Shuang Yun Holdings Limited
雙運控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1706

GLOBAL OFFERING

Sole Sponsor

德健融資有限公司
DAKIN CAPITAL LIMITED

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CHKL 中港通證券 China-Hong Kong Link Securities

德健證券有限公司
DAKIN SECURITIES LIMITED

IMPORTANT

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

Shuang Yun Holdings Limited
雙運控股有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**250,000,000 Shares (subject to the Over-allotment Option)**
Number of International Placing Shares	:	**225,000,000 Shares (subject to reallocation and the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**25,000,000 Shares (subject to reallocation)**
Offer Price	:	**Not more than HK$0.56 per Offer Share and expected to be not less than HK$0.40 per Offer Share plus brokerage 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 and subject to refund)**
Nominal value	:	**HK$0.10 each**
Stock code	:	**1706**

Sole Sponsor

德健融資有限公司 DAKIN CAPITAL LIMITED

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CHKL 中港通證券 China-Hong Kong Link Securities

德健證券有限公司 DAKIN SECURITIES LIMITED

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 the section headed "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 of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above.

The Offer Price is expected to be determined by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company on or about 7, November 2017 and, in any event, not later than 10, November 2017. The Offer Price will be not more than HK$0.56 per Offer Share and is currently expected to be not less than HK$0.40 per Offer Share, unless otherwise announced. Investors applying for the Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK$0.56 per Offer Share, together with brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is less than HK$0.56 per Offer Share.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters), with the consent of our Company, may reduce the indicative Offer Price range stated in this prospectus and/or reduce the number of Offer Shares being offered pursuant to the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction of the indicative Offer Price range and/or the number of Offer Shares will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.shuangyunholdings.com** not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set out in the sections headed "Structure and conditions of the Global Offering" and "How to apply for the Hong Kong Offer Shares" in this prospectus. If, for any reason, the Offer Price is not agreed between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or before Friday, 10 November 2017 (Hong Kong time), the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse. Please also see the section headed "Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement – Grounds for termination" in this prospectus.

31 October 2017

*If there is any change in the following expected timetable of the Global Offering, our Company will issue an announcement to be published on the websites of the Stock Exchange **(www.hkexnews.hk)** and of our Company **(www.shuangyunholdings.com)**.*

Latest time to complete electronic applications under the **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2]	11:30 a.m. on Friday, 3 November 2017
Application lists open[3]	11:45 a.m. on Friday, 3 November 2017
Latest time to lodge **WHITE** Application Form and **YELLOW** Application Form and to give **electronic application instructions** to HKSCC[4]	12:00 noon on Friday, 3 November 2017
Latest time to complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s)[2]	12:00 noon on Friday, 3 November 2017
Application lists close[3]	12:00 noon on Friday, 3 November 2017
Expected Price Determination Date[5]	on or around Tuesday, 7 November 2017
(a) Announcement of the final Offer Price, the indication of level of interest in the International Placing, the results of applications in the Hong Kong Public Offering and the basis of allocation under the Hong Kong Public Offering to be published on the website of our Company at **www.shuangyunholdings.com** and on the website of the Stock Exchange at **www.hkexnews.hk** on or before[6]	Tuesday, 14 November 2017
(b) Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in the section headed "How to apply for the Hong Kong Offer Shares – 11. Publication of results" in this prospectus from	Tuesday, 14 November 2017

A full announcement of the Hong Kong Public Offering containing (a) and (b) above to be published on the website of the Stock Exchange at **www.hkexnews.hk**[6] and our Company's website at **www.shuangyunholdings.com**[7] . . . . Tuesday, 14 November 2017

Results of allocations in the Hong Kong Public Offering will be available at **www.iporesults.com.hk** with a "search by ID Number/ Business Registration Number" function on . . . . Tuesday, 14 November 2017

Despatch 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 pursuant to the Hong Kong Public Offering on[8] . . . . Tuesday, 14 November 2017

Despatch of **White Form eIPO** e-Refund payment instructions/refund cheques in respect of wholly successful (in the event that the final Offer Price is less than initial price per Hong Kong Offer Share payable on application) and wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before[9] . . . . Tuesday, 14 November 2017

Dealing in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on . . . . Wednesday, 15 November 2017

Notes:

1. All times and dates refer to Hong Kong local times and dates except as otherwise stated. Details of the structure of the Global Offering, including the conditions of the Hong Kong Public Offering, are set out in the section headed "Structure and conditions of the Global Offering" in this prospectus. If there is any change in this expected timetable, an announcement will be published on the website of our Company at **www.shuangyunholdings.com**.

2. You will not be permitted to submit your application to the **White Form eIPO** Service Provider through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

3. 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 Friday, 3 November 2017, the application lists will not open and close on that day. Please refer to the section headed "How to apply for the Hong Kong Offer Shares – 10. Effect of bad weather on the opening of the application lists" in this prospectus. If the application lists do not open and close on the dates mentioned in this section may be affected. A press announcement will be made by us in such event.

4. Applicants who apply by giving electronic application instructions to HKSCC should refer to the section headed "How to apply for the Hong Kong Offer Shares – 6. Applying by giving electronic application instructions to HKSCC via CCASS" in this prospectus.

5. The Price Determination Date, being the date on which the final Offer Price is to be determined, is expected to be on or around Tuesday, 7 November 2017 and in any event, not later than Friday, 10 November 2017. If, for any reason, the final Offer Price is not agreed by Friday, 10 November 2017 between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

6. The announcement will be available for viewing on the "Main Board – Allotment of Results" page on the website of the Stock Exchange at **www.hkexnews.hk**.

7. None of our Company's website or any information contained on any website forms part of this prospectus.

8. Applicants who apply for 1,000,000 Hong Kong Offer Shares or more may collect share certificates (if applicable) and refund cheques (if applicable) in person may do so from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, 14 November 2017 or any other date as notified by us in the newspapers as the date of despatch of share certificates/e-Refund payment instructions/refund cheques. Applicants being individuals who is eligible for personal collection must not authorise any other person to make their collection on their behalf. Applicants being corporations who is eligible for personal collection must attend by sending their authorised representatives each bearing a letter of authorisation from his/her/its corporation stamped with the corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar. Applicants who have applied on **YELLOW** Application Forms may not elect to collect their share certificates, which will be deposited into CCASS for credit of their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. Uncollected share certificates and refund cheques will be despatched by ordinary post to the addresses specified in the relevant applications at the applicants' own risk. Further information is set out in the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus.

9. e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful application and also in respect of successful applications in the event that the final Offer Price is less than the initial price per Hong Kong Offer Share payable on application. Part of your Hong Kong identity card number/passport number or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant, provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party to facilitate your refund. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of your refund cheque or may invalidate your refund cheque. Further information is set out in the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus.

Share certificates for the Offer Shares will only become valid certificates of title provided that the Global Offering has become unconditional at 8:00 a.m. on the Listing Date in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk.

Particulars of the structure and conditions of the Global Offering, including the conditions thereto, are set out in the section headed "Structure and conditions of the Global Offering" in this prospectus. Details are set out in the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus.

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

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company has 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 Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, representatives, employees, agents or professional advisers or any other person or party involved in the Global Offering.

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This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As the following is only 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 making any decision to invest in the Offer Shares. Various expressions used in this summary are defined in the section headed "Definitions" in this prospectus.

For the purpose of illustration only and unless otherwise specified in this prospectus, amounts denominated in S$ have been translated into HK$ at the rate of S$1.00 = HK$5.58. No representation is made that the S$ amounts could have been, or could be, converted into HK$ at such rates or at any other rate on such date or on any other date.

BUSINESS OVERVIEW

At the beginning of the establishment of Double-Trans, one of our major operating subsidiaries in 1990, we undertook mixed construction works in Singapore. In 2008, we started to provide road construction and civil engineering works. We are currently a Singapore based contractor engaged in road works services and construction machinery rental services. According to the Ipsos Report, we ranked second among all road works companies in Singapore in terms of revenue in 2016.

The road works services provided by us comprise mainly of: (i) road construction services (i.e. new road construction, road widening and construction of road-related facilities); and (ii) construction ancillary services (e.g. road pavement and marking maintenance works and road upgrading services). Our construction machinery rental services represent the lease of construction machineries to our customers. The following table sets out a breakdown of our business segment during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	S$'000	*% of total revenue*	*S$'000*	*% of total revenue*	*S$'000*	*% of total revenue*	*S$'000*	*% of total revenue*
Construction ancillary services								
– revenue	22,162.8	51.9	22,472.2	50.3	38,933.5	75.6	14,716.2	67.2
– gross profit	5,866.7		2,843.7		14,318.3		4,060.4	
– gross profit margin (%)	26.5		12.7		36.8		27.6	
Road construction services								
– revenue	18,738.4	43.8	18,255.7	40.9	12,517.2	24.3	7,038.6	32.1
– gross profit	1,701.7		5,916.8		3,060.4		1,513.4	
– gross profit margin (%)	9.1		32.4		24.4		21.5	
Lease of construction machineries								
– revenue	1,837.7	4.3	3,905.1	8.8	19.0	0.1	154.9	0.7
– gross profit	1,029.0		2,826.6		11.0		91.8	
– gross profit margin (%)	56.0		72.4		57.8		59.3	
Total revenue	42,738.9	100.0	44,633.0	100.0	51,469.7	100.0	21,909.7	100.0

Our revenue from construction ancillary services increased substantially by approximately 73.3%, while our revenue from lease of construction machineries substantial decreased from approximately S$3.9 million for the year ended 31 December 2015 to approximately S$19,000 for the year ended 31 December 2016.

The substantial decrease in our revenue from lease of construction machineries during the year ended 31 December 2016 was mainly due to the substantial increase in our construction ancillary services during the year ended 31 December 2016 which increased our internal needs in the construction machineries. Therefore, our Group utilised our owned machineries for the road maintenance projects instead of leasing out during the year ended 31 December 2016.

Customers - During the Track Record Period, we were engaged by our customers (i) as both main contractor and subcontractor to perform road works services and (ii) to provide lease of construction machinery services.

The following table sets out our revenue during the Track Record Period by reference to our role in the road construction services projects and construction ancillary services contracts:

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	S$'000	*% of the total revenue*	*S$'000*	*% of the total revenue*	*S$'000*	*% of the total revenue*	*S$'000*	*% of the total revenue*
Main contractor	17,223.6	42.1	19,308.8	47.4	42,255.0	82.1	19,914.8	91.5
Subcontractor	23,677.6	57.9	21,419.1	52.6	9,195.7	17.9	1,840.0	8.5
Total	40,901.2	100.0	40,727.9	100.0	51,450.7	100.0	21754.8	100.0

Our customers under the public sector are various Singapore statutory boards which are primarily responsible for overseeing the transportation, city redevelopment or housing matters while our customers under the private sector are privately-owned construction companies or main contractors of various types of development projects. For the three years ended 31 December 2016 and the four months ended 30 April 2017, the percentage of our Group's total revenue attributable to our Group's largest customer was approximately 26.8%, 33.9%, 49.2% and 39.4%, respectively, while the percentage of our Group's total revenue attributable to our five largest customers in aggregate was approximately 75.0%, 80.4%, 93.7% and 87.5%, respectively.

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	S$'000	*% of total revenue*	*S$'000*	*% of total revenue*	*S$'000*	*% of total revenue*	*S$'000*	*% of total revenue*
Public sector customers – revenue	13,790.0	32.3	16,210.0	36.3	38,822.7	75.4	18,101.6	82.6
Private sector customers – revenue	28,948.9	67.7	28,423.0	63.7	12,647.0	24.6	3,808.1	17.4
Total revenue	42,738.9	100.0	44,633.0	100.0	51,469.7	100.0	21,909.7	100.0

For further details of the risks concerning the concentration of revenue from public sector customers for the year ended 31 December 2016 and four months ended 30 April 2017, please refer to the section headed "Risk Factors – We need to maintain our relevant licence in order to tender for works from public sector customers" in this prospectus.

Our road construction services projects and construction ancillary services contracts – During the Track Record Period and up to the Latest Practicable Date, we had completed seven road construction services projects and 28 construction ancillary services contracts of an aggregate original contract sum of approximately S$38.5 million and S$40.6 million, respectively. As at the Latest Practicable Date, we had six ongoing road construction services projects and 16 ongoing construction ancillary services contracts. Our Group's projects are non-recurring in nature. Details of our road construction services projects on hand in descending order by original contract sum are as follows:

Project code	Customer sector	Expected project period *(Note 1)*	Awarded contract sum *(Note 2)* *(S$' million)*	Accumulated revenue recognised during the Track Record Period *(S$' million)*	Expected revenue to be recognised for the eight months ending 31 December 2017 *(Note 3)* *(S$' million)*	Expected revenue to be recognised for the year ending 31 December 2018 *(Note 3)* *(S$' million)*
C36	Public	March 2016 – November 2017	13.9	11.3	2.6	n/a
C37	Public	July 2017 – January 2019	12.8	n/a	4.3	8.5
C38	Private	July 2017 – March 2019	7.7	n/a	5.2	2.6
C39	Public	February 2016 – September 2018	6.8	6.1	0.6	nil
C40	Public	October 2016 – January 2018	3.1	1.2	1.8	nil
C41	Public	October 2016 – January 2018	2.5	1.1	1.4	nil

Notes:

(1) The project period covers the duration of our works with reference to the announcement date of the relevant project set out in the letter of award issued by our customer or their authorised persons, and our best estimation of the completion of the project. In making of the estimation, our management takes into account factors including the date specified in the relevant contract, the extension period granted by our customers and the actual work schedule of our subcontractors.

(2) The contract sum is based on the initial agreement or quotation between our customer and us, excluding all variation orders issued by our customers.

(3) It represents our best estimation based on factors including the estimated completion date specified in the relevant contracts and works progress as at the Latest Practicable Date.

Details of our term contracts on hand in descending order by original contract sum are as follows:

Term contract code	Customer sector	Expected contract period (Note 1)	Awarded contract sum (Note 2) (S$' million)	Accumulated revenue recognised during the Track Record Period (S$' million)	Expected revenue to be recognised for the eight months ending 31 December 2017 (Note 3) (S$' million)	Expected revenue to be recognised for the year ending 31 December 2018 (Note 3) (S$' million)
C42	Public	January 2016 – January 2019	21.6	16.9	3.8	1.1
C43	Public	January 2016 – January 2019	20.0	15.7	3.5	1.0
C44	Private	January 2017 – December 2024	12.3	0.5	1.7	4.2
C45	Private	July 2017 – May 2018	7.7	n/a	5.2	2.6
C46	Private	November 2016 – May 2018	5.1	0.9	2.5	1.8
C47	Private	July 2016 – June 2019	4.8	2.5	0.7	1.6
C48	Private	July 2016 – June 2019	4.4	1.1	1.0	1.5
C49	Public	March 2017 – June 2018	2.8	nil	2.2	0.5
C50	Private	December 2016 – February 2023	2.3	0.4	0.5	0.6
C51	Private	August 2017 – December 2017	1.8	n/a	1.8	n/a
C52	Private	February 2016 – December 2020	1.5	0.5	0.2	0.2
C53	Private	February 2017 – May 2018	0.2	less than 0.1	0.1	0.1
C54	Private	December 2016 – December 2018	0.2	nil	0.1	0.1
C55	Private	November 2016 – December 2024	0.1	less than 0.1	less than 0.1	less than 0.1
C56	Public	February 2016 – January 2018	by measurement	1.7	1.5	n/a
C57	Public	February 2016 – January 2018	by measurement	1.6	1.3	n/a

Notes:

(1) The project period covers the duration of our works with reference to the announcement date of the relevant project set out in the letter of award issued by our customer or their authorised persons, and our best estimation of the completion of the project. In making of the estimation, our management takes into account factors including the date specified in the relevant contract, the extension period granted by our customers and the actual work schedule of our subcontractors.

(2) The contract sum is based on the initial agreement or quotation between our customer and us. As the construction ancillary services works have been segmented into work orders to be issued over a period of time, the original contract sum is indicative only and does not impose any minimum order obligation on our customer.

(3) It represents our best estimation based on factors including the estimated completion date specified in the relevant contracts and works progress as at the Latest Practicable Date.

For details, please refer to the section headed "Business – Our projects and contracts" in this prospectus.

Tenders and quotations submitted - The table below sets out the number of tenders and quotations submitted and road construction services projects/construction ancillary services contracts awarded to our Group during the Track Record Period:

	For the year ended			For the four months ended
	31 December 2014	31 December 2015	31 December 2016	30 April 2017
(a) Tenders submitted				
Number of projects/contracts tendered	5	25	15	16
Number of successful projects/contracts tendered	2	9	5	3
Success rate *(%)*	40.0%	36.0%	33.3%	18.8%
Approximate original contract sum of successful projects/contracts tendered *(S$'000)*	4,951.5	75,735.3	14,849.3	17,340.8
(b) Quotations submitted				
Number of projects/contracts submitted quotation	20	21	14	5
Number of successful projects/contracts submitted quotation	4	7	8	2
Success rate *(%)*	20.0%	33.3%	57.1%	66.7% *(Note)*
Approximate original contract sum of successful projects/contracts submitted quotation *(S$'000)*	8,138.8	5,994.8	16,219.4	12,495.5

Note: As at the Latest Practicable Date, out of the five project/contracts submitted quotation, aside from the two successful projects/contracts submitted quotations with an aggregate original contract sum of approximately S$12.5 million, and the one unsuccessful project/contract submitted quotations, there were two projects/contracts submitted quotation with an aggregate original contract sum of approximately S$15.6 million respectively pending result. They were excluded for the purpose of calculating the success rate.

During the Track Record Period, we experienced a decrease in our tender success rate. It was mainly because we have successfully tendered for projects C42 and C43 with corresponding contract sum of approximately S$21.6 million and S$20.0 million, respectively, both of which commenced from January 2016. As such, the availability of our machinery and manpower and thus the pricing of the upcoming tenders was adversely affected. However, we may from time to time respond to our customers' invitations by submitting quotations/tenders after taking into account our pricing strategy instead of turning them down. As such, despite our decreasing tender success rate, we experienced an increase in our quotation success rate by having submitted eight successful quotations for the year ended 31 December 2016, each of which comprises of a relatively small contract sum.

Given our tender strategy and in view of our performance over the Track Record Period and our projects on hand as at the Latest Practicable Date, our Directors consider that our overall tender success rate during the Track Record Period has been satisfactory in general. For further information, please refer to the section headed "Business – Operating procedures – Invitation for tendering and/or quotation, preparation and submission – Tenders or quotations submitted during the Track Record Period".

The following table sets out our revenue during the Track Record Period by reference to the method of obtaining the projects/contracts:

	For the year ended 31 December			For the four months ended 30 April
	2014	**2015**	**2016**	**2017**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Revenue				
– Projects/contracts obtained through tender	16,678.0	19,302.4	42,255.0	19,914.8
– Projects/contracts obtained through quotation submission	26,060.9	25,330.6	9,214.7	1,994.9
Total	42,738.9	44,633.0	51,469.7	21,909.7

For further details, please refer to the section headed "Business – Operating procedures – Invitation for tendering and/or quotation, preparation and submission – Tenders or quotations submitted during the Track Record Period" in this prospectus.

Suppliers – During the Track Record Period, our suppliers primarily supply the following materials to us: (i) thermoplastic material; (ii) asphalt premix; (iii) signage sheetings; (iv) concrete; and (v) steel reinforcement bars. Our largest supplier accounted for approximately 42.2%, 28.4%, 32.7% and 28.0% of our total material costs for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively; and our five largest suppliers in aggregate accounted for approximately 79.5%, 75.6%, 73.2% and 74.2% of our total purchases for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. For details, please refer to the section headed "Business – Suppliers" in this prospectus.

Subcontractors – During the Track Record Period, our subcontracted works include delivery services, railing works, piling works, electrical works and steel works. Subcontracting costs attributable to our largest subcontractor for each of the three years ended 31 December 2016 and the four months ended 30 April 2017 accounted for approximately 25.7%, 36.5%, 33.2% and 30.7% of our total subcontracting costs, respectively, while our five largest subcontractors in aggregate accounted for approximately 65.5%, 75.2%, 62.1% and 69.5% of our total subcontracting costs for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. For details, please refer to the section headed "Business – Subcontracting" in this prospectus.

Non-compliance, litigation and claims

During the Track Record Period and up to the Latest Practicable Date, our Group had settled four workman's compensation claims and two civil claims. As at the Latest Practicable Date, there was one ongoing civil litigation claim against our Group.

Our Directors confirm that the above litigation claim had been or are expected to be covered by the insurance policies taken out by us. For further details, please refer to the sections headed "Business – Workplace safety and health policy" and "Business – Legal proceedings" in this prospectus.

Our Directors confirm that we have complied with all applicable laws and regulations in Singapore (being the principal jurisdiction in which we operate) in all material respects during the Track Record Period and up to the Latest Practicable Date.

COMPETITIVE LANDSCAPE

The Ipsos Report states that the market for the civil engineering and road works industry in Singapore is generally fragmented. From 2011 to 2016, more than 200 of civil engineering/road contractors were awarded road works projects by both private and public sectors in Singapore. In 2016, the Group held approximately 1.9% of market share in the road works contractors' market in Singapore. For further information, please refer to the section headed "Industry overview" in this prospectus.

COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths will enable us to maintain our position as one of the established road works service providers in Singapore. Our competitive strengths include the following: (i) we are a well-established road works company in Singapore; (ii) we own a range of construction machinery which enables us to take on various large-scale road works projects; (iii) we have a long-term and stable relationship with our major customers, suppliers and subcontractors; and (iv) we have an experienced and dedicated management team and each of our executive Directors has over 14 years of experience in the road works industry in Singapore. Details of our Group's competitive strengths are set out in the section headed "Business – Competitive strengths" in this prospectus.

