped at S$25,000 and 20% capped at S$10,000 for each of the Years of Assessment 2017 and 2018 respectively. Singapore incorporated companies can also enjoy 75% tax exemption on the first S$10,000 of chargeable income and a further 50% tax exemption on the next S$290,000 of chargeable income.

The taxation for the Track Record Period can be reconciled to the profit before taxation per the combined statements of profit or loss and other comprehensive income as follows:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Profit before taxation	1,495,224	1,634,786
Tax at applicable tax rate of 17%	254,188	277,914
Tax effect of expenses not deductible for tax purpose	14,816	50,447
Tax effect of income not taxable for tax purpose	(1,648)	–
Effect of tax concessions and partial tax exemption *(Note)*	(64,460)	(40,587)
Over provision of current tax in prior years	–	(3,584)
Taxation for the year	202,896	284,190

Note: Tax concessions pertain to incentive schemes given by the Singapore tax authority. One of the major tax concession is Productivity and Innovation Credit ("PIC") Scheme. Under the PIC Scheme, the Company enjoys 400% tax deductions for qualifying expenditure incurred from the Years of Assessment 2017 to 2018.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION

Directors' and chief executive's emoluments

Mr. Mong and Ms. Choon were appointed as directors of the Company on 21 July 2017. The emoluments paid or payable to the directors and chief executive of the Company (including emoluments for services as employee/directors of the group entities prior to becoming the directors of the Company) by entities comprising the Group during the Track Record Period are as follows:

Details of the emoluments paid to each of the directors and chief executive of the Company are as follows:

Year ended 30 June 2016

	Fees	**Discretionary bonus**	**Salaries and allowances**	**Contributions to retirement benefit plan**	**Total**
	S$	*S$*	*S$*	*S$*	*S$*
Executive Directors					
Mr. Mong	120,000	3,500	84,000	11,815	219,315
Ms. Choon	120,000	3,500	84,000	11,815	219,315
	240,000	7,000	168,000	23,630	438,630

Year ended 30 June 2017

	Fees	Discretionary bonus	Salaries and allowances	Contributions to retirement benefit plan	Total
	S$	*S$*	*S$*	*S$*	*S$*
Executive Directors					
Mr. Mong	120,000	8,202	117,218	13,634	259,054
Ms. Choon	120,000	8,202	107,218	13,634	249,054
	240,000	16,404	224,436	27,268	508,108

(i) Mr. Mong acts as chairman of the Company with effective from 21 July 2017.

(ii) Ms. Choon acts as chief executive of the Company with effective from 21 July 2017.

(iii) The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

(iv) No other retirement benefits were paid to Mr. Mong and Ms. Choon in respect of their respective services in connection with the management of the affairs of the Group.

(v) The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group.

(vi) The appointment of independent non-executive directors subsequent to the Track Record Period is disclosed in the section headed "Directors and Senior Management" to the prospectus.

During the Track Record Period, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived or agreed to waive any remuneration during the Track Record Period.

Employees' remuneration

The five highest paid employees of the Group during the year ended 30 June 2016 and 2017 included two directors, details of whose remunerations are set out above. Details of the remuneration for the remaining three highest paid employees who are not directors of the Company are as follow:

	Year ended 30 June	
	2016	2017
	S$	*S$*
Salaries and allowances	194,401	197,383
Discretionary bonus	11,200	15,529
Contributions to retirement benefit plan	22,306	34,469
	227,907	247,381

The number of the highest paid individuals, including the directors of the Company, whose remunerations within the following bands were as follows:

	Number of Employee Year ended 30 June	
	2016	2017
Emolument bands		
Nil to HK$1,000,000 (equivalent to approximately S$180,000)	3	3
HK$1,000,001 to HK$1,500,000 (equivalent to approximately S$270,000)	2	2
	5	5

13. DIVIDENDS

During the year ended 30 June 2017, ISPL declared a final dividend in respect of the year ended 30 June 2016 amounting to S$300,000 and an interim dividend in respect of the year ended 30 June 2017 amounting to S$300,000 to the Controlling Shareholders.

No dividend was paid or declared by the Company since its incorporation.

The rate of dividend and number of shares ranking for the above dividends are not presented as such information is not meaningful having regard to the purpose of this report.

14. EARNINGS PER SHARE

No earnings per share information is presented for the purpose of this report as its inclusion is not considered meaningful having regard to the Reorganisation of the Group and the result of the Group for the Track Record Period that is prepared on a combined basis as set out in Note 2.

15. PROPERTY, PLANT AND EQUIPMENT

	Computers	Office equipment	Furniture, fixtures and fittings	Motor vehicles	Leasehold land and property	Alert alarm system	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Cost							
At 1 July 2015	1,800	724	88,455	18,000	4,938,600	2,695,017	7,742,596
Additions	6,321	55,357	72,509	88,407	–	57,290	279,884
Write off	–	–	–	(18,000)	–	–	(18,000)
At 30 June 2016	8,121	56,081	160,964	88,407	4,938,600	2,752,307	8,004,480
Additions	4,582	400	–	–	–	–	4,982
At 30 June 2017	12,703	56,481	160,964	88,407	4,938,600	2,752,307	8,009,462
Accumulated depreciation							
At 1 July 2015	1,800	123	4,702	750	58,101	474,036	539,512
Charge for the year	717	15,613	52,816	11,076	87,152	395,862	563,236
Elimination on write off	–	–	–	(2,250)	–	–	(2,250)
At 30 June 2016	2,517	15,736	57,518	9,576	145,253	869,898	1,100,498
Charge for the year	7,193	18,822	53,655	14,734	87,151	396,297	577,852
At 30 June 2017	9,710	34,558	111,173	24,310	232,404	1,266,195	1,678,350
Carrying values							
At 30 June 2016	5,604	40,345	103,446	78,831	4,793,347	1,882,409	6,903,982
At 30 June 2017	2,993	21,923	49,791	64,097	4,706,196	1,486,112	6,331,112

The above items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Computers	1 year
Office equipment	3 years
Furniture, fixtures and fittings	3 years
Motor vehicles	6 years
Leasehold land and property	Over 680 months
Alert alarm system	Over 72 to 94 months

At 30 June 2016 and 2017, the leasehold land and property was pledged to a bank for a mortgage loan raised by the Group.

Included in the additions of motor vehicles amounting to S$68,500 were acquired under finance lease arrangements during the year ended 30 June 2016, which constituted a non-cash transaction.

The carrying value of below items are assets held under finance leases:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Motor vehicles	78,831	–

16. INVENTORIES

At 30 June 2017, the balance of inventories represents sound and communication system in transit.

17. TRADE RECEIVABLES

	As at 30 June	
	2016	**2017**
	S$	*S$*
Trade receivables	1,564,435	1,490,542
Unbilled revenue	113,875	86,369
Retention receivables *(Note)*	186,541	131,302
	1,864,851	1,708,213

Note: Retention receivables represent monies withheld by customers of contract works that will be released after the end of warranty period of the relevant contracts, and are classified as current as they are expected to be received within the Group's normal operating cycle.

The Group grants credit terms to customers typically between 30 to 90 days from the invoice date for trade receivables. The following is an analysis of trade receivables by age presented based on the invoice date at the end of each reporting period:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Within 30 days	569,355	780,658
31 days to 90 days	773,002	530,794
91 days to 180 days	131,885	130,601
181 days to 365 days	79,339	10,941
Over 365 days	10,854	37,548
	1,564,435	1,490,542

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed once a year.

The carrying values of trade receivables approximate their fair values. Allowance for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts, determined by reference to individual customer's credit quality. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period and no impairment is considered necessary for those balances which are not past due at each reporting date.

Included in the Group's trade receivables are aggregate carrying amounts of S$1,000,831 and S$695,962 which are past due at 30 June 2016 and 2017 respectively, for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on repayment history of respective customer.

Aging of trade receivables which are past due but not impaired based on invoice date at each reporting date:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Within 30 days	18,966	71,835
31 days to 90 days	759,787	445,037
91 days to 180 days	131,885	130,601
181 days to 365 days	79,339	10,941
Over 365 days	10,854	37,548
	1,000,831	695,962

In the opinion of the management of the Group, trade receivables at the end of each reporting period are of good credit quality which considering the high credibility of these customers, good track record with the Group and subsequent settlement, the management believes that no impairment allowance is necessary in respect of the remaining unsettled balances.

The Group does not charge interest nor hold any collateral over these balances.

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June	
	2016	**2017**
	S$	*S$*
Deposits	61,353	30,338
Prepayments	64,188	179,569
Deferred listing expenses	–	67,815
Others	3,675	3,751
	129,216	281,473

19. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORKS

	As at 30 June	
	2016	2017
	S$	*S$*
Contract costs incurred plus recognised profits less recognised losses	3,433,316	4,023,583
Less: progress billings	(3,377,535)	(4,023,167)
	55,781	416
Analysed for reporting purposes as:		
Amounts due from customers for contract works	55,781	416
Amounts due to customers for contract works	–	–
	55,781	416

At 30 June 2016 and 2017, the retention held by customers for contract works are recognised as "retention receivables" set out in Note 17.

20. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	As at 30 June	
	2016	2017
	S$	*S$*
Pledged bank deposits *(Note a)*	206,947	206,947
Bank balances and cash *(Note b)*	1,157,585	3,709,286
	1,364,532	3,916,233

Notes:

a. The balances represent deposits placed to a bank for corresponding amounts of performance guarantee granted by the Group in favour of a customer with an original maturity term of 36 months. The balances carry interest rate of 0.65% per annum at 30 June 2016 and 2017.

b. Approximately S$12,500 and S$46,000 included in bank balances carry interest rate of 0.05% per annum at 30 June 2016 and 2017 respectively. The remaining bank balances and cash are interest free.