REASONS FOR LISTING IN HONG KONG

Our Directors believe that our Group can undertake additional road works projects on top of our present scale of operation and our current projects on hand. Our Directors believe that this can be done mainly by the listing of the Shares on the Main Board. As such, a public listing in Hong Kong will enhance our corporate profile and recognition, assisting us in reinforcing our Group awareness and image, increasing our competitiveness in road works industry. Having considered and evaluated different listing venues including Hong Kong and Singapore, our Directors have concluded that Hong Kong is the suitable venue to pursue a listing as it is an international financial centre and the stock market in Hong Kong is well established and highly recognised internationally. Also, a listing on a stock exchange outside Singapore where our Group's business is primarily based in will allow us to have greater exposure to international financial market and investment community, opening up a new channel of financing. In addition, according to the data compiled by the World Bank, in 2016, the turnover ratio of stocks traded in the Hong Kong stock market was 40.9% while the turnover ratio of stocks traded in the Singapore stock market was 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$18.9 billion) and HK$66.9 billion (S$11.9 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$6.1 billion (S$1.1 billion) for both of the two years ended 31 December 2016, respectively. Our Directors believe that the high level of trading activities on Hong Kong's stock exchange indicates the ease of conducting secondary fund raising exercises after a listing, benefiting our further expansion in the future, than in the Singapore stock exchange. For further details of our reason for listing in Hong Kong, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

BUSINESS STRATEGIES AND USE OF PROCEEDS

The principal business objective of our Group is to further strengthen our position in the road works and construction machinery rental businesses in Singapore. We intend to achieve our future expansion plans by adopting the following key strategies: (i) acquire additional machinery; (ii) invest in acquiring a property for (a) our ancillary office; (b) dormitory for our foreign workers; (c) workshop to prepare asphalt premix for our own usage; and (d) our machinery warehouse; (iii) strengthen and expand our workforce; (iv) upgrade our information technology systems; and (v) expand our market share and maintain strong financial position. For details, please refer to the section headed "Business – Business strategies" in this prospectus.

We estimate that the aggregate net proceeds from the Global Offering to be received by us, after deducting underwriting commissions and estimated expenses paid and payable by us in connection with the Global Offering, will be approximately HK$94.5 million, assuming an Offer Price of HK$0.48, being the mid-point of the proposed Offer Price range. We intend to apply the net proceeds to us from the Global Offering as follows:

Approximate amount of net proceeds	**Intended applications**
HK$63.7 million or 67.4%	Acquire a property for (i) our ancillary office; (ii) dormitory for our foreign workers; (iii) workshop to prepare asphalt premix for our own usage; and (iv) our machinery warehouse
HK$12.9 million or 13.7%	Purchase of machinery
HK$7.0 million or 7.4%	Increase our manpower for market expansion and competing for more projects
HK$1.7 million or 1.8%	Upgrade of our information technology systems
HK$9.2 million or 9.7%	Use as working capital

For further details, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

RISK FACTORS

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. More details of the risks we are exposed to are set out in the section headed "Risk factors" in this prospectus. Some of the risks which are considered to be material by our Directors include: (i) our Group's past revenue and profit margin may not be indicative of our Group's future revenue and gross profit margin since all of our contracts or work orders are on non-recurring basis; (ii) the amount of revenue that our Group is able to derive from work orders may be lower than the original contract sum; (iii) we may suffer from loss of our key management and our inability to attract and retain management staff; (iv) we rely on suppliers and subcontractors to complete certain part of our road works projects; and (v) majority of our workforce is made up of foreign workers.

SUMMARY OF FINANCIAL INFORMATION

Selected data in the combined statements of profit or loss and other comprehensive income and combined statements of financial position

The following is a summary of the combined financial information of our Group during the Track Record Period, respectively, derived from the Accountants' Report set out in Appendix I to this prospectus.

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

	For the year ended 31 December			For the four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
Revenue	42,738,909	44,632,963	51,469,726	11,202,880	21,909,695
Gross profit	8,597,394	11,587,046	17,389,666	3,838,556	5,666,092
Profit before taxation	3,277,086	6,639,593	8,115,548	1,384,811	1,201,636
Profit and other comprehensive income for the year/period	2,763,952	6,026,630	7,301,746	1,288,730	1,137,124

Highlight of combined statements of financial position

	As at 31 December			As at 30 April	As at 31 August
	2014	2015	2016	2017	2017
	S$	*S$*	*S$*	*S$*	*S$*
					(Unaudited)
Non-current assets	10,783,114	14,279,251	23,994,805	24,471,758	24,827,798
Current assets	21,341,243	25,789,673	37,650,339	43,168,453	47,058,198
Current liabilities	20,664,965	21,446,619	29,693,785	34,235,096	37,263,310
Net current assets	676,278	4,343,054	7,956,554	8,933,357	9,794,888
Non-current liabilities	4,761,106	5,897,389	12,078,697	11,395,329	12,132,048
Net assets	6,698,286	12,724,916	19,872,662	22,009,786	22,490,638

Key financial ratios

The following table sets forth our key financial ratios for the year and period and as at the dates indicated:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
Current ratio *(times)*	1.0	1.2	1.3	1.3
Gearing ratio *(%)* (Note 1)	232.2%	128.2%	149.3%	142.0%

				For the four months ended
	For the year ended 31 December			30 April
(%)	**2014**	**2015**	**2016**	**2017**
Gross profit margin	20.1	26.0	33.8	25.9
Net profit margin	6.5	13.5	14.2	5.2
Return on assets *(Note 2)*	8.6	15.0	11.8	N/A
Return on equity *(Note 2)*	41.3	47.4	36.7	N/A

Notes:

1. *Gearing ratio is calculated by dividing total borrowings by total equity multiplied by 100%. Total borrowings represent the sum of borrowings, obligations under finance leases and amount due to a director.*

2. *Return on assets and return on equity are calculated on a full year basis.*

We derive all of our revenue from road construction services, construction ancillary services and construction machinery rental services. The increase in our revenue for the year ended 31 December 2016 was mainly due to the increase of revenue generated from construction ancillary services, which was due to increase in revenue from new construction ancillary services contracts awarded by two of our customers, both of which were Singapore statutory boards. Our revenue also increased slightly for the year ended 31 December 2015. Such increase was primarily due to (i) the increase in revenue generated from provision of leasing of construction machineries; (ii) commencement of 13 new construction ancillary services contracts which commenced and recognised revenue for the year.

Our profit for the year increased for the year ended 31 December 2016 compared to 31 December 2015 due to the aforementioned increase in revenue, while that of 31 December 2015 compared to 31 December 2014 increased due to higher gross profit and gross profit margins arising from three particular road construction projects in the year, two of which were from customers from the private sector and one from a Singapore statutory board. These projects had relatively high gross profit margin of approximately 44.4%, 28.1% and 31.7%, respectively. For further details of these projects, please refer to the section headed "Financial information" in this prospectus. Our gross profit margin of construction ancillary services increased for the year ended 31 December 2016 compared to the year ended 31 December 2015 since our Group applied new material, in particular, all weather thermoplastic for our construction ancillary services contracts awarded by one of our customers which generated relatively high gross profit margin than normal thermoplastic during the year ended 31 December 2016; and we have commenced two new construction ancillary services contracts by this customer during the year ended 31 December 2016.

For further discussion and analysis on our performance during the Track Record Period, please refer to the section headed "Financial information" in this prospectus.

LISTING EXPENSES

Our estimated expenses in relation to the Listing, including underwriting commissions, are approximately S$4.6 million. Out of the amount of approximately S$4.6 million, approximately S$1.7 million is directly attributable to the issue of Shares to the public and will be accounted for as a deduction from equity upon completion of the Global Offering. The remaining estimated listing expenses of approximately S$2.9 million, was or will be charged to profit or loss, of which approximately S$0.8 million have already been recorded in the combined statements of profit or loss and other comprehensive income during the Track Record Period, and approximately S$2.1 million is expected to be charged to the combined statements of profit or loss and other comprehensive income for the year ending 31 December 2017. This calculation is based on the Offer Price of HK$0.48 per Share (being the mid-point of the Offer Price range stated in this prospectus) and the assumption that 250,000,000 Shares are to be offered under the Global Offering and is subject to the adjustment based on the actual amount incurred or to be incurred.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

While our business model remain largely unchanged, our cost structure and financial condition are expected to be materially and adversely affected subsequent to the Track Record Period and up to the Latest Practicable Date. As at 30 April 2017, we had a total of four road construction services projects and 16 construction ancillary services term contracts on hand in Singapore. Out of the 16 construction ancillary services term contracts on hand, the two largest term contracts were awarded by a Singapore statutory board with contract period until January 2019. After the Track Record Period and up to the Latest Practicable Date, (i) we were awarded six projects/contracts with original contract sum of approximately S$12.8 million, S$10.0 million, S$7.7 million, S$1.8 million, S$1.8 million and S$0.7 million by Customer A, Supplier B, Customer I, Customer I, Customer G and Supplier H, respectively; and (ii) we have completed two projects both with an original contract sum of approximately S$2.0 million. As such, as at the Latest Practicable Date, we have a total of six road construction services projects and 16 construction ancillary services term contracts on hand, with an aggregate original contract sum of approximately S$40.8 million and S$84.8 million, respectively. The expected revenue to be recognised after the Track Record Period until 31 December 2017 and for the two years ended 31 December 2019 for those road construction services projects would be approximately S$10.9 million, S$10.0 million and S$53,000 respectively, while that for those construction ancillary services term contracts would be approximately S$26.1 million, S$15.4 million and S$7.7 million respectively.

After the Track Record Period and up to the Latest Practicable Date, we had also submitted 10 tenders and 16 quotations, with an aggregate original contract sums of approximately S$38.1 million and S$145.0 million, respectively. As at the Latest Practicable Date, including the tenders and quotations submitted during the Track Record Period and up to the Latest Practicable Date, we have in total four tenders and 12 quotations pending result, with an aggregate original contract sums of approximately S$24.7 million and S$238.8 million respectively. Among those, tenders/quotations with an aggregate original contract sums of approximately S$12.3 million were private sector works and tenders/quotations with an aggregate original contract sums of approximately S$251.3 million were public sector works, while tenders/quotations with an aggregate original contract sums of approximately S$24.7 million were main contractor projects and tenders/quotations with an aggregate original contract sums of approximately S$238.8 million were subcontractor projects.

There was no material adverse change in the general economic and market conditions in Singapore or the industry in which we operate that had affected or would affect our business operations or financial condition materially and adversely. Due to (i) the full-year depreciation expense of the leasehold building acquired during the year ended 31 December 2016 charged to the year ending 31 December 2017, (ii) the increase of staff cost for hiring more management personnel to cope with our Group's growth, (iii) the higher rental expense incurred from hiring more foreign workers, and (iv) the non-recurring Listing expenses, our Directors believe that our net profit, gross and net profit margins for the year ending 31 December 2017 are expected to be materially and adversely affected by the factors mentioned above. However, our Directors believe that our Group's profitability will improve in the future since our Group will be able to undertake additional road works projects on top of our present scale of operation by obtaining additional funding through this Listing. For details, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

Our Directors confirm that, save as the listing expenses, there has been no material adverse change in the financial or trading position or prospects of our Company or our subsidiaries since 30 April 2017 (being the date to which the latest audited financial statements of our Group were made up) and up to the date of this prospectus.

DIVIDEND

We currently do not have a dividend policy nor any fixed dividend pay-out ratio and may distribute dividends by way of cash or by other means that our Directors consider appropriate. For each of the three years ended 31 December 2016 and the four months ended 30 April 2017, Samco declared a dividend of S$600,000, S$1,500,000, S$1,000,000 and S$500,000, respectively, while Double-Trans declared dividends of S$1,154,000 during the year ended 31 December 2016. All the dividends declared during the Track Record Period had been fully settled as at the Latest Practicable Date. Samco declared and paid a dividend of S$1,000,000 in June 2017. Dividends declared and paid in the past should not be regarded as an indication of dividend policy to be adopted by our Company following the Listing, which will be at the discretion of our Directors and will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors consider relevant.

OFFERING STATISTICS

	Based on an Offer Price of HK$0.56 per Offer Share	Based on an Offer Price of HK$0.40 per Offer Share
Market capitalisation(1)	HK$560,000,000	HK$400,000,000
Unaudited pro forma adjusted combined net tangible assets per Share(2)(3)	HK$0.24	HK$0.20

Notes:

(1) The calculation of the market capitalisation of our Company is based on 1,000,000,000 Shares in issue immediately following the completion of the Global Offering but does not take into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme.

(2) The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments set forth in Appendix II to this prospectus and on the basis that 1,000,000,000 Shares were in issue immediately following the completion of the Global Offering assuming no exercise of the Over-allotment Option or exercise of any options which may be granted under the Share Option Scheme and no Shares which may be allotted, issued or repurchase by our Company pursuant to the general mandates for the allotment and issue or repurchase of Shares, and does not take into account any trading results or other transactions entered into subsequent to 30 April 2017.

(3) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company as at 30 April 2017 to reflect any trading results or other transactions of the Group entered into subsequent to 30 April 2017.

The unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company per Share does not take into account of dividends of S$1,000,000 declared by Samco Civil Engineering Pte. Ltd. on 8 June 2017 and issuance of new shares of S$1,000,000 by Double-Trans Pte. Ltd. on 13 June 2017. Assuming that the dividends of S$1,000,000 declared on 8 June 2017 and issuance of new shares of S$1,000,000 on 13 June 2017 had been taken into account, the unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company per Share would have been HK$0.24 and HK$0.20 at the Offer Price of HK$0.40 and HK$0.56, respectively, which is calculated based on 1,000,000,000 Shares in issue immediately following the completion of Global Offering and Capitalisation Issue.

CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering and the Capitalisation Issue (without taking into account of any Shares which may be allotted and issued by our Company pursuant to the exercise of any options which may be granted under the Share Option Scheme), Jian Sheng (which is owned as to 80% by Mr. Tan and as to 20% by Ms. Tan) will hold 750,000,000 Shares, representing 75% of the enlarged issued share capital of our Company. Given the aforesaid and for the purpose of the Listing Rules, Mr. Tan, Ms. Tan and Jian Shang are a group of Controlling Shareholders. For further details, please refer to the section headed "History, development and Reorganisation" in this prospectus.

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus. Certain other terms are explained in the sections headed "Glossary of technical terms".

"Accountants' Report"	the accountants' report of our Group prepared by the Reporting Accountants as set out in Appendix I to this prospectus
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) and **GREEN** Application Form(s), or where the context so requires, any one of them, relating to the Hong Kong Public Offering
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company, conditionally adopted on 20 October 2017, which will come into effect upon the Listing, a summary of which is set out in Appendix IV to this prospectus, and as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"BCA"	the Building and Construction Authority, an agency under the Ministry of National Development of Singapore, championing the development of an excellent built environment for Singapore
"Board" or "Board of Directors"	the board of Directors
"business day"	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"BVI"	the British Virgin Islands
"Capitalisation Issue"	the issue of 749,999,999 Shares upon capitalisation of certain sums standing to the credit of the share premium account of our Company as referred to in the section headed "A. Further information about our Company – 3. Written resolutions of the sole Shareholder passed on 20 October 2017" in Appendix V to this prospectus

"Cayman Share Registrar"	Conyers Trust Company (Cayman) Limited
"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 Participant"	A CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"CEO" or "Chief Executive Officer"	the chief executive officer of our Group
"close associate(s)"	has the meaning ascribed to it in the Listing Rules
"Companies Law"	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, consolidated or otherwise modified from time to time
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Shuang Yun Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 21 June 2017
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	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
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and in the context of our Company, means Jian Sheng, Mr. Tan and Ms. Tan
"Core Connected Person(s)"	has the meaning ascribed to it in the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
"Dakin Capital " or "Sole Sponsor"	Dakin Capital Limited, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity (as defined in the SFO), acting as the sole sponsor to our Company's application for the Listing
"Deed of Indemnity"	the deed of indemnity dated 20 October 2017 executed by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for our subsidiaries), the particulars of which are set out in the paragraph headed "E. Other information – 1. Tax and other indemnities" in Appendix V to this prospectus
"Deed of Non-competition"	the deed of non-competition dated 20 October 2017 executed by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for our subsidiaries), in respect of certain non-competition undertakings, particulars of which are set out in the paragraph headed ''Relationship with Controlling Shareholders – Deed of Non-competition'' in this prospectus
"Director(s)" or "our Director(s)"	director(s) of our Company
"Double-Trans"	Double-Trans Pte. Ltd., a private limited company incorporated in Singapore on 20 April 1990 and an indirect wholly-owned subsidiary of our Company
"FWL"	Foreign worker levy, a pricing mechanism administered by the government of Singapore to regulate the number of foreign workers in Singapore
"Global Offering"	the Hong Kong Public Offering and the International Placing

"**GREEN** Application Form(s)"	the application form(s) to be completed by the **White Form eIPO** Service Provider, Computershare Hong Kong Investor Services Limited
"Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries, or where the context refers to any time prior to our Company becoming the holding company of its present subsidiaries, the present subsidiaries of our Company and the businesses operated by such subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HK$" or "HK dollars" or cents	Hong Kong dollars and cents, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Offer Shares"	the 25,000,000 Shares being initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section headed "Structure and conditions of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the conditional offering by our Company of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price and on and subject to the terms and conditions described in this prospectus and the Application Forms, as further described in the section headed "Structure and conditions of the Global Offering" in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed "Underwriting – Hong Kong Underwriters" in this prospectus

"Hong Kong Underwriting Agreement"	the underwriting agreement dated 30 October 2017 relating to the Hong Kong Public Offering and entered into by, among others, our Company, our Controlling Shareholders and the Hong Kong Underwriters
"IFRS"	International Financial Reporting Standards
"Independent Third Parties"	persons or companies which are independent of and not connected with (within the meaning of the Listing Rules) any of the directors, chief executive and substantial shareholders (within the meaning of the Listing Rules) of our Company, any of our subsidiaries or any of their respective associates, and an "**Independent Third Party**" means any of them
"International Placing"	the conditional placing of the International Placing Shares, at the Offer Price with professional, institutional and other investors by the International Underwriters on behalf of our Company as described in the section headed "Structure and conditions of the Global Offering" in this prospectus
"International Placing Shares"	the 225,000,000 Shares initially being offered for subscription at the Offer Price under the International Placing together with, where relevant, any additional Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option, but subject to the adjustment as described in the section headed "Structure and conditions of the Global Offering" in this prospectus
"International Underwriting Agreement"	the underwriting agreement in relation to the International Placing expected to be entered into on the Price Determination Date by, among others, our Company, our Controlling Shareholders and the International Underwriters
"International Underwriters"	the underwriters of the International Placing
"Ipsos"	Ipsos Pte. Ltd., the independent market research agency engaged by our Company to prepare the Ipsos Report
"Ipsos Report"	the market research report prepared by Ipsos

"Jian Sheng"	Jian Sheng Holdings Limited, a company incorporated in the BVI with limited liability on 15 June 2017 and owned as to 80% and 20% by Mr. Tan and Ms. Tan, respectively
"Joint Global Coordinators" or "Joint Bookrunners" or "Joint Lead Managers"	China-Hong Kong Link Securities Company Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activity (as defined in the SFO) and Dakin Securities Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 2 (dealing in future contracts) regulated activities (as defined in the SFO)
"Latest Practicable Date"	23 October 2017, being the latest practicable date for the inclusion of information in this prospectus prior to the printing of this prospectus
"Listing"	listing of the Shares on the Main Board
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Date"	the date on which dealings of the Shares on the Main Board first commence, which is expected to be on 15 November 2017
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company, adopted on 20 October 2017 and a summary of which is set out in Appendix IV to this prospectus
"MOM"	the Ministry of Manpower, a ministry of the Government of Singapore which is responsible for the formulation and implementation of labour policies related to the workforce in Singapore. The ministry overseas matters related to issuance of work permits (including a training work permit), S passes and employment passes

"Mr. Tan"	Mr. Tan Chai Ling, an executive Director and one of our Controlling Shareholders
"Ms. Tan"	Ms. Alynda Tan Hue Hong, an executive Director and one of our Controlling Shareholders
"Offer Price"	the final price per Offer Share in Hong Kong dollars (exclusive of the brokerage of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%) under the Global Offering of not more than HK$0.56 and not less than HK$0.40 at which the Offer Share are to be subscribed for and issued pursuant to the Global Offering which is expected to be determined as further described in the section headed "Structure and conditions of the Global Offering – Pricing and allocation – Determining the Offer Price" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Placing Shares, together with, where relevant, any additional Shares issued pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option to be granted by our Company to the International Underwriters, exercisable by the Joint Global Coordinators (for themselves and on behalf of the other International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 37,500,000 additional Offer Shares, representing 15% of the initial size of the Global Offering, to cover over-allocations in the International Placing, as described in the section headed "Structure and conditions of the Global Offering – Over-allotment Option" in this prospectus
"PRC" or "China"	the People's Republic of China which, for the purpose of this prospectus, shall exclude Hong Kong, Macau and Taiwan
"Predecessor Companies Ordinance"	the Predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time before 3 March 2014

"Price Determination Date"	the date, expected to be on or around 7 November 2017 but no later than 10 November 2017, on which the Offer Price is fixed for the purpose of the Global Offering
"Reorganisation"	the reorganisation arrangements undergone by our Group in preparation for the Listing, which is more particularly described in the section headed "History, development and Reorganisation" in this prospectus
"Reporting Accountants"	Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company
"Repurchase Mandate"	the general unconditional mandate to repurchase Shares given to our Directors by our Shareholders, further details of which are contained in the section headed "A. Further information about the Company – 3. Written resolutions of the sole Shareholder passed on 20 October 2017" in Appendix V to this prospectus
"Samco"	Samco Civil Engineering Pte. Ltd., a private limited company incorporated in Singapore on 2 May 2007 and an indirect wholly-owned subsidiary of our Company
"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
"S$" or "SGD"	Singapore dollars, the lawful currency of Singapore
"Shares"	ordinary shares of our Company with a nominal value of HK$0.10 each
"Shareholder(s)	holder(s) of the Shares
"Share Option Scheme"	the share option scheme conditionally approved and adopted by our Company on 20 October 2017, a summary of its principal terms is set forth in the section headed "D. Share Option Scheme" in Appendix V to this prospectus

"Shuang Yun (BVI)"	Shuang Yun (BVI) Limited, a company incorporated in the BVI with limited liability on 27 June 2017 and wholly owned by the Company
"Singapore"	the Republic of Singapore
"Singapore Legal Counsel"	Colin Ng & Partners LLP, the legal advisers to our Company as to Singapore laws
"sq.ft."	square feet
"Stabilising Manager"	China-Hong Kong Link Securities Company Limited
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholders(s)"	has the meaning ascribed thereto under the Listing Rules
"Track Record Period"	the three financial years ended 31 December 2016 and the four months ended 30 April 2017
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States", "U.S." or "US"	the United States of America
"U.S. dollars" or "US$" or "U$"	United States dollars, the lawful currency of the United States of America
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"**WHITE** Application Form(s)"	the application form(s) for the Hong Kong Offer Shares for use by the public who require(s) such Hong Kong Offer Shares to be issued in the applicant's/applicants' own name(s)
"**White Form eIPO**"	the application for the Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website at **www.eipo.com.hk**

"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"**YELLOW** Application Form(s)"	the application form(s) for the Hong Kong Offer Shares for use by the public who require(s) such Hong Kong Offer Shares to be deposited directly into CCASS
"%"	per cent

Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as at the Latest Practicable Date.