Below is details of bank balances denominated in currency other than S$:

	As at 30 June	
	2016	2017
	S$	*S$*
United States Dollar ("USD")	14,064	47,639
European Dollar ("EURO")	8,257	7,962

21. TRADE AND OTHER PAYABLES

	As at 30 June	
	2016	2017
	S$	*S$*
Trade payables	372,312	922,272
Retention payables	62,498	51,682
	434,810	973,954
Other payables		
Goods and Services Tax ("GST") payable	86,940	120,042
Prepayments by customers	54,972	48,163
Accrued operating expenses	31,391	81,820
Accrued listing expenses	–	177,226
Payroll payable	14,591	17,827
Dividend payable	–	300,000
Others	13,978	17,918
	201,872	762,996
	636,682	1,736,950

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 30 June	
	2016	2017
	S$	*S$*
Within 30 days	158,634	686,828
31 days to 90 days	204,803	118,798
91 days to 180 days	150	112,864
Over 180 days	8,725	3,782
	372,312	922,272

The credit period on purchases from suppliers and subcontractors is typically between 30 to 60 days. No interest is charged on the outstanding balance.

Below is details of trade payables denominated in currency other than S$:

	As at 30 June	
	2016	2017
	S$	*S$*
USD	306,622	216,262
EURO	150	–

22. AMOUNT DUE TO A DIRECTOR

As at 30 June 2016, the balance representing amount due to Mr. Mong is non-trade related, unsecured, non-interest bearing and without a fixed repayment term.

23. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments As at 30 June		Present value of minimum leases payments As at 30 June	
	2016	2017	2016	2017
	S$	*S$*	*S$*	*S$*
Amounts payable under finance leases:				
Within one year	15,088	–	12,432	–
In more than one year but no more than two years	8,640	–	6,512	–
In more than two year but no more than five years	25,920	–	22,068	–
More than five years	12,945	–	12,444	–
	62,593	–	53,456	–
Less: future finance charges	(9,137)	–	–	–
Present value of lease obligations	53,456	–	–	–
Less: Amount due for settlement within one year (shown under current liabilities)			(12,432)	–
Amount due for settlement after one year			41,024	–

Interest rates underlying all obligations under finance leases are fixed at respective contract dates during the Track Record Period:

	As at 30 June	
	2016	2017
Interest rate per annum	5.56-5.85%	5.56-5.85%

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets as disclosed in Note 15. The Group early terminated the finance leases during the year ended 30 June 2017 and the charges over the leased assets were released accordingly.

24. BORROWINGS

	As at 30 June	
	2016	2017
	S$	*S$*
Bank loans – Secured and guaranteed	3,611,755	3,473,277
Analysed as:		
Carrying amount repayable		
– Within one year	138,478	126,833
– More than one year, but not exceeding two years	126,833	89,444
– More than two years, but not exceeding five years	284,658	302,215
– More than five years	3,061,786	2,954,785
	3,611,755	3,473,277
Less: Amount due within one year shown under current liabilities	(138,478)	(126,833)
Amount due for settlement after one year	3,473,277	3,346,444

Note: The loans as at 30 June 2016 and 2017 were secured by the legal mortgage and a joint and several personal guarantee from Mr. Mong and Ms. Choon. The loans bear floating interest rates with weighted average effective interest rate at 6% per annum as at 30 June 2016 and 2017. The amounts are repayable at the dates throughout to 2038.

25. DEFERRED TAX LIABILITIES

	As at 30 June	
	2016	2017
	S$	*S$*
As at 1 July	219,176	244,456
Charge to profit or loss for the year:		
– Accelerated tax depreciation	25,280	16,449
As at 30 June	244,456	260,905

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

26. SHARE CAPITAL

As at 30 June 2016 and 2017, the issued share capital represented the share capital of ISPL.

27. OPERATING LEASE COMMITMENTS

The Group as lessee

	Year ended 30 June	
	2016	2017
	S$	*S$*
Minimum lease payments paid during each of the year under operating lease in respect of office premises, staff dormitories and office equipment	101,279	39,590

As at 30 June 2016 and 2017, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	As at 30 June	
	2016	**2017**
	S$	*S$*
Within one year	36,000	14,640

The leases have tenures ranging from 4 to 12 months and no contingent rent provision is included in the contracts.

28. RETIREMENT BENEFIT PLAN

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the CPF scheme. For period from 1 July to 31 December 2015, the Group contributes up to 16% of the eligible employees' salaries to the CPF plan, with each employee's qualifying salary capped at S$5,000 per month. From 1 January 2016, the Group's contribution rates are adjusted to up to 17% of the eligible employees' salaries, with each employee's qualifying salary capped at S$6,000 per month.

The total costs charged to profit or loss, amounting to S$77,158 and S$93,630 for the years ended 30 June 2016 and 2017 respectively, represent contributions paid to the retirement benefits plan by the Group.

As at 30 June 2016 and 2017, contributions of S$14,591 and S$17,827 were due respectively but had not been paid to the CPF. The amounts were paid subsequent to the end of the respective years.

29. RELATED PARTY TRANSACTIONS

Apart from disclosures elsewhere in the Historical Financial Information, the Group entered into the following transactions with related parties during the Track Record Period:

Guarantees from directors

The directors provided personal guarantees in respect of bank borrowings in favor of the Group during the Track Record Period, of which S$3,611,755 and S$3,473,277 remained outstanding as at 30 June 2016 and 2017, respectively.

As at 30 June 2016 and 2017, the personal guarantees provided by the directors in respect of performance bonds and security bonds in favour of the Group amounting to S$291,485 and S$291,485 respectively.

Compensation of key management personnel

The remuneration of directors who are key management personnel of the Group during each year of the Track Record Period were as follows:

	Year ended 30 June	
	2016	**2017**
	S$	*S$*
Short-term benefits	415,000	480,840
Post-employment benefits	23,630	27,268
	438,630	508,108

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of debt, which includes obligations under finance leases and borrowings, as disclosed in Notes 23 and 24, respectively, net of pledged bank deposits, bank balances and cash and equity attributable to owners of the Group, comprising share capital and accumulated profits.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

31. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 30 June	
	2016	**2017**
	S$	*S$*
Financial assets		
– Loans and receivables		
Trade receivables	1,864,851	1,708,213
Deposits	61,353	30,338
Pledged bank deposits	206,947	206,947
Bank balances and cash	1,157,585	3,709,286
	3,290,736	5,654,784
Financial liabilities		
– Amortised cost		
Trade and other payables *(Note)*	494,770	1,568,745
Amount due to a director	4,300	–
Borrowings	3,611,755	3,473,277
	4,110,825	5,042,022

Note: The amount excludes GST payable and prepayments by customers.

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, amount due to a director and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the pledged bank deposits, bank balances, and variable rate

of interest incurred on borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate finance leases. It is the Group's policy to maintain an appropriate level between its fixed-rate and variable-rate borrowings so as to minimise the fair value and cash flow interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to variable interest rates for non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The following sensitivity analysis represents management's assessment of the reasonably possible change in interest rates.

Variable-rate borrowings

If interest rates of the variable-rate borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2016 and 2017 would decrease/increase by approximately S$15,000 and S$14,400 respectively.

Variable-rate bank balances

No sensitivity analysis on the change of interest rate of variable-rate bank balances is prepared as the impact to the financial statements is insignificant.

Currency risk

Certain bank balances and trade payables are denominated in USD or EURO other than the functional currency of respective group entities, which expose the Group to foreign currency risk.

The Group manages the risk by closely monitoring the movement of the foreign currency rate.

Sensitivity analysis

Assuming that all other variables remain constant at year end, a 10% depreciation/appreciation of the S$ against USD would result in a decrease/increase in the Group's profit for the year by approximately S$24,300 and S$14,000 for the year ended 30 June 2016 and 2017 respectively.

No sensitivity analysis on the change of S$ against EURO in prepared as the impact to the financial statements is insignificant.

In the management's opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

(b) Credit risk

The Group's concentration of credit risk by geographical locations is mainly in Singapore, which accounted for 100% of the total financial assets as at 30 June 2016 and 2017.

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts and sufficient allowance on doubtful debts are provide for on timely manner. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

Approximately 39% and 26% of total trade receivables outstanding at 30 June 2016 and 2017 were due from top 5 debtors which exposed the Group to concentration of credit risk.

Those five largest customers are with good creditworthiness based on historical settlement record. In order to minimise the concentration of credit risk, the management has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made for irrecoverable amount. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

Other than concentration of credit risk on bank deposits and balances placed in three banks in which the counterparties are financially sound, the Group has no other significant concentration of credit risk on other receivables, with exposure spread over a number of counterparties.

At the end of each reporting period, the carrying amount of the respective recognised financial assets as stated in the combined statements of financial position best represents the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows, where applicable.

	Weighted average interest rate	On demand or within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
As at 30 June 2016								
Non-interest bearing								
Trade and other payables		494,770	–	–	–	–	494,770	494,770
Amount due to a director		4,300	–	–	–	–	4,300	4,300
Interest bearing								
Obligations under finance leases	5.64%	5,388	5,380	4,320	34,560	12,945	62,593	53,456
Borrowings	6.0%	48,615	48,615	97,230	1,057,894	4,892,793	6,145,147	3,611,755
		553,073	53,995	101,550	1,092,454	4,905,738	6,706,810	4,164,281

	Weighted average interest rate	On demand or within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years years	Total undiscounted cash flows	Carrying amount
		S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
As at 30 June 2017								
Non-interest bearing								
Trade and other payables		1,568,745	–	–	–	–	1,568,745	1,568,745
Interest bearing								
Borrowings	6.0%	48,615	48,615	97,230	1,151,245	4,604,982	5,950,687	3,473,277
		1,617,360	48,615	97,230	1,151,245	4,604,982	7,519,432	5,042,022

(d) Fair value

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values.

32. PARTICULARS OF SUBSIDIARIES

As at the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiary	Place the date of incorporation	Issued and fully paid capital	Equity interest attributable to the Company			Principal activities	Notes
			As at 30 June		As at the date of this report		
			2016	2017			
Directly held:							
Holy Ark	BVI, 29 May 2017	N/A	N/A	N/A	100%	Investment holding	*(a)*
Indirectly held:							
ISPL	Singapore, 22 July 2002	S$525,000	100%	100%	100%	Provision of sound and communication systems solution, Integrated services of sound and communication system and Alert Alarm System Services	*(b)*

All subsidiaries now comprising the Group are limited liability companies and have adopted 30 June as their financial year end date.

Notes:

(a) No audited financial statements of Holy Ark have been prepared since its date of incorporation as it is incorporated in a jurisdiction where there are no statutory audit requirements.

(b) The statutory financial statements of ISPL for the years ended 30 June 2016 and 2017 were prepared in accordance with Singapore Financial Reporting Standards issued by Accounting Standards Council in Singapore and were audited by Deloitte & Touche LLP for the years ended 30 June 2016 and 2017.

33. SUBSEQUENT EVENTS

Save as elsewhere disclosed in this report, events and transactions took place subsequent to 30 June 2017 are detailed as below.

On 14 December 2017, written resolutions of the sole shareholder of the Company were passed to approve the matters set out in the section headed "3. Resolutions in writing of the sole Shareholder passed on 14 December 2017" in Appendix V to this Prospectus. It was resolved, among other things:

(i) the authorised share capital of the Company was increased from HK$100,000 divided into 10,000,000 share of HK$0.01 each to HK$15,000,000 divided into 1,500,000,000 shares of HK$0.01 each by the creation of an additional 1,490,000,000 shares;

(ii) conditional upon the share premium account of the Company being credited as a result of the Share Offer, an amount of HK$5,999,900 which will then be standing to the credit of the share premium account of the Company be capitalised and applied to pay up in full at par 599,990,000 shares for allotment and issue to the shareholder(s) whose name appeared on the register of members of the Company at the close of business on 14 December 2017; and

(iii) conditionally approved and adopted a Share Option Scheme, the principle terms of which are set out in the section headed "12. Share Option Scheme" in Appendix V to this Prospectus.

34. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company, any of its subsidiaries or the Group have been prepared in respect of any period subsequent to 30 June 2017.

The information set out in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the two years ended 30 June 2017 ("the Track Record Period") (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set out in Appendix I to this Prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company prepared in accordance with paragraph 7.31 of the GEM Listing Rules is for illustration only, and is set out in this appendix to illustrate the effect of the proposed public offer and placing of the Company's shares ("Share Offer") on the adjusted combined net tangible assets of the Group as at 30 June 2017, as if it had taken place on such date.

The unaudited pro forma adjusted combined net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 or any future date following the Share Offer.

The following unaudited pro forma adjusted combined net tangible assets of the Group is prepared based on the audited combined net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 as shown in the Accountants' Report of the Group as set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted combined net tangible assets does not form part of the Accountants' Report of the Group.

	Audited combined net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 *S$* *(Note 1)*	**Estimated net proceeds from the proposed Share Offer** *S$* *(Note 2)*	**Unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017** *S$*	**Unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 per Share** *S$* *(Note 3)*	*HK$* *(Note 4)*
Based on Offer Price of HK$0.30 per Share	6,350,105	6,276,205	12,626,310	0.02	0.09
Based on Offer Price of HK$0.40 per Share	6,350,105	9,464,358	15,814,463	0.02	0.11

Notes:

(1) The audited combined net tangible assets of the Group attributable to owners of the Company is extracted from the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the issue of the New Shares pursuant to the proposed Share Offer are based on 200,000,000 New Shares at the Offer Price of lower limit and higher limit of HK$0.30 and HK$0.40 per New Share, respectively, after deduction of the underwriting commissions and fees and other related expenses, other than those expenses which had been recognised in profit or loss prior to 30 June 2017.

The calculation of such estimated net proceeds does not take into account of any Shares which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as referred to in the sections headed "Resolutions in writing of the sole Shareholder passed on 14 December 2017" to the Appendix V to this prospectus or "Share Capital – General Mandate to Repurchase Shares" in this prospectus. The estimated net proceeds from the proposed Offering are converted from Hong Kong dollars into Singapore dollars at an exchange rate of HK$5.74 to S$1.00. No representation is made that Hong Kong dollars amounts have been, could have been or could be converted to Singapore dollars, or vice versa, at that rate or at any other rates or at all.

(3) The unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 per Share is calculated based on 800,000,000 Shares in issue immediately following the completion of the proposed Share Offer and the Capitalisation Issue. It does not take into account of any Shares which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as referred to in the sections headed "Resolutions in writing of the sole Shareholder passed on 14 December 2017" to the Appendix V to this prospectus or "Share Capital – General Mandate to Repurchase Shares" in this prospectus.

(4) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2017.

The unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company per Share is converted from Singapore dollars into Hong Kong dollars at the rate of HK$5.74 to S$1.00. No representation is made that the Singapore dollars amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

(5) By comparing the valuation of the properties as set out in the valuation report prepared by Ascent Partners Valuation Service Limited dated 29 December 2017, the net valuation surplus is approximately S$322,860 as compared to the carrying amounts of the properties as at 31 October 2017, which has not been included in the above combined net tangible assets of the Group. The valuation surplus of the properties will not be incorporated in the Group's financial statements in the future. If the valuation surplus were to be included in the combined financial statements, an additional annual depreciation charge of approximately S$5,980 would be incurred.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of ISP Global Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of ISP Global Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") prepared by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted combined net tangible assets as at 30 June 2017 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 29 December 2017 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed public offer and placing of the shares of the Company (the "Share Offer") on the Group's financial position as at 30 June 2017 as if the proposed Share Offer had taken place at 30 June 2017. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the two years ended 30 June 2017, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors 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").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 plan and perform procedures to obtain reasonable assurance about whether the Directors 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 purposes 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 an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the 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 30 June 2017 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 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.

The procedures selected depend on the reporting accountants' judgment, 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 December 2017

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this prospectus received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation of the property interests of the Group.

Suite 2102, Hong Kong Trade Centre
161-167 Des Voeux Road Central
Hong Kong
www.ascent-partners.com
Tel: (852) 3679 3890
Fax: (852) 3579 0884

Date: 29 December 2017

The Board of Directors
ISP Global Limited
3 Ang Mo Kio
Street 62
#01-39 LINK@AMK
Singapore 569139

Dear Sir/Madam,

INSTRUCTIONS

In accordance with the instructions for us to value the property in which ISP Global Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") have interests in Singapore, we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 31 October 2017 (referred to as the "**Valuation Date**") for the purpose of incorporation in the prospectus of the Company dated 29 December 2017.

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interests represents the market value which we would define to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's – length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

VALUATION METHODOLOGY

We have valued the property interest which is held and occupied by the Group in Singapore on market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales price of comparable property is made. Comparable properties of similar size, character, and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

TITLE INVESTIGATION

We have carried out land searches at the Singapore Land Authority for the property located in Singapore. We have been, in some instances, provided with the extracts of the documents relating to the property. However, we have not verified ownership of the property and the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

Unless stated as otherwise, we have assumed that the property have been constructed, occupied and used in full compliance with, and without contravention of all laws, except only where otherwise stated. We have further assumed that, for any use of the property upon which this report is based, all required licenses, permit, certificate and authorizations have been obtained.

We have assumed that the owner of the property has free and uninterrupted rights to use and dispose of the property for the whole of the unexpired term of Land Grant.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

SOURCE OF INFORMATION

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

VALUATION CONSIDERATIONS

In valuing the property interests, we have complied with all the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the property but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of documents handed to us are correct.

We have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We do not make any allowance for contamination or pollution of the land, if any, which may have been caused by past usage.

No allowance has been made in our valuation for any charges, mortgages or amount owing on any property interests nor for any expense or taxation which may be incurred in effecting a sale. We have assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

REMARKS

Unless otherwise stated, all monetary amounts stated in this report are in Singapore Dollars (SGD).

Our valuation certificate in respect of the property interests is herewith attached.

Yours faithfully,
For and on behalf of
Ascent Partners Valuation Service Limited
Stephen Y. W. Yeung
MFin BSc(Hons) Land Adm. MHKIS MCIREA RPS(GP)
Principal

Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institute of Surveyors with over 10 years' experience in valuation of properties in HKSAR, mainland China and Singapore. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by HKIS.

VALUATION CERTIFICATE

Property interests held and occupied by the Group in Singapore

Property	Description and Tenure	Particular of Occupancy	Market value in existing state as at 31 October 2017
3 Ang Mo Kio Street 62, #01-39 LINK@AMK, Singapore 569139	The property comprises a 3-storey terrace factory plus a roof floor completed in 2015. LINK@AMK is located in 3 Ang Mo Kio Street 62 of District 20, a district concentrated on industry and technology. Landmarks in the vicinity include Nanyang Polytechnic and Yio Chu Kang Stadium. It is within walking distance to Yio Chu Kang MRT Station and well served by public transport services. Pursuant to certified plans obtained from the Singapore Land Authority, the total gross floor area of the property is 670 sq.m. (approximately 7,212 sq.ft.) plus a roof of 193 sq.m. (approximately 2,077 sq.ft.). The property is legally described as Lot No. MK18-U114350V and is held for a lease term of 60 years commencing from 28 June 2011 and expiring on 27 June 2071.	The property is occupied by the Group for office and storage purposes. A portion of the property was leased for commercial office use as stated in Note 6.	SGD5,000,000 (Singapore Dollars Five Million) (100% interest attributable to the Group: SGD5,000,000)

Notes:

(1) The registered proprietor is ISPL Pte. Ltd. vide Instrument No. IE/290112M registered on 9 November 2015.