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

For the purpose of illustration only and unless otherwise specified in this prospectus, amounts denominated in S$ have been translated into HK$ at the rate of S$1.00 = HK$5.58. No representation is made that the S$ amounts could have been, or could be, converted into HK$ at such rates or at any other rate on such date or on any other date.

This glossary contains explanations of certain terms used in this prospectus in connection with our Group and our business. Some of these terms may not correspond to standard industry definitions.

"aggregate base course layer"	a layer of typical road or pavement structure which consists of aggregate (i.e. crushed gravel or stones) serving as stable foundation between the sub-base layer and the wearing course layer
"asphalt base course layer"	a layer of typical road or pavement structure which consists of asphalt serving as stable foundation between the sub-base layer and the wearing course layer
"bizSAFE"	a five-step programme that assists 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 organised under the Workplace Safety and Health Council of Singapore
"BLS"	the Builders Licensing Scheme of BCA, which aims to raise professionalism among builders by requiring them to meet minimum standards of management, safety record and financial solvency
"CAGR"	compound annual growth rate
"CRS"	Contractors Registration System of BCA, which serves the construction and construction-related procurement needs of the public sector including government ministries and statutory boards. Companies wishing to participate in construction tenders or as subcontractors for the public sector are required to register under this system
"GeBIZ"	a one-stop government-to-business public e-procurement business centre where suppliers can conduct electronic commerce with the government of Singapore. All of the public sector's invitations for quotations and tenders are posted on GeBIZ. Suppliers can search for government procurement opportunities, retrieve relevant procurement documentations and submit their bids online

"General Builder License(s)"	general builder licence(s) issued by BCA under the BLS where "GB1 Licence" refers to Class 1 General Builder Licence and a builder with such a licence is allowed to undertake projects of any value; and "GB2 Licence" refers to Class 2 General Builder Licence and a builder with such a license is restricted to undertake projects of S$6 million or less; further details of which are set forth in the section headed "Regulatory overview" in this prospectus
"GGBS"	Green and Gracious Builder Scheme, launched in February 2009 in Singapore to promote environment protection and gracious practices during the construction phase of projects
"hydraulic excavator"	a large, powerful tracked machine, fitted with a bucket at the end of its boom used for excavation works. It may also be fitted with a breaker attachment to perform demolition works
"ISO"	International Organization for Standardization, a non-government organisation based in Geneva, Switzerland, for assessing the quality systems of business organisations
"ISO 14001"	requirements set by the ISO for assisting a company to manage their environmental responsibilities
"ISO 9001"	requirements set by the ISO for quality management system where an organisation needs to ensure that its products and services consistently meet customer's requirement and that quality is consistently improved
"milling machine"	a machine used for the quick and efficient removal of existing asphalt pavements prior to resurfacing with new asphalt
"OHSAS 18001"	Occupational Health and Safety Assessment Series, an internationally applied standard for occupational health and safety management systems. It exists to help all kinds of organisations put in place demonstrably sound occupational health and safety performance
"paving"	to lay or cover with material (such as asphalt or concrete) that forms a firm level surface for travel
"paving machine"	a machine used to lay asphalt to a smooth and flat level on road carriageways

"road kerbs"	a stone edging to a pavement or raised path
"tandem roller"	a machine used to compact asphalt after it has been laid, to give a dense, firm and smooth finish
"thermoplastic screed machine"	a machine used to lay new thermoplastic road markings that provide guidance and information to the motorist
"sub-base layer"	the lowest layer in a road or pavement structure, consisting of cement-bound materials or rocks, supporting and bearing most of the load
"wearing course layer"	the top most layer in a road or pavement structure, usually pressed with asphalt and has the first contact with road users

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this prospectus. Forward-looking statements can be identified by words such as "may", "will", "should", "would", "could", "believe", "expect", "anticipate", "intend", "plan", "continue", "seek", or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our business strategies, development activities, estimates and projections, expectations concerning future operations, profit margins, profitability, competition and the effects of regulation.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Although these forward-looking statements are made by our Directors after due and careful consideration, these statements reflect the current views of our management with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus. Should one or more of the risks or uncertainties materialise, or should the underlying assumptions be proved to be incorrect, our financial condition may be adversely affected and may vary materially from those described herein as anticipated, believed, estimated or expected. Accordingly, such statements are neither statements of historical fact nor guarantees or assurances of future performance. Hence, you should not place undue reliance on such forward-looking statements.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business strategies and plan of operation;
- the success of our existing and future operation;
- our capital expenditure plans;
- our dividend policy;
- our ability to retain senior management team members and recruit qualified and experienced new team members;
- our ability to maintain our competitiveness and operational efficiency;
- our prospective financial conditions;
- future development in the industries in which we operate;
- the global and domestic economy;

- laws, regulations and rules for the road works industry and other industries in Singapore;
- factors that are described in the section headed "Risk factors" in this prospectus; and
- other factors beyond our control.

Any forward-looking statement made by us in this prospectus applies only as at the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations and the Listing Rules, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section as well as the risks and uncertainties discussed in the section headed "Risk factors" in this prospectus.

Prospective investors should consider carefully all the information set out in this prospectus and, in particular, should consider and evaluate the following risks associated with an investment in our Company before making any investment decision 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 Shares could fall significantly.

RISKS RELATING TO OUR BUSINESS

Our Group's past revenue and profit margin may not be indicative of our Group's future revenue and gross profit margin since all of our contracts or work orders are on non-recurring basis

During the Track Record Period, all of our revenue derived from contracts or work orders are non-recurring in nature. Our projects of different sizes come mainly from (i) an invitation to quote or tender from customers or (ii) tender opportunities published on the GeBIZ system. Upon our submission of tender or quotation documents, it is subject to customers' decision as to whether we can secure the engagement. Our customers have no obligation to engage us again in their subsequent projects, if any. We still need to undergo tender or submission of quotation process for every new contracts or work orders. As such, the number and scale of contracts or work orders, the amount of revenue driven from such engagements may vary significantly from period to period.

We cannot assure you that we will continue to secure new contracts or work orders in the future and thus it may be difficult to forecast the volume of future business. As such, our historical growth rate, revenue and gross profit margin may not be indicative of our future performance. They are subject to many factors, including but not limited to overall condition in the market, intensity of competition among contractors and costs of labour. There is no assurance that the demand of road works services in Singapore and the demand for our construction machinery rental services will not decrease in the future. For instance, an economic downturn in Singapore where our Group operates may cause setback to the construction plans, thereby materially and adversely affecting our Group's business, financial condition and results of operations.

The amount of revenue that our Group is able to derive from the work orders may be lower than the original contract sum

During the Track Record Period, some of our construction ancillary services undertaken are term contract based whereby the contract sum is indicative only and does not impose minimum work order commitments. During the Track Record Period, the actual revenue generated of seven out of 28 completed term contract based projects are less than the original indicative contract sum, in which a difference of approximately S$4.5 million in aggregate was incurred.

The aggregate amount of revenue that our Group is able to derive from the work orders may be different from the original indicative contract sum specified in the relevant contracts due to factors such as deduction or modification of road works services placed by our Group's customers from time to time during the course of project execution. The number of ongoing term contracts as at 30 April 2017 was 17. Due to the reasons mentioned above, there is no assurance that the actual amount of revenue to be recognised from the ongoing term contracts will not be substantially different from such estimated contract sum.

We may suffer from loss of our key management and our inability to attract and retain management staff will adversely affect our operations and financial performance

We rely on our executive Directors for key aspects of our business, including but not limited to, project management, on-site supervision, overseeing costing matters and formulating tendering and pricing strategy. Mr. Tan and Ms. Tan, our executive Directors, have been with us for over nine years and they are supported by a team of experienced senior management personnel with industry expertise. Our Group's success and growth therefore depend on our ability to identify, hire, train and retain skilled, competent and qualified key management.

Furthermore, certain licenses may require our Group to maintain a minimum number of approved person and technical controller, Mr. Toh Kok Weng Benjamin, our general manager, is the approved person and technical controller of Double-Trans; whereas Ms. Chong Sook Fern, our executive Director is the approved person and technical controller of Samco. There is no assurance that the existing approved persons and technical controllers of our Company will not resign or otherwise cease to serve our Company in the future. In such event, if we are unable to locate suitable replacement of qualified personnel in a timely manner, we may not be able to maintain such licenses and if any of our executive Directors or senior management ceases to be involved in our Group in the future and we are unable to find suitable replacement personnel in a timely manner, there will be an adverse impact on our business and operations, thereby hindering our overall financial and operational performance.

We rely on suppliers and subcontractors to complete certain part of our road works projects

Our five largest suppliers accounted for approximately 79.5%, 75.6%, 73.2% and 74.2% of our total purchase for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. Our five largest subcontractors accounted for approximately 65.5%, 75.2%, 62.1% and 69.5% of our total subcontracting costs for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. We do not enter into any long term contracts with our suppliers and subcontractors. As such, there is no assurance that they will be able to continue to provide supplies and services to our Group at prices acceptable to us, or that our Group can maintain our relationship with them in the future. If any of the major suppliers and subcontractors are unable to provide the required supplies and services to our Group and we are unable to obtain alternative providers on similar or better terms to us, or the costs for them to provide those required supplies and services increase substantially, our business, results of operations, profitability and liquidity may be adversely affected.

There is also no assurance that we are able to monitor the performance of our subcontractors as directly as with our own employees. If a subcontractor fails to provide services as required under a contract, services may be sourced on a delayed basis or at a higher price than anticipated, which could impact our profitability. If the subcontractor's performance does not meet our standards, the project quality may be affected, which could harm our reputation and potentially expose us to litigation and damage claims.

We are subject to certain restrictive covenants and risks normally associated with borrowings which may limit or otherwise materially and adversely affect our business, results of operations and financial condition.

Our banking facilities are subject to certain restrictive, customary affirmative and/or negative covenants, details of which are set out in the paragraph headed "Financial Information – Indebtedness Statement – Indebtedness" in this prospectus. We cannot assure you that we will be able to abide by all of the affirmative and restrictive covenants of all of our loan agreements in the future or obtain lenders' consents or waivers in a timely manner or at all.

Our inability to comply with affirmative covenants or required financial ratios or the violation of any restrictive covenants may constitute an event of default under the terms of our borrowings. In the event of default, our lenders would be entitled to request for early repayment of all or any part of our outstanding indebtedness which in turn will adversely impact our business, financial condition, results of operations and growth prospects.

Majority of our workforce is made up of foreign workers and inability to obtain foreign workers could materially affect our operations and financial performance

Our business is highly reliant on foreign workers as the local construction and manufacturing labour force is limited and more costly. Any shortage in the supply of foreign workers, increase in FWL for foreign workers, or any restriction on the number of foreign workers that we can employ for our road works services (including those imposed by the MOM for regulatory non-compliances), will adversely affect our operations and financial performance. As at the Latest Practicable Date, approximately 88.7% of our workforce is made up of foreign workers. Consequently, our operations and financial performance may be adversely affected by the possible shortages in the supply of foreign workers and any increase in cost of foreign labour. Supply of foreign labour in Singapore is subject to the policies and regulations imposed by the MOM.

To illustrate, the MOM imposes a quota on the number of foreign workers that the main contractor and its subcontractors (including our Group and our subcontractors) can employ in respect to each project. The tightening of such quota could adversely affect our operations and subsequently our business and financial performance. In addition, any changes in policies regarding the countries of origins of foreign workers may affect the supply of foreign labour and cause disruptions to our operations, causing delays in the completion of our projects. The MOM also imposes FWL for foreign workers. Recently, the FWL for basic skilled workers under the construction sector increased from S$650 to S$700 on 1 July 2017. Such increase in FWL increased our operating expenses and our financial performance will be further affected in case of any similar increase in FWL in the future.

Any failure, damage or loss of our machinery may adversely affect our operations and financial performance

We possess a broad range of machinery to perform different types of road works projects. We also leased our construction machinery to our customers depending on the availability of our machinery. For the three years ended 31 December 2016 and the four months ended 30 April 2017, we acquired new machinery in the amount of approximately S$1.1 million, S$4.2 million, S$1.9 million and S$0.5 million, respectively. We repair, maintain and replace our machinery. However, there is no assurance that our machinery will not be damaged or lost as a result of, among others, accidents, improper operation, bad weather conditions, theft or robbery. Also, machinery may break down or fail to function due to mechanical or other issues. In case any failed or lost machinery cannot be repaired or replaced in a timely manner, our financial and operations performance could be adversely affected.

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

Our Directors are of the view that the future plan of our Group has been put together after due enquiry with reference to, among other matters, the expected future prospects of the construction industry in Singapore and the continuation of our competitive advantages and other relevant factors. Some of our future business plans are based on certain assumptions. The successful implementation of our business plans may be affected by several factors including the availability of sufficient funds, government policies relevant to our industry, the economic conditions in Singapore, our ability to maintain our existing competitive advantages, our relationships with our customers and the possible threats from substitutes or new market entrants. Hence, there is no assurance that our business plan can be successfully implemented.

Our insurance coverage may not be sufficient to cover all losses or potential claims from our customers which would affect our business, financial condition and results of operations

We have purchased insurance policies to cover work injury compensation, foreign worker medical insurance, public liability insurance, fire insurance and contractors' all risks insurance to cover personal injury and property damage. Nevertheless, 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 property damage or personal injury occur to our facilities or employees as a result of accidents, natural disasters, or similar events which are not covered or inadequately covered by our insurance, our business may be adversely affected, potentially leading to loss of assets, lawsuits, employee compensation obligations, or other economic loss.

It cannot be guaranteed that our current insurance is sufficient to cover all potential risks and losses. If there are operating risks resulting from any of the aforesaid events in relation to the failure to purchase insurance, we may bear a substantial cost and experience loss. Also, our insurers review our policies from time to time and we cannot guarantee that we will be able to renew our policies on similar or other acceptable terms. If we suffer from unexpected severe losses or losses that far exceed the policy limits, there could be a material and adverse effect on our business, financial position, results of operations and prospects. For instance, insurance covering losses from acts of war, terrorism, or natural catastrophes is cost prohibitive and/or is not possible to obtain. Any losses that we may incur which we are not insured against may adversely affect our business, financial condition and results of operations.

Our business involves inherent industrial risks and occupational hazards and the materialisation of such risks will affect our business operations and financial results

Our business involves inherent industrial risks and occupational hazards, which may not be entirely eliminated through the implementation of safety measures. Among the road works services we provide, certain works, include sewer pipeline construction and manhole construction present risks and dangers which involved working in confined space. We are thus exposed to risks of equipment failure and industrial accidents. We cannot ensure that such risks will not cause a material and adverse impact to us in the future. Our insurance coverage may not be sufficient, and it may not be possible to obtain adequate insurance (or any insurance at all) to cover certain risks on commercially reasonable terms. The materialisation of any of the risks mentioned above may disrupt our business and damage our reputation, which could also affect the validity of our relevant qualifications, business operations and results of operations.

Our top five customers accounted for over 70% of our revenue during the Track Record Period and we rely heavily on our top five customers

Our largest customer accounted for approximately 26.8%, 33.9%, 49.2% and 39.4% of our total revenue, and our five largest customers accounted for approximately 75.0%, 80.4%, 93.7% and 87.5% of our total revenue for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. There is no absolute assurance that these major customers will continue to use our services at fees acceptable to our Group or that our Group can maintain our relationship with them in the future.

In the event that our Group is unable to retain these customers, or successfully seek replacement customers, our business, results of operation and profitability may be adversely affected.

We recorded net cash outflow from operating activities for the years ended 31 December 2014, 2016 and the four months period ended 30 April 2017

We experienced net operating cash outflows of approximately S$0.9 million, S$0.8 million and S$0.5 million for the year ended 31 December 2014, 31 December 2016 and the four months ended 30 April 2017, respectively. Whilst we were able to generate positive operating cash flow before working capital changes of approximately S$5.5 million, S$12.4 million and S$3.0 million for the same periods, this was offset by net working capital outflow of approximately S$6.4 million, S$13.2 million and S$3.5 million, respectively. Our net working capital outflow during the year ended 31 December 2014, 31 December 2016 and the four months ended 30 April 2017 was mainly attributable to the increase in trade receivables of approximately S$11.2 million, S$13.8 million and S$2.4 million as a result of our business growth throughout the Track Record Period. For further details in relation to the trade receivables, please refer to the section headed "Financial information – Discussion on selected balance sheet items – Trade receivables analysis" in this prospectus. Although approximately 90.2% of our trade receivable outstanding as at 30 April 2017 had been subsequently settled as at the Latest Practicable Date, we cannot assure that we will not record negative operating cash flows in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained which may materially and adversely affect our business, financial condition, results of operations and growth prospects.

We need to maintain our relevant licence in order to tender for works from public sector customers

Our business and construction activities in Singapore are regulated by the BCA and other regulatory bodies. These regulatory bodies stipulate criteria that must be satisfied before permits and licences are granted for, and/or renewed and/or maintained for, our business. Maintenance and renewal of our permits and licences is subject to compliance with the relevant regulations set out. In particular, registered by the BCA under the CRS, our Group has to meet the various requirements laid down by the BCA in order to maintain the BCA workhead categories. The current requirements to maintain our workhead categories include (i) a minimum paid-up capital and net worth; (ii) qualified personnel with the necessary professional qualifications and experience; (iii) the necessary performance track records and (iv) contracts' profile. For more details on the requirements, please refer to the section headed "Regulatory overview" in this prospectus. When we directly tender for projects from customers of public sector, we can only participate in those tenders if the minimum BCA grading level stipulated is met. During the Track Record Period, the customer base of our Group was concentrated. Revenue generated from customers of the public sector represented approximately 32.3%, 36.3%, 75.4% and 82.6%, respectively, of our Group's total revenue for the three years ended 31 December 2016 and the four months ended 30 April 2017.

In case we fail to comply with the requirements for keeping the qualifications and licences, our qualifications and licences may be downgraded, suspended, withdrawn or cancelled. Also, delay or refusal may occur when renewing such qualifications and licences upon expiry. Suspension of our business operations, prohibition of certain business activities or commencement of new business could happen and this may reduce the number of project opportunities for our Group, having an adverse impact on our operations and financial performance. For details, please refer to the section headed "Business – Major qualifications, licences and certifications" in this prospectus.

There is also no assurance that serious accident will not occur at construction sites for which we are responsible, or that we will not be subject to regulatory actions in the future which may have an adverse impact on our overall operations or on our eligibility to tender for public sector works. If our Group fails to secure contracts from the government of Singapore or there is significant reduction of contracts from the public sector in the future, our Group's business, results of operations and profitability may be adversely affected.

Our Group's business could be affected by the fluctuation in the price of construction materials

During the Track Record Period, the principal construction materials used by our Group include thermoplastic material, asphalt premix, signage sheetings, concrete and steel reinforcement bars, which are sourced from a number of suppliers. Fluctuations in price of major materials used by our Group are set out in the section headed "Industry overview – Cost of raw material prices in Singapore" in this prospectus. For the three years ended 31 December 2016 and the four months ended 30 April 2017, the total purchases of our Group amounted to approximately S$19.0 million, S$15.6 million, S$15.5 million and S$7.3 million, respectively. Results of operations, profitability and liquidity could be adversely affected if there are price fluctuations.

Our gross profit margin depends on the tender or quotation price of each project based on the estimated costs and time to be involved which may deviate from the actual costs

Our gross profit margin is dependent on, among other elements, our ability to control costs and other risk factors as set out in this section. In general, we will perform an estimation of costs before submitting tender or quotations to our customers. Factors such as the accuracy of estimation on the costs when committing to the amount of its fees and the complexity of the project may significantly affect our profit margins for carrying out different road works projects. The actual costs and time we incurred in each project may be adversely affected by different factors, including but not limited to possible labour shortage, unfavourable weather conditions, disputes with suppliers, customers, and subcontractors and/or other parties in the project, which may lead to significant delay in project completion. In most cases, customers may request for variation in the scope of work which are to be accepted on the basis that respective variation orders are agreed upon. It is thus crucial for us to estimate and control the actual amount of costs accurately in each project. Notwithstanding, some of these factors are outside of our control and we cannot assure that they will be taken into account when we make our initial estimation of the costs. As such, we may achieve lower-than-expected profits or ever incur losses on that project when we meet any delays or cost overruns which may have an adverse impact on our operations and financial results.

We intend to apply a significant portion of the net proceeds from the Global Offering to acquire a property, the value of which may possibly depreciate, and the acquisition may impair our return on equity ratio, Shareholder's investment return and valuation of the Company

In order to undertake additional road works projects on top of our present scale of operation and our current projects on hand, our Directors intend to apply approximately HK$63.7 million, representing 67.4% of the net proceeds from the Global Offering based on the mid-point of the Offer Price range for the acquisition of a property of approximately 100,000 sq.ft. which is used for (i) our ancillary office; (ii) dormitory for our foreign workers; (iii) workshop to prepare asphalt premix for our own usage; and (iv) our machinery warehouse, at the end of 2017 (subject to the Listing Date). By utilising the net proceeds to acquire the property, due to limited funds, our Group may have to give up other available investment option that could yield higher investment returns. With the new capital from the Global Offering which will enlarge our equity base, the return on equity ratio will likely be adversely affected following the Listing given the profit or income contributed by the acquisition of the property will be minimal.

In addition, there is a risk that at the time of our purchase, the transacted price is at the peak of an industrial property market cycle, and subsequent downward adjustment of market price may be swift and substantial. In such a case, an impairment on the carrying amount of the property may be necessary and may result in a material adverse effect to our financial results. Further after the acquisition of the property, its carrying amount may represent a substantial proportion of our total assets and the depreciation of the value of the property may also adversely affect the valuation of our Company, which in turn will impair Shareholders' investment return.

Increased depreciation charge from additional capital expenditure on property and machinery could affect our financial performance

We intend to expand our operations by investing in property and machineries. Our Group currently intents to use approximately by HK$76.6 million (equivalent to approximately S$13.7 million) of the net proceeds from the Global Offering (based on the mid-point of the indicative Offer Price range) to purchase property and machineries. For more details, please refer to the section headed "Future plans and use of proceeds" in this prospectus. Such property and machineries may increase our depreciation expenses, and may therefore adversely affect our Group's future results of operations and financial expense performance. Upon completion of our expansion plan, the depreciation in respect of the purchase and renovation of property and machineries would increase. Furthermore, if there is any unexpected requirement for the acquisition of property and additional machineries, it would have a negative impact on the cash level of our Group and the additional depreciation expenses may adversely affect our Group's financial performance in the future.

Our Group is exposed to environmental liability

Our Group's business operations are subject to environmental laws and regulations pursuant to the laws of Singapore in respect of air pollution control, construction waste management, general housekeeping and vector control, noise monitoring and control, resource conservation and storage of hazardous chemicals. In the event that our Group fails to comply with these environmental laws and regulations, delays may happen in the progress of our Group's projects, leading to a negative impact on our Group's public image and reputation. This could adversely affect our Group's business operations and financial performance. In addition, any violation of the relevant laws and regulations may lead to substantial fines, clean-up costs and environmental liabilities or even suspension of operations that could materially and adversely affect the operating results and prospects of our Group.

For further information and more detailed discussion of these laws, regulations and standards, please refer to the section headed "Regulatory overview" in this prospectus.

We cannot assure that our safety measures and procedures implemented on work sites could prevent occurrence of accidents which may result in personal injuries, property damages or fatal accident

We have adopted certain work safety measures and procedures for our staff and subcontractors' staff. Please refer to the section headed "Business – Workplace safety and health policy" in this prospectus for further details.

Due to our business nature, all the staff on work sites may be exposed to work environment exposing to property damages or fatal accidents. We cannot assure that our safety measures and procedures are properly implemented, nor such measures and procedures can prevent occurrence of accidents. If accidents occur in our work site, we may be exposed to claims and litigations. These would adversely affect our operations and financial results.

Our customers pay us by way of progress payment and hold retention money, and there is no guarantee that progress payment is paid to us on time and in full, or that retention money is fully released to us after the expiry of the defect liability period

Generally, we receive progress payment from our customers on a monthly basis, based on a payment application we submit to them. Once the customer is satisfied with our application, a payment certificate will be issued to us and the payment will be made accordingly. In line with industry practice, there is generally a contract term for our customer to secure our Group's due performance by holding up retention money from the progress payment. Our customers will usually retain up to 10% of each interim payment and up to a maximum limit of 5% of the contract sum as retention money for the project. In general, the retention money will be released to us after expiry of the defect liability period subject to the confirmation from the project architect regarding satisfaction with our works.

There can be no assurance that the progress payment is paid to us on time and in full, or the retention money or any future retention money will be released by our customers to us on a timely basis and in full. Any failure by our customers to make remittance on time and in full may have an adverse effect on our future liquidity position.

Our tax burden may increase and our income may decrease as a result of loss or suspension of tax benefits, changes in tax policies and/or government grants of the Singapore government

The Singapore government introduced various tax benefits and government grants with reasons ranging from encouraging companies to undertake improvements in productivity and innovation to helping companies cope with the economic uncertainty. Our Group has been eligible for these tax rebates such as Corporate Income Tax rebate (the "**CIT Rebate**"), tax concessions and government grants including Productivity and Innovation Credit Scheme (the "**PIC Scheme**"), Wage Credit Scheme, Special Employment Credit Scheme and Temporary Employment Credit during the Track Record Period. These tax policies and government grants may be changed from time to time. For example, the CIT Rebate will be extended to year of assessment 2018 at a reduced rate of 20% from the rate of 50% in 2017, while under the PIC scheme, our Group's qualifying expenditure enjoyed a cash payout conversion rate of 40% to 60% during the Track Record Period but after the year of assessment 2018, the equivalent qualifying expenditure incurred will not be eligible for the cash payout. The loss or suspension of these tax benefits and/or changes in tax policies or government grants of the Singapore government may significantly increase the tax rate on our revenues, thereby materially and adversely affecting our business, financial position, results of operations and prospects.

RISKS RELATING TO OUR INDUSTRY

A cyclical fluctuation in the Singapore market, in particularly the civil engineering industry, will affect our financial performance

During the Track Record Period, our revenue was derived primarily from projects in Singapore. Any unforeseen circumstances, such as natural disasters in Singapore, recession in Singapore economy and any other incidents happening in Singapore may adversely affect our business, prospects, financial conditions and results of operations.

Our Group is dependent on the civil engineering industry in Singapore, which is subject to cyclical and seasonal fluctuations. A downturn in the Singapore construction industry is likely to have an adverse impact on our business and profitability arising from the possibility of postponement and delay or cancellation of construction projects.

A reduction in new civil engineering projects could materially affect our financial performance

Our Group is highly dependent on new civil engineering projects involving new road construction, road widening, construction of road-related facilities and road maintenance works. They are partly affected by the general economic conditions, construction industry and factors which are beyond our control. Fewer available projects will result in more intense competition and a downturn in our industry may lead to tighter liquidity and delay and/or cancellation of projects. Should the economic and commercial conditions reduce the pipeline of new civil engineering projects, our financial performance will be adversely affected.

The civil engineering industry which we operate in is highly competitive

The civil engineering industry in which we operate in is highly competitive, with many competitors and some of whom may have more manpower, resources, licences and qualifications and brand names. Due to the large number of competitors, we face significant downward pricing pressure and thereby reducing our profit margins. If we cannot adapt effectively to market conditions and customer preferences or otherwise fail to provide a competitive bid as compared to our competitors, our services may not be attractive to customers and our profitability may be materially and adversely affected. Our competitors may also adopt aggressive pricing policies or develop relationships with our customers in a manner that could significantly harm our ability to secure contracts. We may also compete in other areas including for services of subcontractors and qualified employees. If we cannot attract their services or are unable to compete in such other areas, our business, financial condition, results of operations and prospects may be materially and adversely affected.

The operations of construction companies in Singapore are subject to compliance with a number of regulatory requirements and such compliance may affect our operating costs and profitability

Our operations are required to comply with various safety, employee protection and environmental protection laws, regulations and requirements in Singapore, as summarised in the section headed "Regulatory overview" in this prospectus. In the event that our Group fails to meet them, we may be subject to fines or required to take remedial measures or they may affect our ability to obtain new projects.

Please refer to the sections headed "Business – Workplace safety and health policy" and "Business – Environmental compliance" in this prospectus for further information. If any of these events occurs, it may adversely affect our reputation, business, financial condition and results of operations. Additionally, there is no guarantee that regulatory requirements applicable to our operation will not change in the future. For instance, there was an increase in the FWL as discussed in the paragraph headed "Risks relating to our business – Majority of our workforce is made up of foreign workers and inability to obtain foreign workers could materially affect our operations and financial performance" in this section above. Any changes in such requirements may result in our Group incurring additional costs to comply which may increase our operating costs and adversely affect our profitability.

OTHER RELEVANT RISKS

There has been no prior public market for our Shares, thus an active or liquid trading market for the Shares may not develop and the trading price of our Shares may be volatile

Our Shares have not been listed or quoted on any stock exchange or open market prior to the Global Offering. There is no assurance that there will be an active trading market for our Shares on the Stock Exchange upon the Listing. In addition, the market price of our Shares to be traded on the Stock Exchange may differ from the Offer Price and prospective investors should not treat the Offer Price as an indicator of the market price of our Shares to be traded on the Stock Exchange.

Upon the Listing, the trading volume and the market price of our Shares may be affected or influenced by a number of factors from time to time, including but not limited to, our revenue, profit and cash flow, our investment, changes in our management and general economic condition. There is no assurance that such factors will not occur and it is difficult to quantify their impact on the trading volume and the market price of our Shares.

Prospective investors of our Shares may experience immediate dilution upon the Listing and further dilution if our Company issues additional Shares in the future

The Offer Price is expected to be higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, prospective investors of our Shares may experience immediate dilution in the pro forma net tangible asset value per Share.

For the purpose of business expansion, our Directors may consider offering and issuing new Shares or equity-linked securities in the future. Prospective investors of our Shares may experience further dilution in the net tangible assets value per Share if our Company offers or issues new Shares at a price lower than the then net tangible assets value per Share.

Issue of new Shares under the Share Option Scheme may decrease our Shareholders' value of investment

We have conditionally adopted the Share Option Scheme, the principal terms of which are set out in the section headed "D. Share Option Scheme" in Appendix V in this prospectus. Following the grant of any option under the Share Option Scheme in the future and the issue of new Shares upon the exercise of any option which may be granted under the Share Option Scheme, there will be a dilution or reduction in shareholding of our then Shareholders and it may also result in a dilution or reduction in the earnings per Share or net asset value per Share.

Sales or perceived sales of substantial amounts of our Shares in the public market by our Controlling Shareholders after the Listing could adversely affect the prevailing market price of the Shares

The Shares beneficially owned by our Controlling Shareholders are subject to certain lock-up periods, details of which are set out in the sections headed "Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offering – Undertakings by our Controlling Shareholders to the Stock Exchange, Undertakings by our Controlling Shareholders to the Company and undertakings by our Controlling Shareholders to the Joint Global Coordinators pursuant to the Hong Kong Underwriting Agreement" in this prospectus. There is no assurance that our Controlling Shareholders, whose interests may be different from those of our other Shareholders, will not dispose of their Shares following the expiration of the lock-up periods. Sales of substantial amounts of our Shares in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our Shares.

As the payment and the amount of any future dividend will be at the discretion of our Board, historical dividend payments should not be regarded as an indication of our future dividend policy

Following completion of the Global Offering, our Shareholders will be entitled to receive dividends only when declared by our Board. The payment and the amount of any future dividend will be at the discretion of our Board and will depend on, among others, our earnings, financial condition, cash requirement and availability, and other factors as our Directors may deem relevant. As such factors and the payment of dividends are at the discretion of our Board which reserves the right to change its plan on the payment of dividends, there can be no assurance that any particular dividend amount, or any dividend at all, will be declared and paid in the future. Prospective investors should note that historical dividend payments should not be regarded as an indication of our future dividend policy.

In preparation for the Global Offering, our Company has sought the following waiver from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. The principal business operations and office of our Group are primarily located, managed and conducted in Singapore, and our senior management members are and will therefore continue to be based in Singapore. For the purpose of the proposed Listing, the Company will establish a principal place of business in Hong Kong and register as a non-Hong Kong company under Part 16 of the Companies Ordinance before the Listing. However, all the executive Directors are not Hong Kong residents or not based in Hong Kong. Our Company does not and will not in the foreseeable future have two executive Directors residing in Hong Kong for the purposes of satisfying the requirement under Rule 8.12 of the Listing Rules.

As a result, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules, on the following conditions to ensure that regular communication is maintained between the Stock Exchange and our Company:

1. our Company will appoint two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company's principal channel of communication with the Stock Exchange. Our Company will appoint Ms. Cheng Florence Ga Sui, the company secretary of our Company, who is ordinarily resident in Hong Kong, and Ms. Tan, an executive Director, as the two authorised representatives of our Company. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by their respective mobile phone number, office phone number, e-mail address and facsimile number. Each of the two authorised representatives has been duly authorised to communicate on our behalf with the Stock Exchange;

2. both of the authorised representatives of our Company will have means to contact all members of the Board (including the independent non-executive Directors) and of the senior management team promptly at all times as and when the Stock Exchange wishes to contact our Directors and senior management team for any matters;

3. to enhance the communication between the Stock Exchange, the authorised representatives and the Directors, our Company will implement a policy whereby (a) each executive Director will have to provide his respective mobile phone numbers, office phone numbers, fax numbers and email addresses to the authorised representatives; (b) each executive Director will endeavour to provide valid phone number or means of communication to the authorised representatives when he is traveling; and (c) each Director will provide his mobile phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange;

4. our Company shall promptly inform the Stock Exchange of any changes on the authorised representatives and/or the compliance adviser in accordance with the requirements of the Listing Rules;

5. our Company will appoint a compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will have access at all times to our authorised representatives, Directors and senior management to ensure that they are in a position to provide prompt responses to any query or request from the Stock Exchange in respect of our Company and will act as an additional channel of communication with the Stock Exchange for a period commencing on the Listing Date and ending on the date on which our Company distributes the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules; and

6. each of the Directors (including the independent non-executive Directors) who is not ordinarily resident in Hong Kong possesses or is able to apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time, when required.

The following information is provided for guidance only. Prospective applicants 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 should inform themselves as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable laws in the countries of their respective citizenship, residence and domicile.

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 Listing Rules for the purpose of giving information about our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

The Global Offering is made solely on the basis of the information contained and the representation made in this prospectus and the related Application Forms. No person is authorised in connection with the Global Offering to give any information or to make any representation not contained in this prospectus and the related Application Forms, and any information or representation not contained herein should not be relied upon as having been authorised by our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or affiliates of any of them or any other person or party involved in the Global Offering.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the related Application Forms contain the terms and conditions of the Hong Kong Public Offering.

The Listing is sponsored by Dakin Capital. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters and the International Placing is expected to be fully underwritten by the International Underwriters. The Global Offering is subject to our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. The Global Offering is managed by Joint Global Coordinators.

If, for any reason, the Offer Price is not agreed among our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse. For further information, please refer to the section headed "Underwriting" in this prospectus.

RESTRICTIONS ON SALE OF OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an 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 securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

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

Each person acquiring the Offer Shares will be required to, or be deemed by his acquisition of the Offer Shares, to confirm, that he is aware of the restrictions on offer and sale of the Offer Shares described in this prospectus and that he is not acquiring, and has not been offered, any Offer Shares in circumstances that contravene any such restrictions.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

Our Company has applied to the Listing Committee for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalisation Issue and the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option and 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 proposed to be sought in the near future.

REGISTER OF MEMBERS AND STAMP DUTY

All Offer Shares sold pursuant to applications made in the Hong Kong Public Offering will be registered on our Company's branch register of members to be maintained in Hong Kong. Our Company's principal register of members will be maintained by our Company's principal share registrar in the Cayman Islands.

Dealings in the Offer Shares registered in the register of members of our Company maintained 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 our Shareholders listed on our Company's Hong Kong branch register of members to be maintained in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder or if joint Shareholders, to the first-named Shareholder therein in accordance with the Articles.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and dealing in the Offer Shares. None of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposition of the Offer Shares.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for the Hong Kong Offer Shares is set out in the section headed "How to apply for the Hong Kong Offer Shares" in this prospectus and on the related Application Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure and conditions of the Global Offering" in this prospectus.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in our Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Wednesday, 15 November 2017. Shares will be traded in board lots of 5,000 Shares each.

The stock code of our Shares is 1706.

CURRENCY TRANSLATIONS

Unless the context requires otherwise, translation of S$ into HK$ is made in this prospectus, for illustration purpose only, at the rates of S$1.0 = HK$5.58. No representation is made that any amount in S$ or HK$ could have been or could be converted at the above rate or at any other rate or at all.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus and related Application Forms, the English version of this prospectus and related Application Forms shall prevail. Names of any laws and regulations, governmental authorities, institutions, nature persons or other entities 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.

ROUNDING

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

OFFER SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on the Stock Exchange as well as the compliance with the stock admission requirements of HKSCC, the Offer 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 on 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.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional party for details of these settlement arrangements and how such arrangements will affect their rights and interests.

OVER-ALLOTMENT AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and stabilisation are set out in the section headed "Structure and conditions of the Global Offering" in this prospectus.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. Tan Chai Ling	412B Fernvale Link #18-33 Singapore 792412	Singaporean
Ms. Alynda Tan Hue Hong	119 Seletar Hills Drive Singapore 807133	Singaporean
Ms. Chong Sook Fern	412B Fernvale Link #18-33 Singapore 792412	Singaporean
Independent non-executive Directors		
Mr. Siu Man Ho Simon	Flat A, 11/F, Tower 5 One Beacon Hill 1 Beacon Hill Road Kowloon Tong Kowloon Hong Kong	Chinese
Prof. Pong Kam Keung	Flat E, 13/F Block 29 6 East Laguna Street Laguna City Cha Kwo Ling Kowloon Hong Kong	Chinese
Mr. Yau Chung Hang	Flat F, 49/F Tower 7 Central Park Towers II Tin Shui Wai New Territories Hong Kong	Chinese

Please refer to the section headed "Directors and senior management" in this prospectus for further details of our Directors and senior management members.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	Dakin Capital Limited *A licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity (as defined in the SFO)* Room 2701 Admiralty Centre, Tower 1 18 Harcourt Road Admiralty Hong Kong
Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers	China-Hong Kong Link Securities Company Limited *A licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activity (as defined in the SFO)* 19/F 80 Gloucester Road Wanchai Hong Kong Dakin Securities Limited *A licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 2 (dealing in future contracts) regulated activities (as defined in the SFO)* Room 2701 Admiralty Centre, Tower 1 18 Harcourt Road Admiralty Hong Kong
Hong Kong Underwriters	China-Hong Kong Link Securities Company Limited *A licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activity (as defined in the SFO)* 19/F 80 Gloucester Road Wanchai Hong Kong Dakin Securities Limited *A licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 2 (dealing in future contracts) regulated activities (as defined in the SFO)* Room 2701 Admiralty Centre, Tower 1 18 Harcourt Road Admiralty Hong Kong

Legal advisers to our Company	*as to Singapore law:* Colin Ng & Partners LLP 600 North Bridge Road #13-01 Parkview Square Singapore 188778 *as to Hong Kong law:* CFN Lawyers in association with BROAD & BRIGHT 27th Floor, Neich Tower 128 Gloucester Road Wanchai Hong Kong *as to Cayman Islands law:* Conyers Dill & Pearman Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Legal advisers to the Sole Sponsor and the Underwriters	*as to Hong Kong law:* Benny Pang & Co 27/F, 100QRC 100 Queen's Road Central Central Hong Kong
Reporting accountants	Deloitte Touche Tohmatsu *Certified Public Accountants* 35th Floor, 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	Roma Appraisals Limited 22/F China Overseas Building 139 Hennessy Road Wanchai Hong Kong
Independent Market Consultant	Ipsos Pte. Ltd. 3 Killiney Road #05-01 Winsland House 1 Singapore 239519
Compliance adviser	Dakin Capital Limited *A licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity (as defined in the SFO)* Room 2701 Admiralty Centre, Tower 1 18 Harcourt Road Admiralty Hong Kong
Receiving bank	DBS Bank (Hong Kong) Limited 16/F, The Center 99 Queen's Road Central Hong Kong

Registered office in the Cayman Islands	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Singapore	No. 4 Sungei Kadut Street 2 Sungei Kadut Industrial Estate Singapore 729226
Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Unit B, 17/F United Centre 95 Queensway Hong Kong
Company's website	**www.shuangyunholdings.com** *(Note: information on the website does not form part of this prospectus)*
Company secretary	Ms. Cheng Florence Ga Sui *HKICS* Flat E 32/F Tung Shing Terrace 39 Bridges Street Mid-levels HK
Authorised representatives	Ms. Alynda Tan Hue Hong 119 Seletar Hills Drive Singapore 807133 Ms. Cheng Florence Ga Sui Flat E 32/F Tung Shing Terrace 39 Bridges Street Mid-levels HK
Audit Committee	Mr. Yau Chung Hang *(Chairman)* Prof. Pong Kam Keung Mr. Siu Man Ho Simon
Remuneration Committee	Mr. Yau Chung Hang *(Chairman)* Mr. Tan Chai Ling Mr. Siu Man Ho Simon

Nomination Committee	Mr. Tan Chai Ling *(Chairman)* Mr. Yau Chung Hang Prof. Pong Kam Keung
Principal share registrar and transfer office	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited Robinson Road PO Box 896 Singapore 901746 DBS Bank Ltd 12 Marina Boulevard, Level 43 DBS Asia Central@ Manna Bay Financial Centre Tower 3 Singapore 018982 Malayan Banking Berhad Textile Centre Business Centre 200 Jalan Sultan #01-02 Textile Centre Singapore 199018

The data and information presented in this section and elsewhere in this prospectus, unless otherwise indicated, is derived from various official government publications and other publications and from the market research report prepared by Ipsos, which was commissioned by us. Our Directors believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information and statistics. Our Company and the Sole Sponsor have no reason to believe that such information or statistics is false or misleading in any material respect of that any fact has been omitted that would render such information or statistics false or misleading in any material respect. However, such information and statistics have not been independently verified by our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, their respective directors and officers or any other parties involved in the Global Offering. No representation is given as to the accuracy or completeness of such information and statistics.