(2) Pursuant to a copy of Sale and Purchase Agreement dated 26 April 2013 entered into between AMK LINK Development Pte. Ltd. (the "**Vendor**") and ISPL Pte. Ltd. (the "**Purchaser**"), the Vendor agreed to sell and the Purchaser agreed to buy the Property at a consideration of SGD4,800,000.

The total cost of acquisition and the renovation cost expended on the property is approximately SGD5,100,000.

(3) Pursuant to State Title Lease No. 28052 in respect of the mother lot No. MK18-18084C, it contains, inter alia, the following development covenants:

"... may be for any use or uses that may be permitted by the Competent Authority under the Planning Act (Cap. 232) for 'Business 1' zoning in accordance with the Master Plan Written Statement ..."

(4) Pursuant to Strata Title Application vide Instrument No. IE/175922B lodged on 4 June 2015, the property described as Lot No. MK18-U114350V is subdivided from the mother lot No. MK18-18084C and the registered subsidiary proprietor's share in the common property of the mother lot is 1087 out of 100,000 shares.

(5) The property is subject to a mortgage dated 19 April 2013 to an extent of SGD3,840,000 in favour of DBS Bank Ltd. vide Instrument No. ID/560668P lodged on 6 November 2015 (the "DBS mortgage").

(6) Pursuant to a tenancy agreement dated 30 September 2015 entered into between ISPL Pte. Ltd. (the "Lessor") and Chen Yu Services Pte. Ltd. (the "Lessee"), a portion of the property with a floor area of approximately 108 square feet was leased for a term of two years commencing on 1 October 2015 and expiring on 30 September 2017 at a monthly rental of SGD1,000. An option to renew the tenancy was exercised for twelve additional months from 1 October 2017 to 30 September 2018.

(7) The property lies within an area zoned as "Business 1 (B1)" under the Master Plan 2014 which is used or intended to be used mainly for clean industry, light industry, warehouse, public utilities, and telecommunication uses and other public installations.

(8) The inspection was performed by Mr. Stephen Yeung on 6 June 2017.

(9) The Group confirmed that as at the Valuation Date:

(i) No options or rights of pre-emption concerning or affecting the property;

(ii) No environmental issues such as breach of environmental regulations;

(iii) No notices, pending litigation, breach of law or title defects affecting the property;

(iv) No plans for renovation or improvement of the property; and

(v) No plans to dispose of or change the use of the property.

(10) According to the legal opinion from the Group's Singapore legal adviser Equity Law LLC, which contains, inter alia, the following information:

(i) The Group has good, valid and subsisting title to the Property;

(ii) The Property is free and clear of all other encumbrances, defects or third parties' rights, except the DBS mortgage;

(iii) The Group has fully paid all the land grant fees, land premium, purchase prices, relevant taxes and fees payable in respect of the Property;

(iv) The present use of the Property is the permitted use for the purpose of the relevant planning or building regulations, and is not adversely affected or likely to be adversely affected by any planning proposals; and

(v) There are no compulsory purchase notices, orders or resolutions affecting the Property, nor any closure, demolition, clearance order affecting the Property.

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 Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2017 under the Cayman Companies Law. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since 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) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 14 December 2017. A summary of certain provisions of the Articles is set out below.

(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 Cayman 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 any class of shares may (unless otherwise provided for by the terms of issue of the shares 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. The provisions of the Articles relating to general meetings shall mutatis mutandis apply to every such separate general meeting,

but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a shareholder being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

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 an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; (g) change the currency of denomination of its share capital; and (h) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

(iv) Transfer of shares

Subject to the Cayman Companies Law and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be 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 transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided 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 register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may 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 requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be 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 the 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 as it thinks fit 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) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. 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 20% per annum as the Board shall fix from the day appointed for payment 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 money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, 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, nevertheless, 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 payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest 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 shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term 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 the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(aa) resign;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolves that his office be vacated;

(dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) he is prohibited from being or ceases to be a director by operation of law;

(ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time 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 also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also 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 shall, in the exercise of the powers 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 Cayman Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Cayman Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) 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 shall be 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 shall be 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 whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall 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

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may 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 Cayman Companies Law to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(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 uncalled capital of the Company and, subject to the Cayman Companies Law, to issue debentures, debenture stock, 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 Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, 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 shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make 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 former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, 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

Payments to any present 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 or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with 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 for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of 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 or other benefits received by him as a director, officer or member of 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 in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, 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 for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) 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/have 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 proposal concerning an offer of shares, 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 proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) 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, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(ix) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. 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 a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(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 by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under Cayman Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is 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 members which 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.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) 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 share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

(A) at least two members;

(B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised 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 in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(iv) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be 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, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Cayman Companies Law and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(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, and continues to be present until the conclusion of the meeting.

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 shall be 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 shall be 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. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Cayman Companies Law (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company 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 account, book or document of the Company except as conferred by the Cayman Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report

and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to shareholders who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those shareholders that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) 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.

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 of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(aa) 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 members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members 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.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' 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 monies 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.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used 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, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, 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.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) 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, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the surplus assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Cayman Companies Law, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or 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 so divided and may determine how such division shall be carried out as between the members or different classes of members and

the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Cayman 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 the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 21 July 2017 subject to the Cayman Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also 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

Under Cayman Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or 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 arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Cayman Companies Law;

(iv) writing-off the preliminary expenses of the company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, 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 of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so 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 are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. 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 member and, for the avoidance of doubt, 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; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, 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. In addition, 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 that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Cayman Companies Law. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Cayman Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Cayman Companies Law, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, 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, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has 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 the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member 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.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

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.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect 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 that:

(i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and

(ii) no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(aa) on or in respect of the shares, debentures or other obligations of the Company; or

(bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking for the Company is for a period of 20 years from 10 August 2017.

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.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right 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 of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in 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 member, 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 (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Cayman Companies Law, the Company is required to maintain at its registered office a register of directors, alternate 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 60 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a 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 the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized 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.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member 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 members.

(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, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Cayman Companies Law, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix VI. 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 ITS SUBSIDIARIES

1. Incorporation of our Company

Our Company was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law on 21 July 2017. Our Company has established a principal place of business in Hong Kong at Suites 1604-6, 16/F, ICBC Tower, 3 Garden Road, Central, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 8 September 2017. In connection with such registration, Mr. Lee Ka Hok George of Suites 1604-6, 16/F, ICBC Tower, 3 Garden Road, Central, Hong Kong, our company secretary, has been appointed as the authorised representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Companies Law and its constitution, which comprises the Memorandum and the Articles. A summary of certain provisions of its constitution and relevant aspects of the Cayman Islands company law is set out in Appendix IV to this prospectus.

2. Changes in share capital of our Company

(a) As at the date of incorporation, our Company had an initial authorised share capital of HK$100,000 divided into 10,000,000 ordinary shares with par value of HK$0.01 each. On 21 July 2017, one nil-paid subscriber Share was allotted and issued to the initial subscriber of our Company, which was subsequently transferred to Express Ventures on the same date.

(b) On 8 December 2017, Mr. Mong and Ms. Choon transferred 1,020 and 30 ordinary shares respectively (representing in aggregate the entire issued share capital) in Holy Ark to our Company, in consideration of our Company allotting and issuing 9,999 new Shares to Express Ventures, all credited as fully paid, and crediting as fully paid at par the one nil-paid Share held by Express Ventures, at the instructions of Mr. Mong and Ms. Choon.

(c) Pursuant to the written resolutions of the sole Shareholder passed on 14 December 2017, the authorised share capital of our Company was increased from HK$100,000 divided into 10,000,000 ordinary shares of par value HK$0.01 each to HK$15,000,000 divided into 1,500,000,000 ordinary shares of par value HK$0.01 each, by the creation of an additional 1,490,000,000 Shares.

(d) Immediately following completion of the Capitalisation Issue and the Share Offer (but without taking into account the shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or the exercise of any options which may be granted under the Share Option Scheme), the authorised share capital of our Company will be HK$15,000,000 divided into 1,500,000,000 Shares and the issued share capital of our Company will be HK$8,000,000 divided into 800,000,000 Shares fully paid or credited as fully paid, and 700,000,000 Shares will

remain unissued. Other than pursuant to the general mandate to allot and issue Shares as referred to in "3. Resolutions in writing of the sole Shareholder passed on 14 December 2017" in this appendix and the allotment and issue of Shares pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders in its general meeting, no issue of shares will be made which would effectively alter the control of our Company.

Save as disclosed in this prospectus, there has been no alteration in our Company's share capital since its incorporation.

3. Resolutions in writing of the sole Shareholder passed on 14 December 2017

Pursuant to the resolutions in writing passed by the sole Shareholder on 14 December 2017, among other matters:

(a) our Company approved and adopted the Memorandum and the Articles;

(b) our Company increased its authorised share capital from HK$100,000 divided into 10,000,000 ordinary shares of par value HK$0.01 each to HK$15,000,000 divided into 1,500,000,000 ordinary shares of par value HK$0.01 each by the creation of 1,490,000,000 additional ordinary shares of par value HK$0.01 each, each ranking pari passu in all respects with the Shares in issue at the date of passing of these resolutions;

(c) conditional on (i) the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM; (ii) the Price Determination Agreement having been executed by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company and becoming effective on the Price Determination Date; and (iii) the obligations of the Underwriters under each of the Underwriting Agreements becoming unconditional (including the waiver of any condition(s) by the Sole Sponsor and/or the Joint Bookrunners (for themselves and on behalf of the Underwriters)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, 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 the date which is the 30th day after the date of this prospectus:

    (i) the Share Offer and the Offer Size Adjustment Option were approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer and the Offer Size Adjustment Option;

    (ii) conditional on the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the allotment and issue of the

Offer Shares by our Company pursuant to the Share Offer, our Directors were authorised to capitalise HK$5,999,900 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 599,990,000 Shares for allotment and issue to the Shareholder(s) whose name(s) appear on the register of members or the principal share register of our Company at the close of business on 14 December 2017 (or as each of them may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their respective shareholdings in our Company, and the Shares allotted and issued shall rank pari passu in all respects with the then existing issued Shares;

(iii) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with (otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the Articles, or pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which have been or may be granted under the Share Option Scheme, or under the Share Offer or the Capitalisation Issue) Shares or securities convertible into Shares with a total number of not exceeding the sum of (aa) 20% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer (excluding any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme); and (bb) the total number of Shares which may be purchased by our Company pursuant to the authority granted to our Directors in paragraph (iv) below, such mandate to remain in effect 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 or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to our Directors as set out in this paragraph (iii), whichever occurs first;

(iv) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase on GEM or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of the Shares with a total number of not exceeding 10% of the number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer (excluding any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme), such mandate to remain in effect 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 or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors as set out in this paragraph (iv), whichever occurs first; and

(v) the rules of the Share Option Scheme, the principal terms of which are set out in "12. Share Option Scheme" below, were approved and adopted, and our Directors were authorised to grant options to subscribe for the Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options granted under the Share Option Scheme.

4. Group reorganisation

The companies comprising our Group underwent a reorganisation to rationalise our Group's structure in preparation for the listing of the Shares on the Stock Exchange. Please see "History, Development and Reorganisation – Reorganisation" in this prospectus for further details.

5. Changes in share capital of subsidiaries

Our Company's subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountants' Report, we do not have any other subsidiary. Save as disclosed in the "History, Development and Reorganisation", there has been no changes to the share capital made by our subsidiaries during the two years preceding the date of this prospectus.

6. Repurchase of our own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase of Shares by our Company of its own securities.

(a) Provisions of the GEM Listing Rules

The GEM Listing Rules permit companies whose primary listing is on GEM to repurchase their securities on GEM subject to certain restrictions, the most important of which are summarised below:

(i) 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 GEM must be approved in advance by an ordinary resolution of its shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by the sole Shareholder on 14 December 2017, a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors authorising them to exercise all powers of our Company to repurchase Shares on GEM or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer (but excluding any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme), and the Repurchase Mandate shall remain in effect until the earliest of 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 or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority given to our Directors.

(ii) Source of funds

Any repurchase of securities by our Company must be funded out of funds legally available for the purpose in accordance with the Articles, the applicable laws of the Cayman Islands and the GEM Listing Rules.

Any repurchases by our Company may be made out of profits of our Company, out of the share premium account of our Company, or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of either or both of the profits of our Company or our Company's share premium account, before or at the time the Shares are repurchased or, if authorised by the Articles and subject to the Companies Law, out of capital.

Our Company may not repurchase its own Shares on GEM for a consideration other than cash or for settlement, otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(iii) Connected parties

Our Company is prohibited from knowingly repurchasing the Shares on GEM from a "core connected person" (as defined in the GEM Listing Rules), which by definition includes a Director, chief executive or substantial shareholder of our Company or any of its subsidiaries or a close associate of any of them, and a core connected person shall not knowingly sell Shares to our Company on GEM.

(iv) Trading restrictions

Our Company is authorised to repurchase on GEM or on any other stock exchange recognised by the SFC and the Stock Exchange up to a maximum of 10% of the number of issued share capital of that company or warrants to subscribe for shares in the company representing up to 10% of the amount of warrants then outstanding at the date of the passing of the relevant resolution granting the repurchase mandate. Our Company may not issue or announce an issue of new securities of the type that have been repurchased for a period of 30 days immediately following a repurchase of securities whether on GEM or otherwise (except pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to the repurchase) without the prior approval of the Stock Exchange. Our Company is also prohibited from making securities repurchase on GEM if the result of the repurchases would be that the number of the listed securities in hands of the public would be below the relevant prescribed minimum percentage for that company as required and determined by the Stock Exchange. Our Company shall not purchase its shares on GEM if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on GEM.

(v) Status of repurchased securities

The listing of all repurchased securities (whether on GEM or otherwise) is automatically cancelled and the certificates of the relevant securities must be cancelled

and destroyed. Under Cayman Islands law, shares repurchased by a Cayman Islands company may be treated as cancelled and, if so cancelled, the amount of the company's issued share capital shall be reduced by the number of the repurchased shares accordingly although the authorised share capital of the company will not be taken as reduced.

(vi) Suspension of repurchase

Our Company shall not purchase its Shares on the Stock Exchange at any time after inside information has come to our knowledge until such time as such information has been announced in accordance with the GEM Listing Rules and the SFO. In particular, during the period of one month immediately preceding the earlier of (1) 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 our 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 (2) the deadline for our Company to publish an announcement of its 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 in each case ending on the date of the results announcement, our Company may not purchase its securities on GEM unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit repurchases of securities on GEM if our Company has breached the GEM Listing Rules.

(vii) Reporting requirements

Repurchases of securities on GEM or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange business day following any day on which our Company may make a purchase of Shares, reporting total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant. In addition, a company's annual report and accounts are required to include a monthly breakdown of securities repurchases made during the financial year under review, showing the number of securities repurchased each month (whether on GEM or otherwise), the purchase price per share or the highest and lowest prices paid for all such repurchases and the total prices paid. The directors' report is also required to contain reference to the purchases made during the year and the directors' reasons for making such purchases. Our Company shall make arrangements with its broker who effects the purchase to provide our Company in a timely manner the necessary information in relation to the purchase made on behalf of the company to enable our Company to report to the Stock Exchange.

(b) Exercise of the Repurchase Mandate

The exercise in full of the Repurchase Mandate, on the basis of 800,000,000 Shares in issue immediately after the listing of the Shares on the Stock Exchange, would result in up to 80,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

(c) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders as a whole for our Directors to have general authority from our 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 as a whole.

(d) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Memorandum and the Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group 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 the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) currently intends to sell any Shares to our Company or its subsidiaries if the Repurchase Mandate is exercised.

No core connected person (as defined in the GEM Listing Rules) 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.

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 (as defined in the Takeovers Code) 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.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

7. Summary of material contracts

The following contracts (not being contracts 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 agreement for sale and purchase dated 17 August 2017 entered into between Mr. Mong and Ms. Choon as vendors and Holy Ark as purchaser, pursuant to which Mr. Mong and Ms. Choon agreed to sell and Holy Ark agreed to purchase, an aggregate of 525,000 shares of ISPL representing its entire issued share capital, at the consideration of S$6,352,500, which consideration was satisfied by the allotment and issue of 510 new ordinary shares and 15 new ordinary shares of Holy Ark, credited as fully paid, to Mr. Mong and Ms. Choon;

(b) the agreement for sale and purchase dated 8 December 2017 entered into between Mr. Mong and Ms. Choon as vendors and our Company as purchaser, pursuant to which Mr. Mong and Ms. Choon agreed to sell, and our Company agreed to purchase, 1,050 shares of Holy Ark, representing its entire issued share capital, at the consideration of S$6,352,500, which consideration was satisfied by our Company (i) allotting and issuing 9,999 new Shares to Express Ventures, credited as fully paid; and (ii) crediting as fully paid at par the one nil-paid Share held by Express Ventures, at the instructions of Mr. Mong and Ms. Choon;

(c) the Deed of Indemnity;

(d) the Deed of Non-competition; and

(e) the Public Offer Underwriting Agreement.

8. Intellectual property rights of our Group

(a) Trademarks

As at the Latest Practicable Date, our Group is the registered owner of the following trademarks:

Trademark	Registered owner	Type and Class	Place of registration	Registration number	Duration of Validity
	ISPL	37	Singapore	40201514458S	19 August 2015 to 19 August 2025
	ISPL	38	Singapore	T0219323D	21 December 2002 to 21 December 2022
	ISPL	37	Singapore	T0219322F	21 December 2002 to 21 December 2022
	ISPL	9	Singapore	T0219321H	21 December 2002 to 21 December 2022

(b) Domain name

As at the Latest Practicable Date, our Group was the registered owner of the following domain names, which are material to our Group's business:

Domain name	Registrant	Expiry date
ispl.com	ISPL	11 March 2018
ispg.hk	ISPL	17 August 2018

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXPERTS

9. Directors

(a) Particulars of Directors' service contracts

Each of our executive Directors has entered into a service contract with our Company on 14 December 2017. The principal particulars of these service contracts are (a) each of them agreed to act as an executive Director for an initial term of three years commencing from the Listing Date, which may be terminated by not less than three months' written notice served by either party on the other, and (b) is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Memorandum and the Articles. Our executive Directors, Mr. Mong and Ms. Choon are entitled to a fixed basic annual salary and director's fee of an aggregate of S$288,240 and S$240,240 respectively. Our Board shall have a complete discretion whether to grant any increase in the remuneration and any increase so granted shall take effect from such date as our Board may specify. In addition, each of our executive Directors is also entitled to a discretionary management bonus for the financial year ending 30 June 2018 and onwards as may be determined by our Board at its sole discretion. An executive Director may not vote on any resolution of our Directors regarding the amount of the management bonus payable to him/her.

Each of our independent non-executive Directors has signed an appointment letter with our Company on 14 December 2017. The principal particulars of these appointment letters are (a) each of them agreed to act for an initial term of one year commencing from the Listing Date with a director's fee of S$21,000 per annum, which may be terminated by not less than one month's written notice served by either party on the other, and (b) is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Memorandum and the Articles.

Save as aforesaid, none of our Directors has or is proposed to have a service contract or an appointment letter with our Company or any of our subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(b) Remuneration of Directors

(i) The aggregate annual salaries and director's fees of our executive Directors and the annual director's fees of our independent non-executive Directors are as follows:

Name	**Annual amount** *(S$)*
Executive Directors	
Mong Kean Yeow (蒙景耀)	288,240
Choon Shew Lang (莊秀蘭)	240,240
Independent non-executive Directors	
Mr. Lim Loo Kit (林魯傑)	21,000
Mr. Lim Meng Yi (林明毓)	21,000
Mr. Tang Chi Wai (鄧智偉)	21,000

(ii) The executive Directors may be granted a discretionary management bonus for the financial year ending 30 June 2018 and onwards at the sole discretion of our Board.