THE IPSOS REPORT

We commissioned Ipsos, an independent market research consulting firm, to conduct an analysis of, and to report on, the civil engineering and road works industry in Singapore. A total fee of S$69,550 was charged by Ipsos for the preparation of the Ipsos Report. The Ipsos Report has been prepared by Ipsos independent of our Group's influence. Except as otherwise noted, the information and statistics set forth in this section have been extracted from the Ipsos Report. The payment of such amount was not conditional on our Group's successful listing or on the results of the Ipsos Report.

Ipsos has been engaged in a number of market assessment projects in connection with initial public offerings in Hong Kong. Ipsos is part of a group of companies which employs approximately 16,600 personnel worldwide across 88 countries. Ipsos conducts research on market profiles, market sizes and market shares and performs segmentation analysis, distribution and value analysis, competitor tracking and corporate intelligence.

The Ipsos Report includes information on the civil engineering and road works industry in Singapore. The information contained in the Ipsos Report is derived by means of data and intelligence gathering which include: (i) desktop research; and (ii) primary research, including interviews with leading industry participants, key stakeholders and industry experts in Singapore, etc.

Information gathered by Ipsos has been analysed, assessed and validated using Ipsos in-house analysis models and techniques. According to Ipsos, this methodology ensures a full circle and multilevel information sourcing process, where information gathered can be cross-referenced to ensure accuracy.

All statistics are based on information available as at the date of the Ipsos Report. Other sources of information, including government, trade associations or marketplace participants, may have provided some of the information on which the analysis or data is based.

Ipsos developed its estimates and forecasts on the following principal bases and assumptions:

(i) it is assumed that the global economy remains a steady growth across the forecast period; and

(ii) it is assumed that the social and political environments of Singapore will remain stable during the forecast period for the sustained development of civil engineering and road works industry.

OVERVIEW OF THE CIVIL ENGINEERING AND ROAD WORKS INDUSTRY IN SINGAPORE

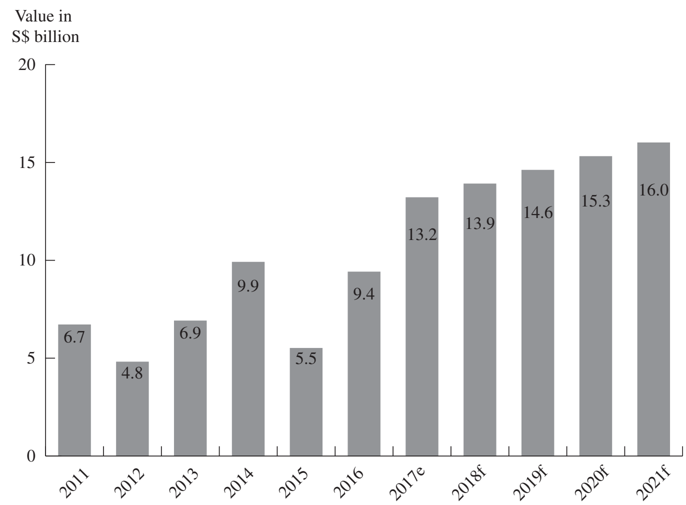
Civil engineering in Singapore

Civil engineering works include road and bridges, sewerage and drainages, mechanical and engineering works, and others such as earthworks, infrastructure works and utilities. From 2011 to 2016, the demand for civil engineering works by value of contracts awarded grew from approximately S$6.7 billion in 2011 to approximately S$9.4 billion in 2016, representing a CAGR of approximately 7.0%. This demand was substantiated by major infrastructure projects, which include several infrastructure contracts of the Thomson MRT Line, construction of new National Cancer Centre, State Courts' new building at Havelock Square, JTC's Integrated Logistics Hub, Public Utilities Board (PUB) water reclamation and sewerage projects, Changi Airport's 3-runway system (package 2), improvement works to the Kranji Expressway and Pan-Island Expressway. For details of our Group's participation in Singapore MRT projects, please refer to the section headed "Business – Competitive strengths" in this prospectus.

The public sector construction on average has been the main driver for the civil engineering construction works in Singapore from 2013 to 2016 and this trend is anticipated to increase further in 2017 and through 2018 with the Singapore government's announcement to bring forward S$700 million worth of public sector infrastructure projects. As such, by 2017, civil engineering construction demand by value of contracts awarded is expected to reach approximately S$13.2 billion.

To support Singapore's growing population, the Singapore government plans various infrastructure projects ahead to meet the future needs of its growing society. Some of these projects include (i) land expansion of more than 5,000 hectares to meet growing needs for land through reclamation from 2013 to 2030; (ii) expansion of railway network to curb car population and minimise traffic congestion; (iii) second phase of the Deep Tunnel Sewerage System (DTSS phase 2); and (iv) North-South Corridor. All of these projects require technical skills and civil engineering work, thus further boosting demand for civil engineering sector in Singapore. As such, construction demand for civil engineering works by value of contracts awarded is forecasted to grow at a CAGR of approximately 4.9% to reach at least S$16.0 billion by 2021.

Construction demand for civil engineering works by value of contracts awarded, 2011 – 2021f



Note 1: The letter "e" denotes estimated figure

Note 2: The letter "f" denotes forecast figures

Sources: Department of Statistics Singapore (SINGSTAT); Ipsos Analysis

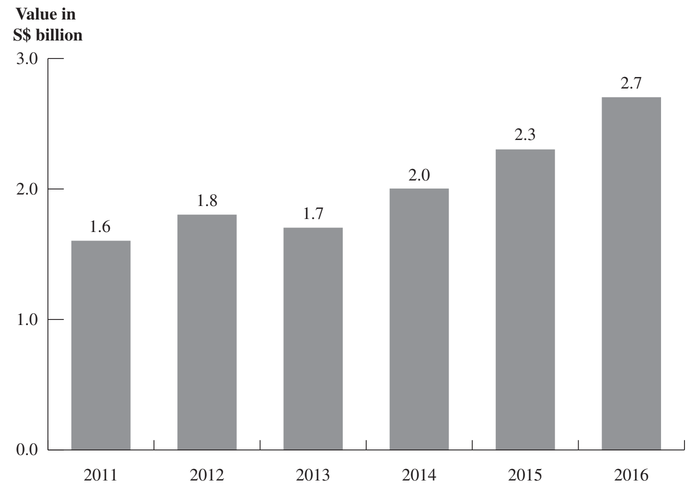
Road works in Singapore

Over the last five years, road development projects have been carefully planned to meet the increasing demand for mobility. These projects include (i) expressway developments; (ii) road construction activities; (iii) road maintenance activities; (iv) installation and enforcement of transport technology; (v) development of public transport facilities; and (vi) other facilities enhancement. In 2016, Singapore had approximately 9,310 lane-kilometres of public roads, all of which are paved and more than 1,000 lane-km expressways. This small yet developed network of roads is easy to maintain and thus is expected to play a vital role in ensuring transportation and road haulage continues to be prominent and accessible to support Singapore's growing population.

Total output by value of road works in Singapore

In 2011, the total output value of road works in Singapore was approximately S$1.6 billion. This value grew at a CAGR of approximately 11.0% from 2011 to 2016 to reach approximately S$2.7 billion, which is approximately 3.9% higher than the overall civil engineering output value growth for the same period.

Total output value of road works in Singapore, 2011 – 2016

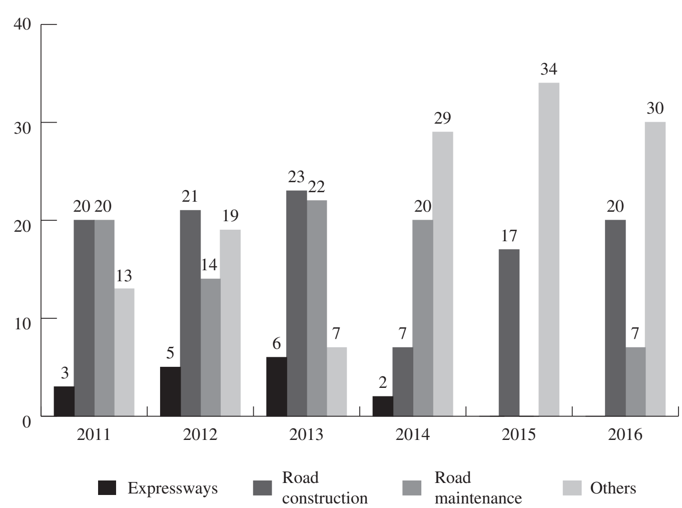


Sources: Ipsos secondary research; Ipsos analysis

Road works demand by value of road works projects awarded by the Land Transport Authority in Singapore (LTA)

In 2016, 57 road works projects were awarded for the construction, maintenance and development of road infrastructure by the LTA in Singapore. Of these, approximately 47.4% were projects related to the construction of new roads and maintenance of roads around the island. By the end of 2017, 30 road works projects are expected to be awarded by the LTA to continue to improve and increase Singapore's road network capacity.

Number of road works projects awarded by LTA, 2011 – 2016

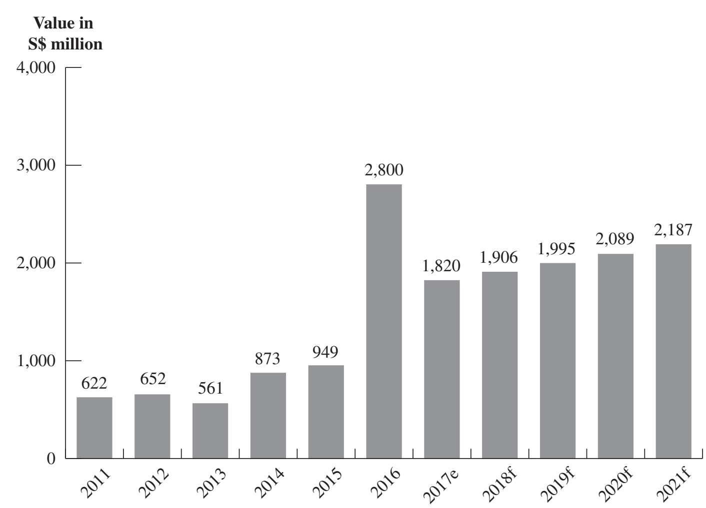


Note: Other road works projects include barrier accessibility, public transport related works, installation and enforcement of transport technology and other facilities enhancement which include projects such as provision of lifts to existing pedestrian overhead bridges, design and construction of cycling paths.

Sources: LTA; Ipsos analysis

From 2011 to 2015, the value of road works projects awarded grew from approximately S$622.0 million in 2011 to approximately S$949.0 million in 2015, representing a CAGR of approximately 11.1%. This demand was substantiated by major infrastructure projects awarded during this period which include improvement and reinstatement works to the Kranji Expressway, Pan-Island Expressway and North-South Expressway. The value of road works projects awarded surged in 2016 to approximately S$2.8 billion due to the subsequent rescheduling of several major infrastructure contracts from one year to another and the increase in the number of projects related to new road construction awarded for the same year. By the end of 2017, value of road-related projects awarded is expected to be approximately S$1.8 billion; of which the decrease is in line with the decreasing number of road works projects expected to be awarded by the LTA for the same year.

Value of road works projects awarded by LTA, 2011 – 2021f



Note 1: The letter "e" denotes estimated figure
Note 2: The letter "f" denotes forecast figures
Sources: LTA; Ipsos analysis

Although, building more roads in Singapore will be a challenge due to Singapore's land scarcity, road works projects are expected to progress in line with the expected overall developments in the civil engineering sector of the construction industry in Singapore. Planned infrastructure projects require technical skills, civil engineering work and proper connectivity and therefore progress for road works projects are expected to remain positive. As such, demand for civil road works by value of projects awarded is forecasted to grow at a CAGR of approximately 4.7% to reach approximately S$2.2 billion by 2021.

Cost of raw material prices in Singapore

In general, the main raw materials in the road works segment of the construction industry in Singapore consist of cement, concrete, granite, steel bars and asphalt premix. Prices for all raw materials recorded a negative CAGR over 2011 to 2016 with raw material prices used recorded lowest in 2016 compared to the last five years. This may be attributed to the slowing down of construction works in the country as well as the weakening of economic growth for the same period. Raw materials in Singapore are mostly imported, as such, the price of these raw materials are very much influenced by the dynamics of the global economy. For example, the price of steel bars saw a decline due to the changes in iron ore prices and the slowdown of the economy in China, as China is the main producer of steel bars globally. Other raw materials such as cement and concrete saw a decline due to the slowdown in demand in the country.

Road works raw material prices in Singapore, 2011 – 2016

	2011	**2012**	**2013**	**2014**	**2015**	**2016**
Cement in bulk *(S$/tonne)*	93.8	100.9	100.2	97.9	93.0	82.9
Steel bars *(S$/tonne)*	931.3	887.1	766.9	653.9	501.4	500.6
Granite *(S$/tonne)*	21.6	21.3	20.6	22.5	19.7	15.4
Ready Mix Concrete *(S$/$m^3$)*	109.0	110.2	106.9	111.2	99.5	85.0
Asphalt Premix *(S$/tonne)*	102.8	133.0	127.3	108.4	83.2	66.6

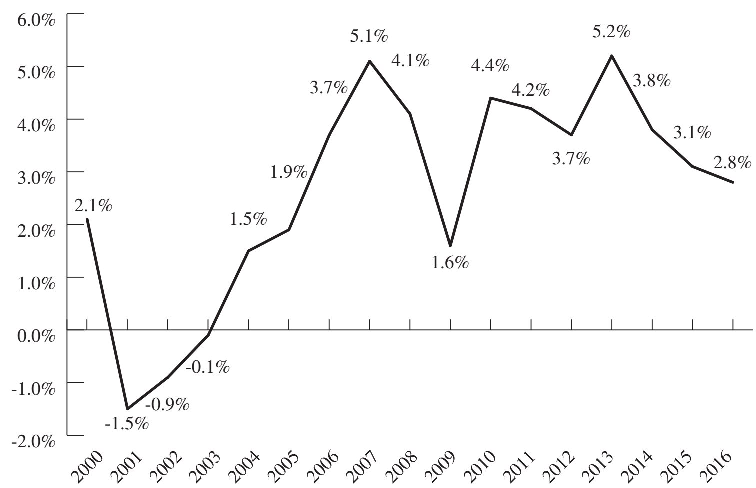
Sources: SINGSTAT; Ipsos analysis

Labour cost in the Singapore construction industry

Construction costs are on the rise and are mainly attributed to the shortage of labour. The construction industry in Singapore is relatively labour intensive, therefore labour shortage presents a weighty shift in the industry. Suitable construction workers are now more expensive as compensation will reflect labour shortage, cost of training will increase etc. This is depicted in the Unit Labour Cost (ULC) of construction index in Singapore, whereby the ULC of construction has risen at a CAGR of approximately 5.0% from 2011 to 2016. The ULC of construction in Singapore is expected to increase further as Singapore continues to face challenges to hire local workforce into the industry. In addition, as Singapore thrives to reduce its dependency on foreign workers, work permit quota and levy were amended over the years, adding further to the strain on the labour costs.

From year 2000 to 2015, total wage growth in the construction industry grew steadily and changes in annual wages were recorded at an average of approximately 2.62%. By the end of 2016, total wages further increased by approximately 2.8%.

% changes in annual wages in the Singapore construction industry, 2000 – 2016



Note: Figures are total wage changes from all employee levels for full-time Singapore Citizens and Singapore Permanent Resident employees in continuous employment of at least one year.

Sources: Ministry of Manpower Singapore (MOM); SINGSTAT

COMPETITIVE LANDSCAPE OF THE ROAD WORKS INDUSTRY IN SINGAPORE

Comparable competitors

In 2016, the total output value of road works in Singapore was estimated to value at approximately S$2.7 billion. For the same period, the company's revenue generated from its road works segment recorded approximately S$51.5 million. As such, the company's market share is estimated to be approximately 1.9% in this fragmented industry based on the Company's revenue by the end of 2016.

The market for the civil engineering and road works industry in Singapore is generally fragmented. From 2011 to 2016, more than 200 of civil engineering/road contractors were awarded road works projects by both private and public sectors in Singapore. As the total output value of road works in 2016 may include payments for contracts awarded in earlier years, all awarded contract companies during this period were taken into consideration and screened as comparable for market ranking purposes. The information relating to the financials of these businesses were limited with less than 15 companies noted to report their revenues to the latest financial year of 2016. Therefore, the top five road works contractors based upon reported revenues only accounted for approximately 8.7% of the market in industry value in 2016; with the Group ranking 2nd amongst these selected comparable companies.

Road works contractors in Singapore, 2016

Rank	Comparable competitors	Revenue S$ million	% Estimated market share	Products and services
1	Competitor i	59.9	2.2%	Products and services include manufacture of asphalt premix for road & runway pavements, road rehabilitation, trading of construction materials.
2	Our Group	51.5	1.9%	Products and services include: (i) road construction (i.e. new road construction, road widening, and construction of road-related facilities); (ii) construction ancillary services (e.g. road pavement and marking maintenance works and road upgrading services); and (iii) machinery rental services.
3	Competitor iii	48.2	1.8%	Infrastructure construction and maintenance works which include, pipeline rehabilitation and road construction and maintenance works.
4	Competitor iv	40.2	1.5%	This company specialises in civil and road works in Singapore.
5	Competitor v	34.6	1.3%	This company specialises in a full range of civil engineering works and road reinstatement works in Singapore.
	Others		91.3%	

Sources: Secondary research; Published reports; Ipsos interviews; Ipsos analysis

Notes:

1. *The above figures only provide an indication and are not considered directly comparable due to the following reasons: a) not all market players have the same financial year end; and b) not all companies carry out activities that are entirely similar to one another.*

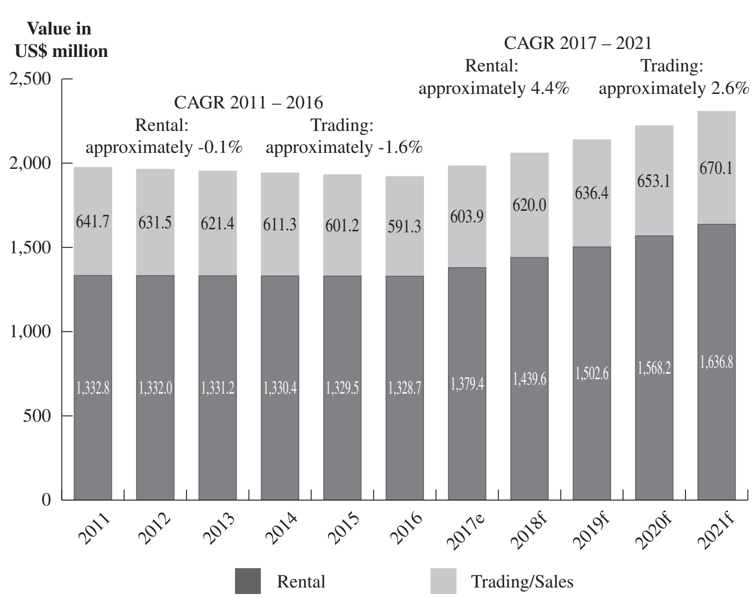
2. *The above list of companies is selected with reference to available published revenues only for year 2016, compiled based on Ipsos' assumptions, which are then subsequently ranked for the purpose of market ranking comparison only.*

3. *Revenues for 2016, are estimated based on the following assumptions: a) the estimated revenue for selected comparable companies above are values for domestic market only; b) the revenues of comparable companies above are computed with weightage assumptions based on Ipsos analysis, whereby a certain percentage of the selected company's total revenue is applied to represent road works business activities of the comparable company.*

OVERVIEW OF THE CONSTRUCTION MACHINERY MARKET IN SINGAPORE

The growth of Singapore's construction machinery market is largely influenced by the dynamics of the construction industry in the country. The construction machinery market in Singapore declined from approximately U$1,974.6 million in 2011 to approximately U$1,920.0 million, at a negative CAGR of approximately 0.6%. This decline was largely attributed to the decrease of construction projects awarded from 2011 to 2013 and rescheduling of major infrastructure projects from one year to another 2014 to 2016, resulting in lower construction machinery demand being captured. Construction industry demand in Singapore, however, is expected to pick up in 2017 and by the end of 2017, the construction machinery market is expected to grow in parallel to reach approximately U$1,983.2 million, with a year-on-year growth of approximately 3.3% from 2016. Beyond 2017, the construction machinery market in Singapore is forecasted to reach approximately U$2,306.9 million at a CAGR of approximately 3.9% from 2017 to 2021.

Construction machinery rental vs. trading market, Singapore, 2011 – 2021f



Note 1: The letter "e" denotes estimated figure
Note 2: The letter "f" denotes forecast figures

Sources: Ipsos secondary research; Ipsos analysis

The construction machinery rental market in Singapore accounted for close to approximately 70% of the total construction machinery market and was estimated to value at approximately U$1,328.7 million in 2016. This segment is forecasted to grow at a CAGR of approximately 4.4% beyond 2017 to reach approximately U$1,636.8 million by the end of 2021.

Number of construction machinery operators and assemblers in Singapore

The number of construction machinery operators and assemblers declined from an estimated number of 5,670 in 2011 to an estimated number of 5,320 in 2016, at a negative CAGR of approximately 1.3%. This decline was in line with the overall decline of the construction machinery market in Singapore, whereby the changes was largely attributed to the decrease of construction projects awarded from one year to another, resulting in lower construction machinery demand being captured. As the construction machinery market is forecasted to grow beyond 2017, the number of construction machinery operators is expected to grow in parallel to support the market. As such, the number of construction machinery operators is forecasted to grow at a similar CAGR of approximately 3.5% to reach more than 6,000 operators by 2021.

Average sale or rental price for construction machinery in Singapore

The sale or rental price for construction machinery in Singapore is influenced by the dynamics of the construction industry in Singapore. From 2011 to 2016, the construction industry (by value of contracts awarded) saw an overall decline, resulting in a lower construction machinery demand captured. With lower demand for construction machinery, a high proportion of construction machinery was available for sale or rental, and as such, the price of construction machinery decreased during the same period. The prices for construction machinery vary significantly from one machine to another, depending on models, tonnage capacities and functionalities. Thus, the average price for construction machinery is not ascertained in this segment.

COMPETITIVE LANDSCAPE OF THE CIVIL ENGINEERING AND ROAD WORKS INDUSTRY IN SINGAPORE

Market drivers

Singapore government's initiatives to increase overall population

Population size and urbanisation help spur growth and demand for infrastructure development as the number citizens and residents increases over time. A country that is highly urbanised is also typically a good platform to spur demand, as urban areas are typically densely populated and demand for housing and proper infrastructure is crucial to achieving expected quality of life. This would drive demand for infrastructure projects, which will in turn provide opportunities for construction activities, thus driving the growth of civil engineering and road-related works indirectly in Singapore.

Expected growth in construction activities

Over the last decade, construction developments have been progressively planned and implemented in Singapore to not only accommodate the growing population and needs of the Singapore community but to also sharpen Singapore's competitive advantage in terms of infrastructure developments. Developments such as new public housing construction, redevelopments of commercial buildings, industrial projects and developments of mega civil engineering projects are all set to encourage the growth of the Singapore construction industry. In addition, the Singapore Government has also announced to bring forward S$700 million worth of public sector infrastructure projects to start in 2017 and through 2018, which encourage the growth of the construction industry.

In 2017, construction demand is expected to be higher largely driven by construction demand the public sector. Key projects in Singapore's construction industry pipeline for 2017 include (i) civil engineering projects such as the second phase of the Deep Tunnel Sewerage System (DTSS phase 2), North-South Corridor and Circle Line 6; (ii) residential projects such as projects for new public housing construction, continuous upgrading of Housing and Development Board flats and upcoming condominium projects on various government land sites; (iii) commercial projects such as redevelopments of commercial building such as the Funan DigitaLife Mall and Central Provident Fund (CPF) building; and (iv) industrial projects such as the development of JTC's Logistic Hub. All of these projects require technical skills and civil engineering work and proper connectivity, thus further boosting demand for civil engineering and road works in Singapore.

Entry barriers

Proven track record and relationship with customers

Civil engineering or road works contractors with years of experience, building reliable and skilled construction workforce are capable of handling large civil engineering or road works construction projects. Such networks and skilled workforce grew over the years with significant investments and management. Newer industry players will have to compete against industry players who have mature company setup and networks and will likely not be able to develop solid building experiences in a short period.

Large capital investment required to be competitive with the current industry players

Established market players over the years have invested significantly in their fleet of machinery/equipment and their workers to sustain existing operations and initiate new ones. Newer industry players will less likely have the proper infrastructure, machinery/equipment, setup and adequate investments in place to compete with the current established civil engineering or road works contractors and will find it difficult to procure contracts with potential customers in the industry.

Possession of a sizeable pool of trained operators and construction equipment

New entrants to the civil engineering or road works market may not be able to attract and retain a sizeable pool of skilled workers and construction equipment to cater for the different requirements of customers. As a result, those new entrants may find it difficult to meet the different needs and requirements of their potential customers due to the limitation in equipment available and services rendered or lack of trained/experienced on-site workers. As such, new entrants to the civil engineering or road works market may face difficulties in staying relevant in the industry or to gain confidence from potential customers if they do not have a sizeable selection of equipment or services rendered for customers to consider.

Market opportunities

Economic development and diversification

Singapore is encouraging economic diversification in areas such as medical sciences and financial services to attract investments into the country. As these industries grow, demand for proper infrastructure, connectivity and housing facilities will increase in tandem thus creating opportunities for civil engineering and road works in the country. Opportunities remain positive at large as the government is continuously structuring and developing plans to promote these new industrial areas.

Infrastructure developments

Singapore over the years has placed high importance in structuring and developing the right infrastructure and housing plans to strengthen and enhance Singapore's connectivity and quality of life for its citizens and residents. Structured and careful planning were implemented along the years covering all aspects such as water, land, industrial infrastructure and sustainable environment to ensure the country progresses and remains as one of the world's liveable cities. For the next few years, the construction industry of Singapore is expected to benefit from the country's development in a wide range of infrastructure projects, mostly from the significant government funding for road and rail networks improvements and housing enhancements. As such, opportunities for the civil engineering and road works remain positive.

Potential challenges

Regional competition

Although the construction industry in Singapore is one of the most structured and well-managed systems in the region, its position is subsequently threatened by the growth and entry of other civil engineering or road works companies from countries like China. As such, Singapore's construction companies/contractors are constantly adapting to competition not only from local but foreign companies at large.

Rising foreign worker levies

Based on the latest available information, the monthly rate of foreign worker levy for basic skilled workers under the construction sector has increased to S$700 effective from 1 July 2017 (subject to changes as and when announced by the Singapore government). Rising foreign worker levy will increase civil engineering or road works contractors' costs of operations and will therefore be one of the challenges faced by the industry as the profit margin of the civil engineering or road works contractors will be negatively affected if such increased costs cannot be passed onto their customers.

RELIABILITY OF INFORMATION IN THE IPSOS REPORT

Our Directors confirmed that, as at the Latest Practicable Date, to the best of their knowledge, after taking reasonable care, there is no adverse change in the market information since the date of the Ipsos Report or the date of the relevant data contained in the Ipsos Report which may qualify, contradict or have an impact on the information in this section.

LICENSING REGIME FOR CONTRACTORS IN SINGAPORE

We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations and the relevant bodies in Singapore. Details of these laws and regulations are set out in this section.

Overview

The building and construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore's building and construction industry. The Building Control Act and its subsidiary legislation set out the requirements for licensing of builders.

Contractors Registration System

Although business entities which are not registered with the BCA are not precluded from conducting business as contractors or suppliers outside the Singapore public sector, registration in the Contractors Registration System maintained by the BCA is a pre-requisite to tendering for projects in the Singapore public sector. At present, there are seven major categories of registration under the CRS:

(a) Construction (CW)

(b) Construction-Related (CR)

(c) Mechanical and Electrical (ME)

(d) Maintenance (MW)

(e) Trade Heads for sub-contractors (TR)

(f) Regulatory Workhead (RW) and

(g) Supply (SY).

Under these seven major categories, there is a further sub-classification of a total of 63 workheads. Each major category of registration under the CRS is also subject to six to seven financial grades ("Grades"). In order to qualify for a particular Grade, companies must satisfy the respective Grade requirements in terms of (i) financial capability (valid audited accounts, paid-up capital, net worth, etc); (ii) relevant technical personnel (full-time employed, recognised professional, technical qualifications, valid licences, etc); (iii) management certifications (Singapore Accreditation Council Accredited ISO 9000, ISO 14000, OHSAS 18000, etc.); and (iv) track record (valid projects with documentation proof, endorsed and assessed by clients).

The following tables set out the current registrations of our Group under different workheads in the CRS:

Entity	Workhead and description	Scope of Work	Grade[(1)]	Expiry Date
Double-Trans	CW01 General Building	(a) All types of building works in connection with any structure, being built or to be built, for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of more than two unrelated building trades and crafts. Such structure includes the construction of multi-storey car-parks, buildings for parks and playgrounds and other recreational works, industrial plants, and utility plants. (b) Addition and alteration works on buildings involving structural changes. (c) Installation of roofs.	C3	1 July 2020
	CW02 Civil Engineering	(a) Works involving concrete, masonry and steel in bridges, sewers, culverts, reservoirs, retaining walls, canals, drainage systems, underground structures, cutting and filling of embankment, river banks, excavation of deep trenches, scraping of sub-soil, surface drainage works, flexible pavement, rigid pavement or laterite roads, bus bays, open car-parks and related works such as kerbs and footways. (b) Works involving dredging in canal, river and offshore for the purpose of deepening and extraction of mineral or construction material. It also includes reclamation works. (c) Works involving marine piling and the construction of marine structures such as jetties, wharves, sea and river walls. The head does not cover the construction and fabrication of marine crafts, pontoons and oilrigs or any floating platform.	B1	1 July 2020
	CR07 Cable/Pipe Laying and Road Reinstatement	Installation of underground cables/pipes and the subsequent reinstatement of roads and other surfaces including detection of underground services.	L1	1 July 2020
	CR11 Signcraft Installation	Planning and installation of an integrated signposting system for complexes, airports, shopping centres. It includes the setting up of exhibition stands and signs along roads.	L1	1 July 2020

Entity	Workhead and description	Scope of Work	Grade(1)	Expiry Date
	CR14 Asphalt Works & Road Marking	Supply and laying of asphalt, marking and painting of roads. Applicants are required to have asphalt plant, vibratory roller and bituminous pavers.	L5	1 July 2020
Samco	CW01 General Building	(a) All types of building works in connection with any structure, being built or to be built, for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of more than two unrelated building trades and crafts. Such structure includes the construction of multi-storey car-parks, buildings for parks and playgrounds and other recreational works, industrial plants, and utility plants. (b) Addition and alteration works on buildings involving structural changes. (c) Installation of roofs.	C3	1 September 2019
	CW02 Civil Engineering	(a) Works involving concrete, masonry and steel in bridges, sewers, culverts, reservoirs, retaining walls, canals, drainage systems, underground structures, cutting and filling of embankment, river banks, excavation of deep trenches, scraping of sub-soil, surface drainage works, flexible pavement, rigid pavement or laterite roads, bus bays, open car-parks and related works such as kerbs and footways. (b) Works involving dredging in canal, river and offshore for the purpose of deepening and extraction of mineral or construction material. It also includes reclamation works. (c) Works involving marine piling and the construction of marine structures such as jetties, wharves, sea and river walls. The head does not cover the construction and fabrication of marine crafts, pontoons and oilrigs or any floating platform.	C1	1 September 2019
	CR07 Cable/Pipe Laying and Road Reinstatement	Installation of underground cables/pipes and the subsequent reinstatement of roads and other surfaces including detection of underground services.	L1	1 September 2019
	CR14 Asphalt Works & Road Marking	Supply and laying of asphalt, marking and painting of roads. Applicants are required to have asphalt plant, vibratory roller and bituminous pavers.	L5	1 September 2019

Note:

(1) The differences in the grades relate to the tendering limits for Singapore public sector projects, which may be adjusted from year to year depending on the economy of the construction industry in Singapore. For further details, please refer to the paragraph headed "Tendering limits for different grades under the CRS" in this section.

Tendering limits for different grades under the CRS

Tendering limits for different grades of major categories of registration under the CRS are as summarised below:

(i) For workheads CW01 and CW02

Grades	A1	A2	B1	B2	C1	C2	C3
Tendering limit (S$ million) From 1 July 2017 to 30 June 2018	Unlimited	85	40	13	4.0	1.3	0.65

(ii) For workheads CR07, CR11 and CR14

Grades	Single Grade	L6	L5	L4	L3	L2	L1
Tendering limit (S$ million) From 1 July 2017 to 30 June 2018	Unlimited	Unlimited	13	6.5	4.0	1.3	0.65

The qualified Grades of registered companies corresponds with a tendering limit (valid for one year) which, depending on the economy of the construction industry in Singapore, may be adjusted from year to year.

Registration and retention requirements

In order to apply for, maintain and renew the registrations under the CRS, there are different requirements to be complied with for different grades, including but not limited to requirements relating to minimum paid up capital and net worth, employment of personnel (including registrable professionals ("**RP**")[(1)], professionals ("**P**")[(2)] and technicians ("**T**")[(3)], and track record of past projects.

The validity for a first time registration is for a period of three years. Registration will thereafter lapse automatically unless a renewal (for a period of three years) is filed and approved by BCA.

Some of the specific requirements as at the Latest Practicable Date are as follows:

Workhead/Grade	Requirements	
CW01/Civil Engineering/C3	Minimum paid-up capital and minimum net worth	S$25,000
	Track Record (Past 3 years)	S$100,000
	Personnel	To employ at least 1 RP, P or T with BCCPE(4)
	Management & Development	N.A.
	Additional Requirements	To possess GB1 Licence or GB2 Licence
CW02/Civil Engineering/ B1 and C1	Minimum paid-up capital and minimum net worth	B1: S$3,000,000 C1: S$300,000
	Track Record (Past 3 years)	B1: To secure projects with an aggregate contract value of at least S$30 million with a minimum S$22.5 million from main contracts (nominated sub-contracts may be included) and a minimum single main contract or nominated sub-contract of S$7.5 million C1: To secure projects with an aggregate contract value of S$3,000,000
	Personnel	B1: To employ at least 6 RP, P or T, with a minimum of 2 RP and 1 RP/P/T with SDCP(5)/CCPP(6) C1: To employ at least 1RP or P and 1T with a minimum of 1RP, P or T with BCCPE
	Management & Development	B1: ISO 9001:2008 (SAC), ISO 14001, OHSAS 18001 and GGBS (by 1 Jan 2016) C1: BizSAFE Level 3 (7)/OHSAS 18000
	Additional Requirements	B1: To possess GB1 Licence or GB2 Licence C1: To posses GB1 Licence or GB2 Licence

Workhead/Grade	Requirements	
CR07/Cable/Pipe Laying and Road Reinstatement/L1 CR11/Signcraft Installation/L1	Minimum paid-up capital and minimum net worth	S$10,000
	Track Record (Past 3 years)	To secure projects with an aggregate contract value of at least S$100,000
	Personnel Management & Development	To employ at least 1 T with BCCPE
CR14/Asphalt Works & Road Marking/L5	Minimum paid-up capital and minimum net worth	S$500,000
	Track Record (Past 3 years)	To secure projects with an aggregate contract value of at least S$10 million of which minimum size single main contract or sub-contract of S$1 million
	Personnel Management & Development	To employ at least 1P or 2T, one with at least 8 years of relevant experience and at least 1 P or T with BCCPE

Notes:

(1) For the purpose of Workheads CW01 and CW02, a RP must have a minimum professional qualification with a degree in civil/structural, mechanical, electrical engineering recognized by the Professional Engineers Board (the "**PEB**") or the BCA, or in architecture recognised by the Board of Architects Singapore. For the purpose of Workheads CR07, CR11 and CR14, a RP must have a minimum professional qualification with a degree in civil/structural engineering recognized by PEB or BCA.

(2) For the purpose of Workheads CW01 and CW02, a P must have a minimum professional qualification with a recognised degree in civil/structural, mechanical, electrical engineering, architecture, building or equivalent. For the purpose of Workheads CR07, CR11 and CR14, a P must have a minimum professional qualification with a recognised degree in civil/structural, mechanical or electrical engineering, architecture, building or equivalent qualifications approved by BCA.

(3) For the purpose of Workheads CW01 and CW02, a T must have a minimum technical qualifications in (i) a diploma in civil/structural mechanical, electrical engineering, architecture, building or equivalent awarded by BCA Academy, Nanyang Polytechnic, Ngee Ann Polytechnic, Republic Polytechnic, Singapore Polytechnic or Temasek Polytechnic; (ii) a national certificate in construction supervision or advance national building qualification/specialist diploma in M&E Coordination awarded by BCA Academy; or (iii) such other diplomas or qualifications as approved by BCA from time to time. For the purpose of Workheads CR07, CR11 and CR14, a T must have a minimum technical qualification with a polytechnic diploma in civil/structural mechanical, electrical engineering, architecture, building or equivalent awarded by BCA Academy, Nanyang Polytechnic, Ngee Ann Polytechnic, Republic Polytechnic, Singapore Polytechnic, Temasek Polytechnic or such other diplomas or qualifications as approved by BCA from time to time.

(4) Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) ("BCCPE"). This certificate is obtained after having attended a course conducted by the BCA Academy. Should the director of a company be the only person in the company possessing a BCCPE, he cannot utilise the same BCCPE to satisfy the requirements for another company of which he is also part of.

(5) A Specialist Diploma in Construction Productivity ("SDCP") conducted by BCA Academy.

(6) A Certified Construction Productivity Professional ("CCPP") registered with the BCA.

(7) BizSAFE programme offered by the Workplace Safety and Health Council of Singapore

Government Supplier Registration

Business entities wishing to tender for the supply of goods or services to the public sector may be required to have a valid government supplier registration (commonly known as EPPU registration) as one of the evaluation criteria for the tender. The EPPU registration process serves as a form of assessing a supplier's financial capacity and other capabilities to undertake government contracts. Applicants for registration should ensure that the products/services which they are supplying fall within the supply head under which they wish to register. Registration under each supply head may be for a certain financial grade. The financial grade that an applicant may be eligible to register for is dependent on the applicant's net tangible asset and turnover/sales/revenue. A supplier's registered financial grade will determine the tendering capacity of the supplier, ranging from S$100,000 to unlimited value. The registration is valid for one and a half years to three years, depending on the financial statements submitted. Thereafter, registration will lapse automatically unless an application to renew is approved before the expiry date. Applications for renewal should be filed within 3 months before the expiry of the validity period of the registration.

The following table sets out the current registrations of our Group as a Singapore government supplier under the supply head EPU/LTE/10 for the supply of laboratory testing and survey equipment:

Entity	Financial grade	Date of expiry
Double-Trans	S10>S$30,000,000 (EPU S10)	4 January 2020
Samco	S8 S$10,000,000 (EPU S8)	3 January 2020

Builders Licensing Scheme

All builders carrying out building works where plans are required to be approved by the Commissioner of Building Control and builders who work in specialist areas which have a high impact on public safety will require a Builder's Licence. The requirement applies to both public and private construction projects. There are two types of Builder's Licences issued by the BCA under the Builders Licensing Scheme, namely, the General Builder Licence and the specialist builder licence.

Our Group currently holds the following Builders' Licences:

Entity	Licencing Code and Class	Description	Expiry Date
Double-Trans	GB1 General Builder Class 1	General building works excluding works that have been designated as specialist works to be carried out by a Specialist Builder	16 June 2018
Samco	GB1 General Builder Class 1	General building works excluding works that have been designated as specialist works to be carried out by a Specialist Builder	16 June 2018
	Specialist Builder (Pre-cast Concrete Work)	Pre-cast concrete work comprising fabrication of precast structural elements	31 October 2019

Mr. Toh Kok Weng Benjamin, our general manager, who has over 10 years of experience in the construction industry, is the approved person and technical controller of Double-Trans, whereas Ms. Chong Sook Fern, our Executive Director with more than 15 years of experience in the construction industry in Singapore, is the approved person and technical controller of Samco. Please refer to the section headed "Directors and senior management" in this prospectus for further details on the qualifications and experience of Mr. Toh Kok Weng Benjamin and Ms. Chong Sook Fern.

To qualify for the above Builders' Licences, the relevant entity must fulfil the following conditions:

Class of Builders' Licence	Financial (minimum paid-up capital)	Approved Person[1] Course	Approved Person[1] Practical Experience	Technical Controller[2] Course	Technical Controller[2] Practical Experience
GB1	S$300,000	A course leading to a Bachelor's degree or post-graduate degree in any field	At least 3 years (in aggregate) of practical experience in the execution of construction projects (whether in Singapore or elsewhere) after attaining the corresponding qualification	A course leading to a Bachelor's degree or post-graduate degree in a construction and construction-related fields	At least 5 years (in aggregate) of practical experience in the execution of construction projects (whether in Singapore or elsewhere) after attaining the corresponding qualification
		OR			
		A course leading to a diploma in a construction and construction-related fields	At least 5 years (in aggregate) of practical experience in the execution of construction projects (whether in Singapore or elsewhere) after attaining the corresponding qualification		
		OR			
		A course conducted by BCA known as Essential Knowledge in Construction Regulations & Management for Licensed Builders	At least 10 years (in aggregate) of practical experience in the execution of construction projects in Singapore		
Specialist Builder (Pre-cast Concrete Work)	S$25,000	A course leading to a diploma in a construction and construction-related fields, or a Bachelor's degree or post-graduate degree in any field	At least 3 years (in aggregate) of practical experience in the execution of construction projects (whether in Singapore or elsewhere) after attaining the corresponding qualification	A course leading to a Bachelor's degree or post-graduate degree in field of civil or structural engineering from a recognised institution	At least 5 years (in aggregate) of practical experience in the execution of specialist building works of that class (whether in Singapore or elsewhere) after attaining the corresponding qualifications
		OR			
		A course conducted by BCA known as Essential Knowledge in Construction Regulations & Management for Licensed Builders	At least 8 years (in aggregate) of practical experience in the execution of construction projects in Singapore		

Notes:

(1) The approved person is the appointed key personnel under whose take charge and direct the management of the business of the licensee, in so far it relates to general building works or specialist building works in Singapore, is to be at all times. The approved personnel shall be the sole-proprietor, partner, director or member of the board of management of the licensee. If an employee of the licensee is appointed as the approved person, he shall be employed in such a manner and with such similar duties and responsibilities as a director or member of its board of management. The approved person shall not have acted as an approved person or the technical controller of a licensee whose licence has been revoked in the 12 months preceding the date of application for the licence by the licensee. The approved person must not be acting, for so long as he is the approved person for the licensee, as a technical controller for any business entity except a sole proprietorship with a licence. The approved person must give his consent for carrying out the duties of an approved person for the licensee.

(2) The technical controller is the appointed key personnel under whose oversee the execution and performance of any general building works or specialist building works in Singapore that the licensee undertakes is carried out. The technical controller could be the sole proprietor, partner, director or member of board of management of the licensee or an employee (being a person employed in such a manner and with such similar duties and responsibilities as a partner, director or member of its board of management). The technical controller shall not have acted as an approved person or the technical controller of a builder whose licence has been revoked in the 12 months preceding the date of application for the licence by the licensee. The technical controller must not be acting, for so long as he is the technical controller for the licensee, as a technical controller for any business entity with a licence. The technical controller must give his consent to carrying out the duties of a technical controller for the license.

Employment Act

The Employment Act, Chapter 91 of Singapore (the "**Employment Act**") is the main legislation governing employment in Singapore. The Employment Act covers every employee who is under a contract of service with an employer and includes a workman (as defined under the Employment Act) but does not include, *inter alia*, any person employed in a managerial or executive position (subject to the exceptions set out below).