(iii) For the years ended 30 June 2016 and 30 June 2017, the aggregate of the remuneration (including salaries and allowance, if any) paid and benefits in kind granted by our Group to our Directors was approximately S$438,630 and S$508,108, respectively.

(iv) Under the arrangements currently in force at the date of this prospectus, the aggregate of the remuneration (excluding discretionary bonus) payable by our Company and other members of our Group to, and benefits in kind receivable by our Directors (including our independent non-executive Directors) for the year ending 30 June 2018, are expected to be approximately S$559,980.

(v) No amount was paid to, or receivable by, our Directors, for each of the two financial years of our Company immediately preceding the issue of this prospectus as an inducement to join or upon joining our Company.

(vi) No compensation was paid to, or receivable by, our Directors (including past Directors) for each of the two financial years of our Company immediately preceding the issue of this prospectus for the 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.

(vii) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two financial years of our Company immediately preceding the issue of this prospectus.

(c) Interests and short positions of Directors in the Shares, underlying shares or debentures of our Company and its associated corporations

Immediately following the completion of the Capitalisation Issue and the Share Offer but without taking into account the allotment and issue of any Shares upon the exercise of the Offer Size Adjustment Option and the exercise of options which may be granted under the Share Option Scheme, 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 its associated corporations (within the meaning 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 in 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 be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, will be as follows:

(i) Long position in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held/interested immediately after completion of the Capitalisation Issue and the Share Offer	Percentage of shareholding immediately after completion of the Capitalisation Issue and the Share Offer
Mr. Mong*(Note 1)*	Interest in a controlled corporation and interest held jointly with another person	600,000,000	75%
Ms. Choon*(Note 1)*	Interest in a controlled corporation and interest held jointly with another person	600,000,000	75%

Note:

1. Express Ventures is beneficially owned as to 97.14% by Mr. Mong and 2.86% by Ms. Choon. Ms. Choon is an executive Director and the spouse of Mr. Mong. On 22 August 2017, Mr. Mong and Ms. Choon entered into the Acting in Concert Confirmation to acknowledge and confirm, among other things, that they are parties acting in concert during the Track Record Period and that to continue to act in the same manner in our Group upon the Listing. For details, please refer "Relationship with our Controlling Shareholders – Acting in Concert Confirmation". Accordingly, by virtue of the SFO, Mr. Mong and Ms. Choon are deemed to be interested in the Shares held by Express Ventures.

(ii) Long position in the ordinary shares of associated corporation

Name	Name of associated corporation	Capacity/Nature of interest	Number of share(s) held	Percentage of interest
Mr. Mong	Express Ventures[(Note 1)]	Beneficial owner	510	97.14%
Ms. Choon	Express Ventures[(Note 1)]	Beneficial owner	15	2.86%

Note:

1. Express Ventures is the direct Shareholder of our Company and is an associated corporation within the meaning of Part XV of the SFO.

10. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Share Offer but without taking into account the allotment and issue of any Shares upon the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme, the following persons/entities (not being our Directors or chief executive of our Company) will have an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of our Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Name	Capacity	Number of Shares held/interested immediately after completion of the Capitalisation Issue and the Share Offer (long position)	Percentage of shareholding immediately after completion of the Capitalisation Issue and the Share Offer
Express Ventures	Beneficial owner	600,000,000	75%

11. Disclaimers

Save as disclosed in this prospectus:

(a) taking no account of any Shares which may be taken up or acquired under the Share Offer or any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and the exercise of any options which may be granted under the Share Option Scheme, our Directors are not aware of any person who immediately following completion of the Capitalisation Issue and the Share Offer will have an interest or short position in our Shares and 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 is, either directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other members of our Group;

(b) none of our Directors or chief executive of our Company 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 Divisions 7 and 8 of Part XV of the SFO, an interest or short position in our Shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning 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 our Shares are listed on the Stock Exchange;

(c) none of our Directors nor the experts named in "20. Qualifications and consents of experts" below 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 Offer Shares either in his/her own name or in the name of a nominee;

(d) none of our Directors 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 "20. Qualifications and consents of experts" below has any shareholding in any company in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in our Group or is an officer or a servant or partner of or in the employment of an officer or a servant of our Group.

OTHER INFORMATION

12. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally approved by our Board and the written resolutions of the sole Shareholder on 14 December 2017.

For the purpose of this section, the following expressions have the meanings set out below unless context otherwise requires:

"Adoption Date"	means 14 December 2017, the date on which the Share Option Scheme is conditionally adopted by our Company by the written resolutions of the sole Shareholder;
"Board"	means our Board from time to time or a duly authorised committee thereof;
"Eligible Employee"	means any employee (whether full time or part time employee, including any executive Directors) of our Company, any of its subsidiaries and any Invested Entity;
"Grantee"	means any Participant who accepts the offer of the grant of any Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee or the legal representative of such person;
"Group"	means our Company and its subsidiaries from time to time and "member(s) of our Group" shall be construed accordingly;
"Invested Entity"	means any entity in which our Group holds any equity interest;
"Option"	means an option to subscribe for Shares granted pursuant to the Share Option Scheme and for the time being subsisting;

"Option Period"	means in respect of any particular Option, such period, during which such Option is exercisable, as our Board may in its absolute discretion determine, save that such period shall not be more than ten years from the date upon which the Option is deemed to be granted and accepted in accordance with the Share Option Scheme and that our Board may at its discretion determine the minimum period for which the Option has to be held before the exercise of the Option;
"Participant"	means any person belonging to any of the following classes of participants: (a) any Eligible Employee; (b) any non-executive director (including independent non-executive directors) of our Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of our Group or any Invested Entity; (d) any customer of our Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to our Group or any Invested Entity; (f) 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; (g) any adviser (professional or otherwise) or consultant to any area of business or business development of our Group or any Invested Entity; and

(h) any other group or classes of participants who have contributed or may contribute, by way of joint venture, business alliance, other business a arrangement or otherwise, 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 persons belonging to any of the above classes of Participants or any discretionary object of a Participant which is a discretionary trust; and

"Scheme Period" means a period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive).

(a) Purpose of Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to Participants for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group and any Invested Entity.

(b) Grant of option and acceptance of offer

Subject to Share Option Scheme and the GEM Listing Rules, our Board shall be entitled at any time and from time to time within the Scheme Period to offer to grant to any Participant as our Board may in its absolute discretion select, and subject to such conditions as our Board may think fit, Option(s) to subscribe for such number of Shares as our Board may determine at a price calculated in accordance with sub-paragraph (d) below.

Upon acceptance of an offer for grant of Option(s), the Grantee shall pay HK$1.00 to our Company by way of consideration for the grant. The Option(s) will be offered for acceptance for a period of 21 days from the date of the grant.

(c) Restriction on Grant of option

No offer of grant of Options shall be made where inside information has come to our Company's knowledge until an announcement of such inside information has been published in accordance with the GEM Listing Rules and/or Part XIVA of the SFO. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approval of the results of our Company for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and (ii) the deadline for our Company to publish an announcement of the results for any

year, half-year or quarter-year or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the announcement of the results, no Option(s) may be granted. The period during which no Option(s) may be granted will cover any period of delay in the publication of a results announcement. Our Board may not grant any Option(s) to a Participant who is a Director during the periods or times in which such Director is prohibited from dealing in the Shares prescribed by Rules 5.48 to 5.67 of the GEM Listing Rules or any corresponding codes or securities dealing restrictions adopted by our Company.

No Participant shall be granted Option(s) which if exercised in full would result in the total number of Shares already issued under all the Options granted to him which have been exercised and issuable under all the Options granted to him which are for the time being subsisting and unexercised in any 12-month period would exceed 1% of the total number of Shares in issue, provided that if approved by Shareholders in general meeting with such Participant and his close associates (or his associates if such Participant is a connected person) abstaining from voting, our Company may make further grant of Options to such Participant (the "Further Grant") notwithstanding that the Further Grant would result in the total number of Shares already issued under all the Options granted to such Participant which have been exercised and issuable under all the Options granted to him which are for the time being subsisting and unexercised in any 12-month period exceed 1% of the total number of Shares in issue. In such circumstances, we must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Option(s) to be granted and Option(s) previously granted to such Participant and all the information required under the GEM Listing Rules. The number and terms (including the subscription price) of the Option(s) to be granted to such Participant must be fixed before the Shareholders' approval and the date of the meeting of our Board for proposing such Further Grant should be taken as the date of grant for the purpose of calculating the relevant subscription price.

Unless our Board otherwise determined and stated in the offer of the grant of Option(s) to a Participant, a Grantee is not required to achieve any performance target before any Option(s) granted under the Share Option Scheme can be exercised.

(d) Price of Shares

The subscription price for the Shares subject to any particular Option(s) shall be such price as determined by our Board in its absolute discretion at the time of the grant of the relevant Option(s) but in any case the relevant subscription price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the Option(s), which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the grant of the Option(s); and (iii) the nominal value of a Share.

For the purpose of determining the relevant subscription price where the Shares have been listed on the Stock Exchange for less than five trading days preceding the date of the grant of the Option(s), the issue price of the Shares shall be deemed to be the closing price of the Shares on the Listing Date for any trading day falling within the period before the Shares are listed on the Stock Exchange.