A workman is defined under the Employment Act as including, *inter alia*, (a) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any apprentice, (b) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work.

Part IV of the Employment Act contains provisions relating to, *inter alia*, working hours, overtime, rest days, holidays, annual leave, payment of retrenchment benefit, priority of retirement benefit, annual wage supplement and other conditions of work or service and apply to: (a) workmen earning basic monthly salaries of not more than S$4,500 and (b) employees (excluding workmen) earning basic monthly salaries of not more than S$2,500.

Paid public holidays and sick leave apply to all employees who are covered by the Employment Act regardless of salary levels.

Any person employed in a managerial or an executive position (who is generally not regarded as an employee under the Employment Act) who is in receipt of a salary not exceeding S$4,500 shall be regarded as an employee for the purposes of provisions in the Employment Act relating to, *inter alia*, payment and computation of salaries, powers of the Commissioner for Labour in relation to claims, complaints and investigations into offences under the Employment Act and procedures and regulations governing claims and offences under the Employment Act.

Following the amendments to the Employment Act in effect from 1 April 2016, all employers must issue key employment terms ("**KETs**") in writing to employees covered under the Employment Act. Such employees include employees who: (i) enter into a contract of service with the company on or after 1 April 2016; (ii) are covered by the Employment Act; and (iii) are employed for 14 days of more in relation to the length of contract (does not apply to number of days of work).

KETs include, *inter alia*, the full name of employer and employee, job title, duties and responsibilities, start date of employment, duration of employment, basic salary, fixed allowances, fixed deductions, rate of overtime pay, type of leave, medical benefits, probation period and notice period. KETs which are not applicable to specific employees may be excluded from their contracts.

Employment of foreign workers in Singapore

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

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 the 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:

- 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

- on a second or subsequent conviction:

- in the case of an individual, be punished 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

- in any other case, be punished with a fine not less than S$20,000 and not more than S$60,000.

The availability of foreign workers to the construction and/or manufacturing industry is also regulated by the MOM through, among others, the following policy instruments:

- a list of approved source countries;

- the imposition of security bonds and levies;

- dependency ceilings based on the ratio of local to foreign workers; and

- quotas based on the man year entitlements ("**MYE**") in respect of workers from non-traditional sources ("**NTS**") and the PRC.

Approved source countries – Construction sector

The approved source countries for construction workers are Malaysia, the PRC, NTS and North Asian sources ("**NAS**"). NTS countries include countries such as India, Sri Lanka, Thailand, Bangladesh, Myanmar and the Philippines. NAS countries include Hong Kong (holders of HKSAR passports), Macau, South Korea and Taiwan.

Construction companies should have prior approval ("**PA**") from the MOM to employ foreign workers from NTS countries and the PRC. The PA 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.

PAs are given based on the following factors:

(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 man-years allocated to the company (for main contractors) or the man-years directly allocated from the company's main contractor (for subcontractors); and

(iv) the remaining number of company's quota available.

All non-Malaysians must have the Skills Evaluation Certificate or Skills Evaluation Certificate (knowledge) to qualify as basic-skilled construction workers ("**Basic-Skilled Construction Workers**"). The Skills Evaluation Certificate ("**SEC**") and Skills Evaluation Certificate (Knowledge)("**SEC(K)**") schemes are initiatives by the Building and Construction Authority (BCA) to raise skills, productivity and safety in the construction sector. Foreign construction workers are required to fulfil the following requirements before they are allowed to work in Singapore:

Type of workers	**Requirements**
Workers from NTS, PRC	SEC or SEC(K)
Workers from NAS	SEC or SEC(K)
Workers from Malaysia	Sijil Pelajaran Malaysia or equivalent, SEC or SEC(K)

With regard to NTS and PRC construction workers, Basic-Skilled Construction Workers are allowed to work up to a maximum of 10 years, while higher skilled workers who have fulfilled the relevant experience and knowledge requirements ("**Higher-Skilled Construction 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.

In addition, for each individual's work permit, in-principle approvals have to be sought. Within two weeks of arrival, the foreign construction worker is required to undergo a medical examination by a doctor registered in Singapore and must pass such medical examination before a work permit can be issued to him.

All foreign workers in the construction sector must attend the Construction Safety Orientation Course ("**CSOC**") which is also known as the Apply Workplace Safety and Health in Construction Sites course. The CSOC is a two-day course conducted by various training centres accredited by MOM and obtain a valid CSOC Pass. The CSOC is to (i) ensure that construction workers are familiar with common safety requirements and health hazards in the industry; (ii) educate them on the required measures to prevent accidents and diseases; (iii) ensure that they are aware of their rights and responsibilities under Singapore employment law; and (iv) familiarise them with the use of personal protective equipment. Employers must ensure that the foreign workers attend the course within two weeks of their arrival in Singapore before their work permits can be issued. At the end of the course, the workers will receive a safety orientation pass if they pass its requirement or assessment.

Foreign workers who have failed the CSOC must retake the CSOC as soon as possible. Employers who fail to ensure that their workers take and pass the CSOC will be barred from applying for any new work permits for three months, while the affected workers will have their work permits revoked.

Security Bonds and Levies

In both the construction and manufacturing sectors, for each NAS, NTS or PRC construction worker whom we were successfully granted with a work permit, a security bond of S$5,000 in the form of a banker's guarantee or insurance guarantee is required to be furnished to the Controller of Work Passes under the Employment of Foreign Manpower Act. The security bond must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed. Malaysian workers are exempt from the above requirement of furnishing a security bond.

Employers in the construction sector are to pay the requisite levy according to the qualifications and skill levels of the foreign workers employee. The levy rates of work permit holders are as follows:

Type of Workers	Monthly	Daily
Malaysians and NAS – Higher Skilled	S$300	S$9.87
Malaysians and NAS – Basic Skilled	S$700	S$23.02
NTS and PRC – Higher-Skilled, on MYE	S$300	S$9.87
NTS and PRC – Basic-Skilled, on MYE	S$700	S$23.02
NTS and PRC – Higher-Skilled, MYE waiver	S$600	S$19.73
NTS and PRC – Basic-Skilled, MYE waiver	S$950	S$31.24

From 1 January 2017, companies must ensure that at least 10% of their construction work permit holders are Higher-Skilled Construction Workers before they can hire any new Basic-Skilled Construction Workers. Renewals, however, will not be affected. This is tracked based on a 12-week rolling average.

From 1 January 2018, firms that do not meet the minimum of 10% Higher-Skilled Construction Workers will not only not be able to hire new Basic-Skilled Construction Workers but will also not be able to renew the work permits of Basic-Skilled Construction Workers.

From 1 January 2019, firms that do not meet the minimum of 10% Higher-Skilled Construction Workers will not be able to hire or renew Basic-Skilled Construction Workers and will also have the work permits of any excess Basic-Skilled Construction Workers revoked.

Quota on Foreign Workers

The MOM imposes a quota on the number of foreign workers that an employer can hire and has published guidelines, updated as of 1 July 2017, on how this quota is calculated (the "**Guidelines**").

Based on the Guidelines, foreign workers include both S Pass holders and Work Permit holders, but exclude Employment Pass holders.

S Pass

The S Pass is for mid-skilled foreign employees who earn at least S$2,200 a month and meet the prescribed assessment criteria.

Work Permit

The Work Permit is for semi-skilled foreign workers, from approved source countries, working in the construction, manufacturing, marine shipyard, process or services sector.

Employment Permit

The Employment Pass is for qualified foreign professionals, who work in a managerial, executive or specialised job, and earn a fixed monthly salary of at least S$3,600.

Rules in Calculating Quota

Based on the Guidelines, the following rules (the "**Rules**") apply when calculating the applicable quota:

(i) the maximum number of foreign workers that an employer in the construction sector can hire is 7 times of the number of full-time local employees;

(ii) full-time local employees (the "**FTEs**") are defined as Singaporeans and Permanent Residents who earn at least S$1,100 per month;

(iii) part-time local employees are defined as Singaporeans and Permanent Residents who earn S$550 to below S$1,100 per month; and two part-time local employees count as one FTE; and

(iv) the quota for S Pass holders, in turn, is 20% of the total FTE and foreign worker workforce, and the number of S Pass holders is counted towards an employer's total quota for foreign workers.

MOM has also made available an online calculator (the "**MOM Quota Calculator**") to determine the number of S Pass holders and Work Permit holders that an employer can employ based on its designated number of FTEs. As advised by our Singapore legal adviser, all of our projects were in compliance with the applicable quota requirements during the Track Record Period and up to the Latest Practicable Date.

As at the Latest Practicable Date, Double-Trans had a total of 47 FTEs, Double-Trans may employ: (i) up to a maximum of 329 Work Permit holders, assuming that Double-Trans does not employ any S Pass holders; or (ii) up to a maximum of 75 S Pass holders, provided that the number of its Work Permit holders was at least 252 but no more than 254; while Samco has a total of 35 FTEs, Samco may employ (i) up to a maximum of 245 Work Permit holders, assuming that it does not employ any S Pass holders; or (ii) up to a maximum of 56 S Pass holders, provided that Samco employs at least 188 but no more than 189 Work Permit holders.

Based on the ability of each of Double-Trans and Samco to apply for or renew Work Permits and S Passes for its foreign workers during the Track Record Period and up to the Latest Practicable Date, as advised by our Singapore legal adviser, each of Double-Trans and Samco has complied with the applicable quota for foreign workers under the Guidelines, as application and renewal are performed online through a system administered by the MOM (which tracks the applicable quota) and which would not allow such application or renewal if the applicable quota had been reached.

MYE

NTS and PRC workers are subject to man-year entitlement (MYE) requirements. These workers may qualify for a waiver if they have at least 3 years of experience in the construction sector. MYE does not apply to Malaysian and NAS workers.

The MYE reflects the total number of Work Permit holders a main contractor is entitled to employ based on the value of projects or contracts awarded by developers or owners. It is allocated in the form of the number of "man-years" required to complete a project. All levels of subcontractors are required to obtain their MYE allocation from their main contractors. A main contractor's MYE will expire on the completion date of the relevant project, which can be extended if the completion date of the project is extended. Main contractors are not allowed to allocate their MYE to other contractors not involved in the same project or sell their MYE to any contractors.

MYE is used for the purposes of obtaining prior approval from the MOM for companies to employ foreign workers from NTS countries and the PRC. In certain situations, a company can obtain a waiver of MYE. The MYE waiver is meant to help the construction industry retain experienced and skilled workers. With the MYE waiver, a company can apply or renew the Work Permits of experienced foreign workers without the need for MYE. However, they will be subject to higher MYE-waiver levy rates.

To qualify for MYE waiver, the worker must have at least 3 years of construction experience in Singapore and the contractors must have a valid Building Construction Authority or Singapore List of Trade Subcontractors registration certification, and engage only in construction activities.

If the MYE allocated to a company has been fully utilised and assuming that no MYE waiver has been obtained, the MOM will not grant a company the necessary prior approval, and the company will not be able to employ foreign workers from NTS countries and the PRC.

As set out above, in the absence of an MYE waiver, a company that has utilised all its MYE allocation would not be able to obtain the necessary prior approval from MOM to employ foreign workers from NTS countries and the PRC. On that basis, as advised by our Singapore legal adviser, each of Double-Trans and Samco has complied with its allocated MYE during the Track Record Period and up to the Latest Practicable Date.

Other conditions of work permits which employers of foreign construction workers are also required to comply with include:

- ensuring that the foreign worker performs only those construction activities specified in the conditions;
- ensuring that the foreign worker is not sent to work for any other person;
- providing a safe working environment and acceptable accommodation for their foreign workers;
- insuring and maintaining workmen's compensation insurance in respect of the foreign worker; and

- purchasing and maintaining medical insurance with coverage of at least S$15,000 per 12-month period of the foreign worker's employment (or for such shorter period where the worker's period of employment is less than 12 months) for the foreign worker's in-patient care and day surgery except as the Controller of Work Passes may otherwise provide by notification in writing. Where the employer purchases group medical insurance policy for its foreign workers, the employer shall not be considered to have satisfied the obligation under this condition unless the terms of the employer's group medical insurance policy are such that each and every individual foreign worker is concurrently covered to the extent as required aforesaid.

Immigration Act

Pursuant to the Immigration Act, no person, other than a citizen of Singapore, shall enter or attempt to enter Singapore unless, *inter alia*, he is in possession of a valid pass lawfully issued to him to enter Singapore. Such valid pass would include, *inter alia*, a valid work pass issued by the Controller of Work Passes under the EFMA and the regulations issued pursuant to the EFMA, including *inter alia*, work permits (including a training work permit), S passes and employment passes. A work pass may be in the form of a card or in an endorsement made in the passport or other travel document of the work pass holder or in such other form as the Controller of Work Passes may determine.

Personal Data Protection Act 2012 (the "PDPA")

The main data protection rules in the PDPA came into full effect on 2 July 2014. The PDPA governs the collection, use and disclosure 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 the same for purposes that a reasonable person would consider appropriate in the circumstances. Under the PDPA, personal data is defined as data, whether true or not, about an individual (whether living or deceased) who can be identified (a) from that data; or (b) from that data and other information to which the organisation has, or is likely to have access. Generally, the PDPA imposes the following obligations on organisations collecting, using or disclosing personal data of individuals ("**relevant persons**"): obligations of obtaining consent, giving notification and access and correction rights to the relevant persons, purpose limitation in respect of use of, and retention limitation and transfer limitation in respect of personal data collected, ensuring accuracy and protection of data collected and openness in making information available on its privacy policies and procedures relating to protection of personal data.

Building and Construction Industry Security of Payment Act

Under the Building and Construction Industry Security of Payment Act, Chapter 30B of Singapore ("**BCISPA**") which is regulated by the BCA, any person who has carried out any construction work or supplied any goods or services under a contract is entitled to a progress payment. The BCISPA also contains provisions relating to, amongst others, 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, amongst others, endorses 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 a claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. The BCISPA has established 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 suspend the carrying out of construction work or supply of goods or services, and to exercise a lien over goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, or to enforce the adjudication determination as if it were a judgment debt, if, amongst others, 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 from the respondent.

Workplace Safety and Health

Under the Workplace Safety and Health Act, Chapter 354A of Singapore ("**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 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.

The Workplace Safety and Health (Construction) Regulations 2007 sets out additional specific duties on employers which include, *inter alia*, appointing a workplace safety and health co-ordinator in respect of every worksite to assist and identify any unsafe condition in the worksite or unsafe work practice which is carried out in the worksite and recommend and assist in the implementation of reasonably practicable measures to remedy the unsafe condition or unsafe work practice.

More specific duties imposed on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations ("**WSHR**"). Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health.

Pursuant to the WSHR, the following equipment are required to, amongst others, be tested and examined by an authorised examiner ("**Authorised Examiner**") before they can be used and thereafter,

at specified intervals:

- hoists or lifts
- lifting gears
- lifting appliances and lifting machines

Upon examination, the Authorised 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 occupier of a workspace in which the equipment is used to comply with the foregoing 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 Commissioner for Workplace Safety and Health ("**CWSH**") may, among others, enter, inspect and examine any workplace, to inspect and examine 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, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is relevant to an investigation or inquiry under the WSHA.

Under the WSHA, the CWSH may issue a stop-work order in respect of a workplace if he is satisfied that (i) 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; (ii) any person has contravened any duty imposed by the WSHA; or (iii) 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 stop-work order shall, amongst others, 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 the satisfaction of the CWSH, 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.

The MOM has also implemented an enhanced demerit points system for the construction sector since 1 July 2015. All main contractors and subcontractors in the construction sector will be issued with demerit points for breaches under the WSHA and relevant subsidiary legislation. The number of demerit points awarded depends on the severity of the breach. Under the single-stage Demerit Points System (DPS) for the construction industry, the number of demerit points awarded depends on the severity of the infringement. An accumulation of a minimum of 25 demerit points within a period of 18 months would immediately trigger debarment for the contractor. Applications from the company for all types of work passes for foreign employees will be rejected by the MOM. The accumulation of more demerit points will result in longer periods of debarment. During the Track Record Period and up to the Latest Practicable Date, we have not received any demerit points.

Work Injury Compensation

The Work Injury Compensation Act (Chapter 354) ("**WICA**"), which is regulated by the MOM, applies to workmen in all industries in respect of injury suffered by them in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to a workman, the employer shall be liable to pay compensation in accordance with the provisions of the WICA.

The WICA provides, amongst others, that, where any person (referred to as the principal) in the course of 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 undertaken by the principal, the principal shall be liable to pay to any workman employed in the execution of the work any compensation which he would have been liable to pay if that workman had been immediately employed by the principal.

A principal is required to submit an incident report to the MOM under the following circumstances:

(i) when an employee meets with an accident at the workplace and is granted more than 3 days of sick leave;

(ii) where an employee meets with an accident at the workplace and is admitted in a hospital for at least 24 hours for observation or treatment on account of that accident;

(iii) when an employee contracts an occupational disease as defined under the WICA or the WSHA; or

(iv) when a dangerous occurrence, as described in the WSHA, has occurred.

If an injured employee makes a claim under the WICA, he is not permitted to make a claim for the same injury under common law. The injured employee has one year from the date of the accident to file a claim under the WICA. Under the Limitations Act (Chapter 163) of Singapore, the time limit for filing a claim in respect of personal injuries is 3 years from the date on which the cause of action accrued or 3 years from the earliest date on which the claimant has the knowledge required for bringing an action for damage in respect of the relevant injury.

The Workmen's Compensation (Amendment) Bill of 2008 amended the WICA and, amongst others, extended its coverage and revised compensation norms.

Central Provident Fund Act

The Central Provident Fund ("**CPF**") system is a mandatory social security savings scheme funded by contributions from employers and employees.

Pursuant to the Central Provident Fund Act (Cap. 36) (the "**CPF Act**"), an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for non-exempted owners). CPF contributions are not applicable for foreigners who hold Employment Passes, S Passes or Work Permits.

CPF contributions are required for both ordinary wages and additional wages (subject to yearly wage ceilings) of employees at the applicable prescribed rates which is dependent on, *inter alia*, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's share of the monthly CPF contribution. However, an employer can recover the employee's share of CPF contributions by deducting it from their wages when the contributions are paid for that month.

Environmental Public Health Act (Chapter 95) of Singapore ("EPHA")

Section 19(1)(b) of the EPHA states, *inter alia*, that anyone who causes or permits any dirt, sand, earth, gravel, clay or any other similar matter or thing to be dropped, scattered, spilled or thrown, in any public place shall be guilty of an offence. Section 20(1) of the EPHA prohibits, *inter alia*, the dumping or disposal of any refuse, waste of any other article from a vehicle in a public place. A public place includes any place whether privately owned or not to which the public has access.

The EPHA requires, among others, a person, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance.

The EPHA also regulates, among others, the disposal and treatment of industrial waste and public nuisances. Under the EPHA, the Director-General of Public Health may, on receipt of any information respecting the existence of a nuisance liable to be dealt with summarily under the EPHA and if satisfied of the existence of a nuisance, serve a nuisance order on the person by whose act, default or sufferance the nuisance arises or continues, or if the person cannot be found, on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with summarily under the EPHA include any factory or workplace which is not kept in a clean state, any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety.

The Environmental Protection and Management Act, Chapter 94A of Singapore seeks to provide for the protection and management of the environment and resources conservation and regulates, amongst others, air pollution, water pollution, land pollution and noise control. Under the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations, the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels prescribed in such regulations.

Government Grants

During the Track Record Period, the Group received government grants and tax concessions pursuant to various schemes, please refer to the section headed "Financial information" for details of these grants and tax concessions.

A summary of the key terms and qualifying conditions of the main grants and concessions that the Group received is set out below:

Productivity and Innovation Credit Scheme

The productivity and innovation credit scheme ("**PIC Scheme**") gives businesses tax savings in the form of deductions/allowances for qualifying expenditure incurred in any of the six (6) qualifying activities including training of employees, research and development activities, and registration of patents, trademarks, designs and plant varieties, from the years of assessment ("**YAs**") 2011 to 2018.

For YA 2013 to 31 July 2016, eligible businesses can also exercise an irrevocable option to convert qualifying expenditure of up to S$100,000 for each YA into cash, at a conversion rate of 60%. For qualifying expenditure incurred on or after 1 August 2016, the cash payout conversion rate will be reduced from 60% to 40%. The PIC Scheme will lapse after YA 2018.

The qualifying conditions for the PIC Scheme are set out below:

(a) qualifying conditions for tax deductions/allowances:

  (i) carries on active business operations in Singapore; and

  (ii) incurred qualifying expenditure and are entitled to PIC Scheme during the basis period of the qualifying year of assessment.

(b) qualifying conditions for cash payout:

  (i) carries on active business operations in Singapore;

  (ii) incurred qualifying expenditure and are entitled to PIC Scheme during the basis period of qualifying year of assessment;

  (iii) meets the three-local-employee condition;

(iv) minimum qualifying expenditure for each cash payout option application is S$400; and

(v) for PIC Scheme information technology and automation equipment claims relating to YA 2016 onwards, equipment to be in use by the business at the point of electing for cash payout.

Wage Credit Scheme

The wage credit scheme ("**WCS**") was introduced by the Singapore government to give firms more time to adjust to rising wages in the tight labour market.

Under the WCS, the Government will co-fund 40% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000 and below in 2013 to 2015. Over the period of 2016 to 2017, the Government will co-fund 20% (instead of 40%) of wage increases given to Singaporean employees earning a gross monthly wage of S$4,000 and below. The qualifying conditions for the WCS are set out below:

All employers paying wage increases in 2013 to 2017 to Singaporean Singapore Citizen employees who:

(a) are earning a gross monthly wage of S$4,000 and below;

(b) received CPF contributions from a single employer for at least 3 calendar months[(1)] in the Preceding Year[(2)];

(c) have been on the employer's payroll for at least 3 calendar months[(1)] in the Qualifying Year[(3)], meaning that the employer must have paid employee CPF contributions for at least three calendar months[(1)] in Qualifying Year[(3)];

(d) have at least S$50 gross monthly wage increase; and

(e) must not also be the business owner of the same entity (i.e. sole proprietor of the sole proprietorship, or a partner of the partnership, or both a shareholder and director of a company).