(e) Maximum amount of Shares

(i) The total number of Shares which may be issued upon exercise of all Options (excluding for this purpose Option(s) which have lapsed in accordance with the terms of the Share Option Scheme and any other schemes) to be granted under the Share Option Scheme and other schemes must not, in aggregate, exceed 10% of the Shares in issue on the Listing Date. On the basis of 800,000,000 Shares in issue on the Listing Date, the limit will be equivalent to 80,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

(ii) Our Company may refresh the 10% limit by seeking prior approval from Shareholders in a general meeting, provided that the total number of Shares which may be issued upon exercise of all Options and any other share option schemes of our Company, in aggregate, under the limit as "refreshed" must not exceed 10% of the total number of Shares in issue as at the date of such Shareholders' approval of the refreshed limit. Option(s) previously granted under the Share Option Scheme or any other schemes of our Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option scheme) will not be counted for the purpose of calculating the refreshed limit.

(iii) Our Company may also grant Option(s) beyond the 10% limit by seeking Shareholders' approval in a general meeting, provided that the Grantee(s) of such Option(s) must be specifically identified by our Company before such approval is sought. In such event, our Company shall send a circular to our Shareholders containing a generic description of the specified Grantees who may be granted such Option(s), the number and terms of such Option(s) to be granted, the purpose of granting such Option(s), an explanation as to how the terms of the Option(s) serve such purpose and the information required by the GEM Listing Rules.

(iv) Notwithstanding the foregoing, our Company must not grant any options if the aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of our Company, would exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other schemes of our Company if such grant will result in this 30% limit being exceeded.

(v) The exercise of any Option(s) shall be subject to our Shareholders in general meeting approving any increase in the authorised share capital of our Company. Subject thereto, our Board shall make available sufficient authorised but unissued share capital of our Company for purpose of allotment of Shares upon exercise of Option(s).

(f) Time of exercise of 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 by our Board absolutely, provided that such period

shall not be more than ten years from the date upon which the Option is deemed to be granted and accepted in accordance with the Share Option Scheme. Our Board may, at its discretion, determine the minimum period for which the Option has to be held before the Option can be exercised.

The exercise of any Option(s) shall be subject to our Shareholders in general meeting approving any increase in the authorised share capital of our Company. Subject thereto, our Board shall make available sufficient authorised but unissued share capital of our Company for purpose of allotment of shares upon exercise of Option(s).

(g) Rights are personal to grantee

Option(s) granted shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option(s). Any breach of the foregoing by the Grantee shall entitle us to cancel any outstanding Option(s) or part thereof granted to such Grantee (to the extent not already exercised) without incurring any liability on our Company.

(h) Rights on death

If a Grantee dies before exercising the Option(s) in full, his legal personal representative(s) may exercise the Option(s) in whole or in part (to the extent that it has become exercisable and not already exercised prior to such date of death) within a period of 12 months from the date of death (or such longer period as the Board may determine).

(i) Changes in capital structure

In the event of any alteration in the capital structure of our Company whilst any Option(s) remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation or subdivision of Shares or reduction of the capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is a party), such corresponding alterations (if any) shall be made to:

(i) the number or nominal amount of Shares subject to the Option(s) so far as unexercised; and/or

(ii) the subscription price; and/or

(iii) the method of exercise of the Option(s); and/or

(iv) the maximum number of Shares referred in sub-paragraph (e) above and the Further Grant referred in sub-paragraph (c) above.

Our Company's independent financial adviser or auditors shall certify in writing to our Board as to whether the corresponding alterations are in their opinion fair and reasonable. Any

alteration shall be made on the basis that the proportion of the issued share capital of our Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled to before such alteration and that the aggregate subscription price payable by a Grantee on the full exercise of any Option(s) shall remain as close as possible (but shall not be greater than) as it was before such event. No such alteration shall be made the effect of which would be to enable any Share to be issued at less that is nominal value and no such adjustment will be required in circumstances where there is an issue of Shares or other securities of our Group for cash or as consideration in a transaction.

The capacity of our Company's auditors and independent financial advisers is that of experts and not of arbitrations and their certification, in the absence of manifest error, shall be final and binding on our Company and the Participants. The cost of our independent financial advisers and the auditors shall be borne by us.

(j) Rights on take-over

In the event of a general or partial offer (whether by way of take-over offer, merger, share repurchase offer, or privatisation proposed by scheme of arrangement or otherwise in like manner) is made to all Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror, we 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 Option(s) granted to them, Shareholders. If such offer becomes or is declared unconditional, the Grantee shall be entitled to exercise the Option(s) (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to us in exercise of the Option(s) at any time with 14 days after the date on which such offer becomes or is declared unconditional.

(k) Rights on a compromise or arrangement

(i) In the event a notice is given by our Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, we shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all Grantees and thereupon, each Grantee, subject to the provisions of all applicable laws (or where permitted under sub-paragraph (h) above, and his legal personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than five Business Days prior to the proposed general meeting of our Company by giving notice in writing to us, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon we shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, which Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up our Company to participate in the distribution of assets of our Company available in liquidation.

(ii) In the event of a compromise or arrangement between our Company and its creditors (or any class of them) or between our Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of our Company, we shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or where permitted under sub-paragraph (h) above his legal personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his Option(s) (to the extent which has become exercisable and not already exercised), but the exercise of the Option(s) shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. We may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option(s) so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(l) Rights of Grantee ceasing to be a Participant

In the event of the Grantee ceasing to be a Participant for any reason other than his death or termination of his employment on one or more of the grounds specified in the sub-paragraph (m)(v) below, then, if the Option Period has not at the date of such cessation commenced, the Option(s) shall lapse and if the Option Period has commenced, the Grantee may exercise the Option(s) in accordance with the Share Option Scheme, up to his entitlement at the date of cessation in whole or in part (to the extent which has become exercisable and not already exercised) which date shall be the last actual working day with our Company or the relevant subsidiary or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of cessation as our Board may determine.

(m) Lapse of Option

An Option shall lapse automatically and shall cease to be exercisable (to the extent not already exercised) on the earliest of:

(i) the expiry of the Option Period (subject to the provisions of the Share Option Scheme);

(ii) the expiry of any periods referred to in sub-paragraphs (h) and (l);

(iii) the date on which the offer (or the case may be, revised offer) referred to in sub-paragraph (j) above closes;

(iv) subject to sub-paragraph (k)(i) above, the date of the commencement of the winding-up of our Company;

(v) the date on which the Grantee ceases to be an Eligible Employee by reason of the termination of his employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by our Board) on any other ground on which an employer would be entitled to terminate his employment summarily at common law or pursuant to any applicable laws or under such Grantee's service contract with our Company or the relevant subsidiary or the relevant Invested Entity. A resolution of our Board or the board of directors of the relevant subsidiary or the board of directors of the relevant Invested Entity to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive and binding on the Grantee;

(vi) subject to sub-paragraph (k)(ii) above, the date when the proposed compromise or arrangement becomes effective;

(vii) the date on which the Grantee commits a breach of sub-paragraph (g) above; or

(viii) if our Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and our Group or any Invested Entity on the other part or 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, our Directors shall determine that the outstanding Option(s) granted to the Grantee (whether exercisable or not) shall lapse. In such event, his Option(s) will lapse automatically and will not in any event be exercisable on or after the date on which our Directors have so determined.

(n) Ranking of Shares

Shares allotted and issued upon exercise of an Option will be subject to all provisions of our Company's articles of associations amended from time to time and will carry the same rights in all respects with the existing fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of our Company and accordingly will entitle the holder to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of our Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of our Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of our Company is closed then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of members of our Company is re-opened. A Share allotted upon exercise of an Option shall not carry any voting right until the completion of the registration of the Grantee as the holder thereof.

(o) Cancellation of Options granted

Any cancellation of Option(s) granted in accordance with the Share Option Scheme but not exercised must be subject to the prior written consent of the relevant Grantee and approval of our Directors.

Where our Company elects to cancel Option(s) and issue new ones to the same Grantee, the issue of such new Option(s) may only be made under a scheme with available unissued Option(s) (excluding cancelled Option(s)) within the limit approved by the Shareholders.

(p) The Scheme Period

Subject to the termination of the Share Option Scheme, the Share Option Scheme will be valid and effective for the Scheme Period, after which period no further Option(s) may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Option(s) granted during the Scheme Period and remain unexercised immediately prior to the end of the Scheme Period shall continue to be exercisable in accordance with their terms of grant, notwithstanding the expiry of the Share Option Scheme.

(q) Alteration and termination of Share Option Scheme

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 Participants except (i) with the approval of our Shareholders in general meeting; or (ii) where such alterations take effect automatically under the existing terms of the Share Option Scheme.

Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Option(s) granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

Any change to the authority of our Board in relation to any alteration to the term of the Share Option Scheme shall be approved by the Shareholders in general meeting except where the alteration take effect automatically under the existing terms of the Share Option Scheme.

The amended terms of the Share Option Scheme or the Option(s) must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules and no such alteration shall operate to affect adversely the terms of issue of any Option(s) granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of Grantees as shall together hold Option(s) in respect of not less than three-fourths in nominal value of all Shares then subject to Option(s) granted under the Share Option Scheme and provided further that any alterations to the terms and conditions of the Share Option Scheme which are of a material nature shall first be approved by the Stock Exchange.

Our Company must provide to all Grantees all details relating to changes in the terms of the Share Option Scheme during the life of the Share Option Scheme immediately upon such changes taking effect.

Our Company, by ordinary resolution in general meeting, or our Board may at any time terminate the operation of the Share Option Scheme and in such event no further Option(s) will be offered. On termination, the provision of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of the Option(s) (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provision of the Share Option Scheme. Option(s) (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.

(r) Granting of option to a Director, chief executive of our Company or substantial Shareholder or any of their associates

Where Option(s) are proposed to be granted to a Director, chief executive of our Company or substantial Shareholder, or any of their respective associates, the proposed grant must comply with the requirements of Rule 23.04(1) of the GEM Listing Rules and be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option(s)).

If a grant of Option(s) to a substantial Shareholder or an independent non-executive Director or their respective associates will result in the Shares issued and to be issued upon exercise of all options granted and to be granted (including exercised, cancelled or 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 relevant class of 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$5.0 million, then such further grant of Option(s) must be approved by the Shareholders in a general meeting. At such general meeting, the grantee, his associates and all core connected persons of our Company must abstain from voting, unless they intend to vote against such further grant and provided that such intention to do so has been stated in the circular. Our Company must send a circular to our Shareholders containing all the information required under Rule 23.04(3) of the GEM Listing Rules.

In addition, any change in the terms of the Option(s) granted to a substantial Shareholder or an independent non-executive Director, or any of their respective associates must also be approved by the Shareholders in a general meeting.

The requirements for the grant of an Option to a Director or chief executive of our Company set out in Rules 23.04(1), (2) and (3) of the GEM Listing Rules shall not apply where the proposed grantee is only a proposed Director or chief executive of our Company.

(s) Conditions of Share Option Scheme

The Share Option Scheme is conditional upon (i) the Stock Exchange granting approval of the listing of and permission to deal in the Shares which fall to be issued upon exercise of the Option(s) granted under the Share Option Scheme; and (ii) the commencement of dealings in the Shares on the GEM of the Stock Exchange.

As at the Latest Practicable Date, no Option(s) had been granted or agreed to be granted by our Company under the Share Option Scheme.

Application has been made to the Stock Exchange for the approval of the Share Option Scheme, the subsequent granting of Option(s) under Share Option Scheme and listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of Option(s) granted under the Share Option Scheme.

13. Tax and other indemnities

Our Controlling Shareholders (collectively the "Indemnifiers") have pursuant to the Deed of Indemnity, on a joint and several basis, given indemnities to our Company (for itself and as trustee for other members of our Group) in connection with, among other things:

(a) taxation falling on any member of our Group resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received or entered into (or deemed to be so earned, accrued, received or entered into) on or before the Listing Date or any event or transaction on or before the Listing Date whether alone or in conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company;

(b) all reasonable costs (including all legal costs), expenses, interests, penalties or other liabilities which any member of our Group may properly incur in connection with:

(i) the investigation, assessment or contesting of any claim under (b) above;

(ii) the settlement of any claim under the Deed of Indemnity;

(iii) any legal or arbitration proceedings in which any member of our Group claims under or in respect of the Deed of Indemnity and in which judgement, award or decision is given in favour of any member of our Group; or

(iv) the enforcement of any such settlement or decision or judgement or award;

(c) any and all losses, claims, actions, demands, liabilities, damages, costs, expenses, penalties, fines and of whatever nature suffered or incurred by any member of our Group as a result of or in connection with any violations or breaches or non-compliance of any laws, rules or regulations and/or all litigations, arbitrations, claims, complaints, demands and/or legal proceedings by or against any of the member of our Group in Hong Kong, Singapore, the Cayman Islands, BVI or any other part of the world, which was issued, accrued and/or arising from any act of any of the member of our Group at any time on or before the Listing Date, including but not limited to our Group's non-compliance matters occurred during the Track Record Period.

The Indemnifiers will, however, not be liable under the Deed of Indemnity for any taxation, liability or claims mentioned in the three paragraphs immediately above where:

(a) to the extent that provision has been made for such taxation, liabilities or claim in the audited accounts of any member of our Group up to 30 June 2017;

(b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on or after 1 July 2017 and ending on the Listing Date, unless such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) with the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction:

(i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets before the Listing Date; or

(ii) carried out, made or entered into pursuant to a legally binding commitment created before the Listing Date or pursuant to any statement of intention made in this prospectus; or

(c) to the extent that such taxation liabilities or claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the relevant authority coming into force after the date of the Deed of Indemnity or to the extent such claim arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect;

(d) to the extent that such taxation is discharged prior to the Listing Date by another person who is not a member of our Group and that none of the members of our Group is required to reimburse such person in respect of the discharge of the taxation; or

(e) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 30 June 2017 and which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

14. Litigation

Save as disclosed in this prospectus, neither our Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against our Company or any of its subsidiaries.

15. Agency fees or commissions received

Except as disclosed in "Underwriting – Underwriting arrangements, commissions and expenses" in this prospectus, no commission, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

16. Sponsor

The Sole Sponsor has made an application for and on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, including the Offer Shares and any Shares which may fall to be allotted and issued pursuant to (a) the Capitalisation Issue; (b) the exercise of the Offer Size Adjustment Option; and (c) the exercise of options which may be granted under the Share Option Scheme, representing 10% of the Shares in issue on the Listing Date. The Sole Sponsor is entitled to sponsor's fee in the amount of HK$5.3 million.

The Sole Sponsor has confirmed that it satisfies the independence criteria applicable to sponsor set forth in Rule 6A.07 of the GEM Listing Rules.

17. Compliance adviser

In accordance with the requirements of the GEM Listing Rules, our Company has appointed Kingsway Capital Limited as its compliance adviser to provide consultancy services to our Company to ensure compliance with the GEM Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year ending 30 June 2020.

18. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately USD4,300 (equivalent to approximately HK$33,540) and are payable by our Company.

19. Promoters

Our Company has no promoter. Within the two years immediately preceding the date of this prospectus, no amount or benefit has been paid or given to the promoter in connection with the Share Offer or the related transactions described in this prospectus.

20. Qualifications and consents of experts

The qualifications of the experts who have given reports, letter or opinions (as the case may be) in this prospectus are as follows:

Name	Qualification
Kingsway Capital Limited	A corporation licenced under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities in the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
Appleby	Cayman Islands legal adviser to our Company
Equity Law LLC	Singapore legal adviser to our Company
Ascent Partners Valuation Service Limited	Property valuer
Frost & Sullivan Limited	Industry consultant

Each of the experts named above has given and has not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interest in any members of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of our Group.

21. 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 penalty provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

22. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

23. Taxation of holders of Shares

(a) Hong Kong

(i) Profits

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as the Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profits tax. Gains from sales of the Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

(ii) Stamp duty

Hong Kong stamp duty will be payable by the purchaser on every purchase of the Shares and by the seller on every sale of the Shares. The duty is charged on each of the purchaser and seller at the current rate of 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of shares.

(iii) Estate duty

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006. The estate of a person who died before 11 February 2006 is subject to the provisions of the Estate Duty

Ordinance (Chapter 111, Laws of Hong Kong), and the Shares are Hong Kong property for this purpose. The estate duty chargeable in respect of estates of persons dying between the transitional period from and including 15 July 2005 to 11 February 2006 with the principal value exceeding HK$7.5 million shall be a nominal amount of HK$100. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of shares whose death occurs on or after 11 February 2006.

(b) The Cayman Islands

Under the Cayman Islands law currently in force, no stamp duty is payable in the Cayman Islands on transfers of our Shares except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intended holders of the 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 the Shares or exercising any rights attaching to them. 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 the Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercising any rights attaching to them.

24. Miscellaneous

(a) Save as disclosed herein:

(i) within the 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 share, warrant or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(cc) our Company has no outstanding convertible debt securities; and

(dd) no founder, management or deferred shares or any debentures (including convertible bonds) of our Company have been issued or agreed to be issued;

(ii) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2017 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(iii) there has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this prospectus;

(iv) none of the equity and debt securities of our Company is listed or dealt with on any other stock exchange nor is any listing or submission to deal being or proposed to be sought;

(v) our Directors confirm that none of them shall be required to hold any shares by way of qualification and none of them has any interest in the promotion of our Company;

(vi) there are no arrangements under which future dividends are waived or agreed to be waived; and

(vii) all necessary arrangements have been made to enable the Shares to be admitted into CCASS;

(b) Subject to the provisions of the Companies Law, the principal share register of our Company will be maintained in the Cayman Islands by Estera Trust (Cayman) Limited and a branch share register of our Company will be maintained in Hong Kong by Boardroom Share Registrars (HK) Limited. Unless our Board otherwise agree, all transfers and other documents of title of our Shares must be lodged for registration with and registered by, our Company's branch share registrar in Hong Kong and may not be lodged in the Cayman Islands.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

i. copies of **White** and **Yellow** Application Forms;

ii. the written consents referred to in the section headed "Statutory and General Information – Other information – 20. Qualifications and consents of experts" in Appendix V to this prospectus; and

iii. a copy of each of the material contracts referred to in the section headed "Statutory and General Information – Further information about the business of our group – 7. Summary of material contracts" in Appendix V to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Guantao & Chow Solicitors and Notaries, Suites 1604-6, 16/F, ICBC Tower, 3 Garden 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) the Memorandum and the Articles;

(b) the Accountants' Report of our Group prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus;

(c) the audited financial statements of the companies now comprising our Group for each of the years ended 30 June 2016 and 30 June 2017 (or for the period since their respective dates of incorporation/establishment where it is shorter);

(d) the report on unaudited pro forma financial information of our Group issued by Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this prospectus;

(e) the letter, summary of valuation and valuation certificate relating to the property interests of our Group prepared by Ascent Partners Valuation Service Limited, the texts of which are set out in Appendix III of this prospectus;

(f) the industry report prepared by Frost & Sullivan referred to in "Industry Overview" in this prospectus;

(g) the letter prepared by Appleby summarising certain aspects of the Cayman Islands company law referred to in Appendix IV to this prospectus;

(h) the Companies Law;

(i) the legal opinion prepared by Equity Law LLC in respect of our Group's operation in Singapore;

(j) the service contracts and appointment letters referred to in "Further information about our Directors, substantial Shareholders and experts – 9. Directors – (a) Particulars of Directors' service contracts" in Appendix V to this prospectus;

(k) the rules of the Share Option Scheme referred to in "Other information – 12. Share Option Scheme" in Appendix V to this prospectus;

(l) the material contracts referred to in "Further information about the business of our Group – 7. Summary of material contracts" in Appendix V to this prospectus; and

(m) the written consents referred to in "Other information – 20. Qualifications and consents of experts" in Appendix V to this prospectus.

ISP Global Limited