Notes:

(1) The three months minimum employment duration need not be continuous.

(2) "Preceding Year" refers to the year before the Qualifying Year (i.e. 2012, 2013, 2014, 2015 and 2016).

(3) "Qualifying Year" refers to the year for which wage credit is computed, based on the wage increases given in that year. There are 5 qualifying years, i.e. 2013, 2014, 2015, 2016 and 2017.

Local government agencies, international organizations and businesses that are not registered in Singapore do not qualify for WCS.

Special Employment Credit

The special employment credit ("**SEC**") was introduced by the Singapore government in 2011 to support employers and to raise the employability of older Singaporeans. It was enhanced in 2012 to provide employers with continuing support to hire older Singaporean workers and persons with disabilities ("**PWDs**").

From 2017 to 2019, the SEC will be provided to employers that hire employees aged 55 and above, and the wage-offset will be tiered by age. Employers of PWDs will receive a SEC of up to 16% of the PWD's monthly income, up to a maximum of S$240 per month, regardless of age. The CPF Board will automatically assess a company's eligibility for the SEC, based on the company's regular monthly CPF contributions for the employees, and pay the SEC either into the bank account of the company registered with the CPF Board or by cheque.

Temporary Employment Credit

The temporary employment credit ("**TEC**") was introduced by the Singapore government in 2014 to help employers adjust to the 1 percentage point increase in Medisave contribution rates which took effect in January 2015. With the TEC, employers will receive an offset of 1% of wages up to the CPF salary ceiling for the Singaporean and Singapore Permanent Resident employees in 2015 and 2016, and 0.5% of wages up to the CPF salary ceiling for the Singaporean and Singapore Permanent Resident employees in 2017.

TEC payments will be made based on CPF contributions paid to eligible employees from January 2015 to December 2017.

Company Laws and Regulations

Our principal subsidiaries, Samco and Double-Trans, are indirect wholly-owned subsidiaries of our Company. Both are private companies limited by shares, incorporated and governed under the provisions of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and its regulations.

The Companies Act generally governs, amongst others, matters relating to the status, power and capacity of a company, shares and share capital of a company (including issuances of new shares (including preference shares), treasury shares, share buybacks, redemption, share capital reduction, declaration of dividends, financial assistance, directors and officers and shareholders of a company (including meetings and proceedings of directors and shareholders, dealings between such persons and the company), protection of minority shareholders' rights, accounts, arrangements, reconstructions and amalgamations, winding up and dissolution.

In addition, members of a company are subject to, and bound by the provisions its constitution (which in the case of a company incorporated immediately before the date of commencement of Section 3 of the Companies (Amendment) Act 2014, refers to the memorandum and articles of association of the company).

The memorandum of association of a company provides for, *inter alia*, the objects of the company while the articles of association of the company contains, *inter alia*, provisions relating to some of the matters in the foregoing paragraph, transfers of shares as well as sets out the rights and privileges attached to the different classes of shares of the company (if applicable).

HISTORY

Our history can be traced back to 1990s. Double-Trans, the first member of our Group, was incorporated in Singapore on 20 April 1990 to undertake mixed construction works. Mr. Tan Keng Swee, the father of Mr. Tan and Ms. Tan (who are the executive Directors and the Controlling Shareholders), was one of the founders of Double-Trans. On 2 May 2007, the second member of our Group, Samco, was incorporated in Singapore to provide road construction and civil engineering works. Since 2008, Double-Trans and Samco have been undertaking road construction projects.

Double-Trans was first accredited with OHSAS 18001:2007 in March 2008, ISO 9001:2008 in April 2009 and ISO 14001:2004 in March 2013, whereas Samco was first accredited with OHSAS 18001:2007 in November 2009, ISO 9001:2008 in June 2014 and ISO 14001:2004 in June 2014. As at the Latest Practicable Date, both Double-Trans and Samco are holders of General Builder Licence 1 which is necessary for carrying building works in both public and private sectors in Singapore. Double-Trans and Samco are also registered by BCA under the CRS for a number of workheads which enable the Group to tender for projects in the Singapore public sector.

Milestones

We are a Singapore based contractor engaged in road works services and construction machinery rental services. For further information in relation to our business, please refer to the section headed "Business" in this prospectus.

Set out below are the major milestones of our Group's business since our establishment:

Year	Event
1990	Double-Trans was incorporated in Singapore in April 1990
2007	Samco was incorporated in Singapore in May 2007
2008	• Samco obtained its first road construction project to resurface roads with a contract value of S$4.50 million as a subcontractor in January 2008 • Double-Trans obtained its first road construction project to resurface existing roads at two port terminals with a contract value of approximately S$2.14 million as the main contractor in July 2008 • Double-Trans was first accredited with OHSAS 18001:2007 for provision of road works and civil engineering works in March 2008

Year	Event
2009	• Double-Trans was first accredited with ISO 9001:2008 for provision of road works and civil engineering works in April 2009
	• Double-Trans first obtained bizSAFE Star Certificate in June 2009
	• Double-Trans obtained its first road construction project to construct a new heavy vehicle park with a contract value of approximately S$1.022 million as a subcontractor in October 2009
	• Samco was first accredited with OHSAS 18001:2007 for provision of road works and civil engineering works in November 2009
2012	• Samco first obtained bizSAFE Star Certificate in April 2012
	• Samco obtained its first road construction project to resurface existing roads in multi-purpose wharves with a contract value of approximately S$0.15 million as the main contractor in December 2012
2013	• Double-Trans was first accredited with ISO 14001:2004 for provision of civil engineering works including road construction in March 2013
	• Double-Trans obtained its first road maintenance project for ad hoc repairs of roads in the north-west sector of Singapore with a contract value of approximately S$10.7 million as the main contractor in July 2013
2014	• Samco was first accredited with ISO 14001:2004 for provision of road works and civil engineering works and ISO 9001:2008 certifications for provision of road works and civil engineering works in June 2014

Year	Event
2016	• Double-Trans obtained a road maintenance project for Road Maintenance for the south-west sector of Singapore with a contract value of approximately S$21.6 million, the highest contract value secured to-date as main contractor in January 2016
	• Double-Trans obtained the BCA Green and Gracious Builder Award from the Building and Construction Authority in March 2016
	• Double-Trans obtained the 2016 Enterprise 50 Awards, an award that recognises local privately-held companies that contributed to economic development in Singapore and abroad

Corporate history

The following describes the corporate history of our Company and our operating subsidiaries in Singapore. Please also refer to the paragraph headed "Reorganisation" in this section for details of certain issues and transfers of shares in the share capital of our Company and our subsidiaries which took place pursuant to the Reorganisation.

Our Company

Our Company was incorporated in the Cayman Islands with limited liability on 21 June 2017 and is the holding company of our subsidiaries. The principal business activity of our Company is investment holding. As at the date of incorporation, it had an authorised share capital of HK$380,000 divided into 3,800,000 shares of a nominal value of HK$0.10 each. On 21 June 2017, one fully paid Share was issued to the initial subscriber. The subscriber Share was then transferred to Jian Sheng at par value of HK$0.10. Immediately after the transfer of the subscriber Share, the Company is owned as to 100% by Jian Sheng.

Double-Trans

Double-Trans was incorporated in Singapore as a limited liability company on 20 April 1990 with an authorised share capital of S$1,000,000 divided into 1,000,000 shares of S$1.00 each. Each of Lee Teng Guan, Yeo Kian Seng and Tan Keng Swee subscribed one share in Double-Trans Pte. Ltd. on the date of incorporation. Each of Lee Teng Guan and Yeo Kian Seng were Independent Third Parties, and Tan Keng Swee is the father of Mr. Tan and Ms. Tan. The business of Double-Trans was provision of mixed construction work when it was incorporated.

After a series of issuance and transfer of shares, as at 31 December 2011, a total of 1,000,000 shares were issued by Double-Trans, 800,000 shares and 200,000 shares of which were held by Mr. Tan and Ms. Tan, respectively. Accordingly, Double-Trans was owned by Mr. Tan and Ms. Tan as to 80% and 20%, respectively.

Double-Trans allotted and issued 400,000 shares, 300,000 shares, 200,000 shares, 200,000 shares, 200,000 shares, 200,000 shares and 140,000 shares to Ms. Tan, and 1,600,000 shares, 1,200,000 shares, 800,000 shares, 800,000 shares, 800,000 shares, 800,000 shares and 560,000 shares to Mr. Tan on 29 October 2013, 30 December 2015, 25 July 2016, 28 December 2016, 3 April 2017, 13 June 2017 and 28 July 2017, respectively.

Upon completion of such issuance and allotment and the above share transfer, Double-Trans was held as to 80% and 20% by Mr. Tan and Ms. Tan, respectively.

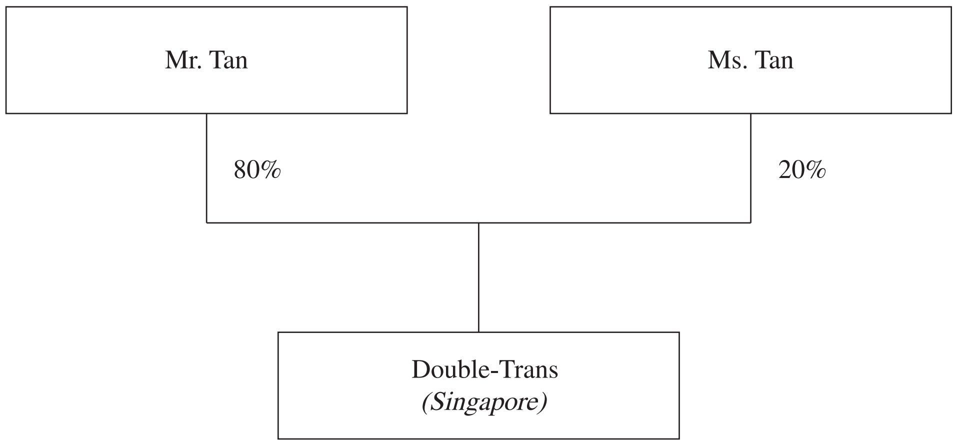
Samco

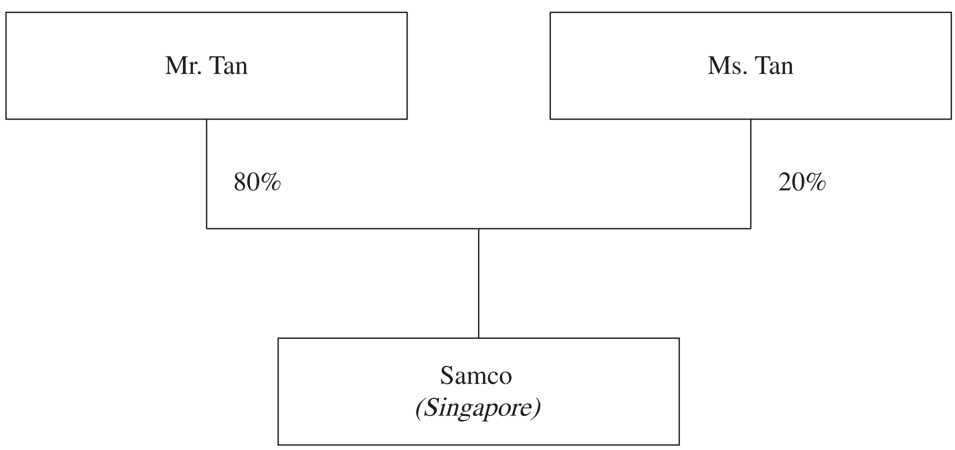
Samco was incorporated in Singapore as a limited liability company on 2 May 2007 with an authorised share capital of S$2.00 divided into 2 shares of S$1.00 each. Samco Holdings Pte. Ltd. subscribed two shares in Samco on the date of incorporation. The business of Samco was provision of road construction and civil engineering works when it was incorporated. Samco allotted and issued 999,998 shares to Samco Holdings Pte. Ltd. on 12 September 2007. Upon completion of such issuance and allotment, the issued share capital of Samco was wholly owned by Samco Holdings Pte. Ltd. On 10 September 2009, 1,000,000 shares were transferred from Samco Holdings Pte. Ltd. to Shen Yang Builders Pte. Ltd. for a total consideration of S$1,250.00.

On 31 December 2011, 800,000 shares and 200,000 shares were transferred from Shen Yang Builders Pte. Ltd. to each of Mr. Tan and Ms. Tan at S$1.00, respectively. Samco allotted and issued 400,000 shares and 100,000 shares to Mr. Tan and Ms. Tan respectively on 13 February 2017. Upon completion of such issuance and allotment and the above share transfer, Samco was held as to 80% and 20% by Mr. Tan and Ms. Tan, respectively.

REORGANISATION

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





Our Group has undergone a reorganisation in preparation for the Listing which involved the follow steps:

(i) Jian Sheng was incorporated in the BVI on 15 June 2017 and was authorised to issue a maximum of 50,000 ordinary shares without par value. 8 shares and 2 shares were allotted and issued to Mr. Tan and Ms. Tan at a consideration of US$1.00 each respectively, on the same day.

(ii) Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 June 2017 with an authorised share capital of HK$380,000 divided into 3,800,000 shares of HK$0.10 each. The entire issued share capital of our Company, one fully paid Share at par, was allotted and issued to an initial subscriber. On 21 June 2017, the initial subscriber transferred the one fully paid Share to Jian Sheng at par value.

(iii) Shuang Yun (BVI) was incorporated in the BVI on 27 June 2017 and was authorised to issue a maximum of 50,000 ordinary shares without par value. One share was allotted and issued to our Company at a consideration of US$1.00 on the same day.

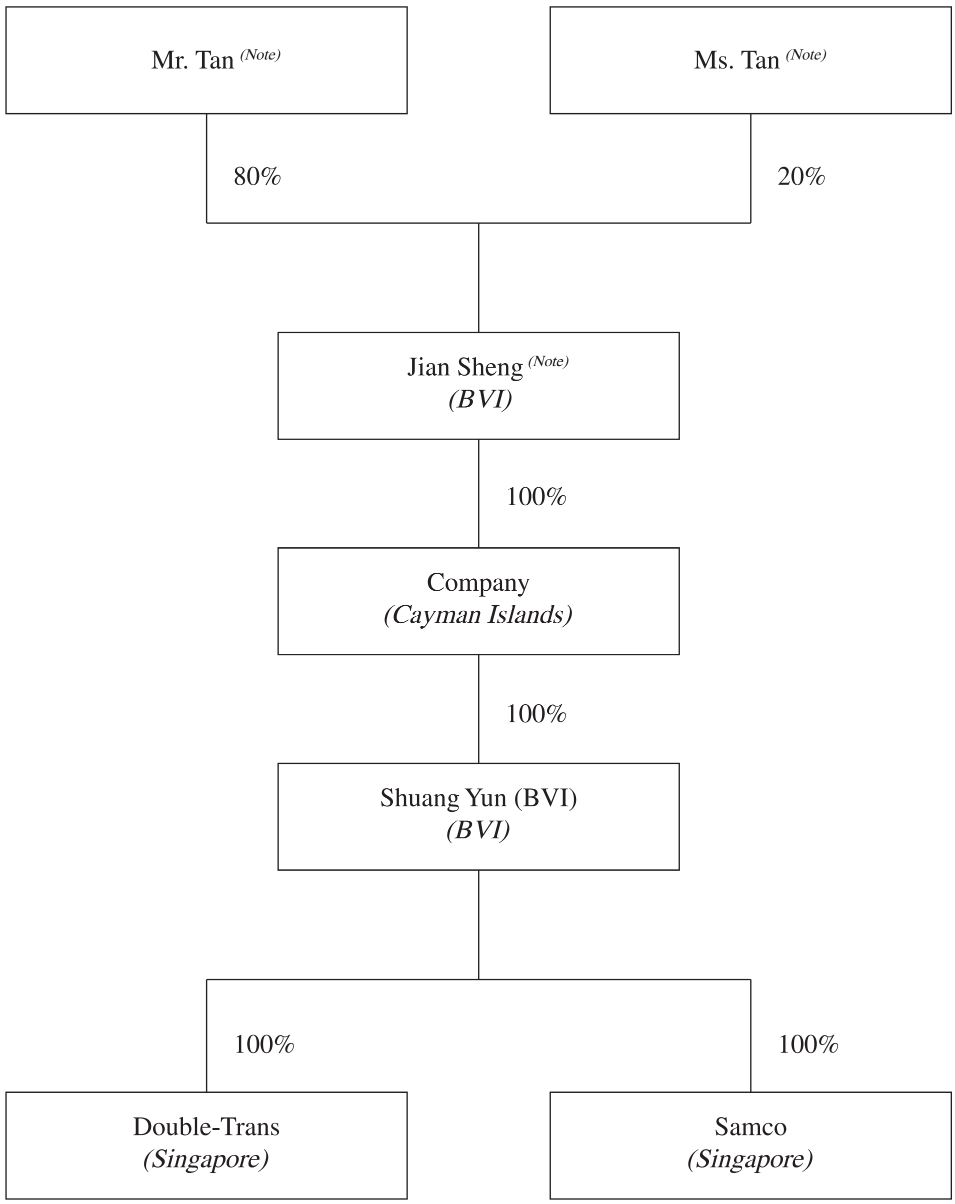
(iv) On 28 July 2017, Double-Trans allotted and issued 140,000 shares to Ms. Tan at S$1.00 each and 560,000 shares to Mr. Tan at S$1.00 each.

(v) On 19 October 2017, Mr. Tan and Ms. Tan transferred 7,360,000 shares and 1,840,000 shares, respectively, in Double-Trans to Shuang Yun (BVI), and Shuang Yun (BVI) was entered as a holder of such shares on 20 October 2017; and Mr. Tan and Ms. Tan transferred 1,200,000 shares and 300,000 shares, respectively, in Samco to Shuang Yun (BVI), and Shuang Yun (BVI) was entered as a holder of such shares on 20 October 2017; and in consideration of the above transfers, Jian Sheng issued and allotted 80 shares in Jian Sheng to Mr. Tan and 20 shares in Jian Sheng to Ms. Tan.

(vi) On 20 October 2017, the authorised share capital of our Company was increased from HK$380,000 divided into 3,800,000 Shares to HK$200,000,000 divided into 2,000,000,000 Shares.

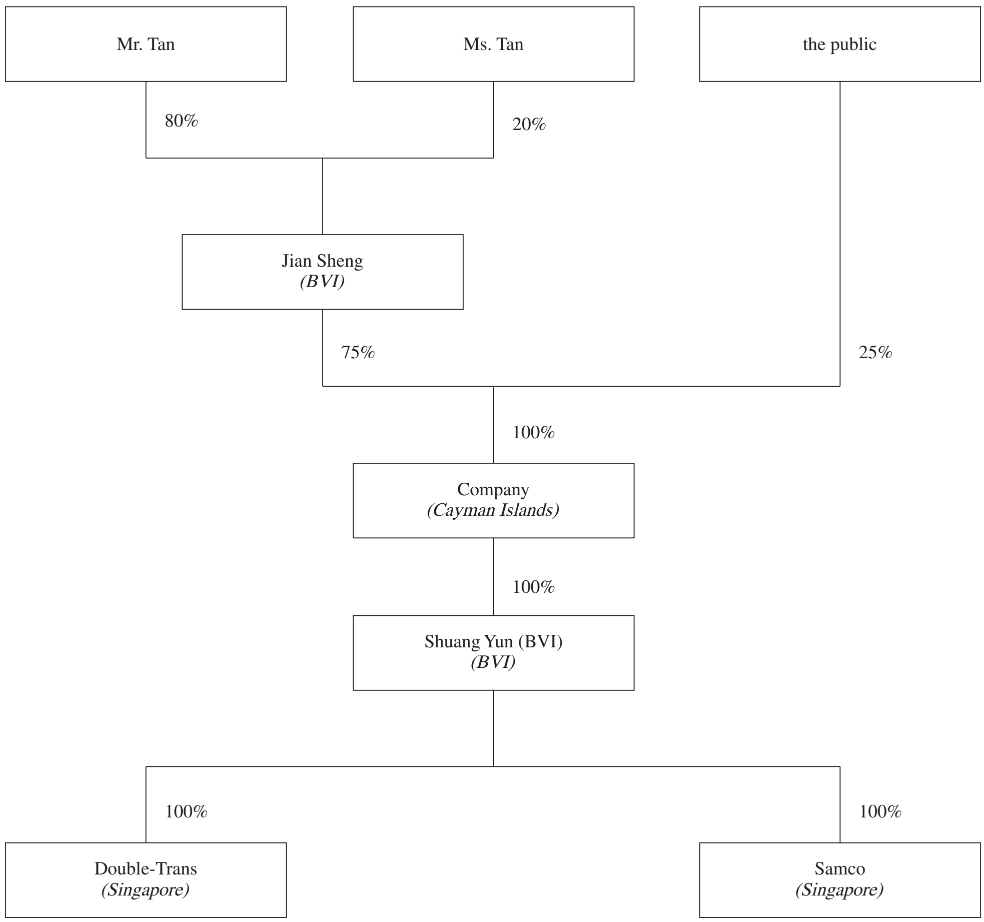
As a result of the Reorganisation, our Company became the holding company of our Group. As confirmed by our Directors, save as disclosed in the prospectus, there were no outstanding options, warrants and/or convertibles in respect of each member of our Group as at the Latest Practicable Date.

The following diagram sets out the shareholdings and corporate structure of our Group immediately following completion of the Reorganisation but before the Global Offering and the Capitalisation Issue:



Note: Mr. Tan, Ms. Tan and Jian Shang are a group of Controlling Shareholders pursuant to the Listing Rules.

The following diagram sets out the shareholdings and corporate structure of our Group immediately following completion of the Global Offering and the Capitalisation Issue, assuming that the Over-allotment Option is not exercised:



OVERVIEW

We are a Singapore based contractor engaged in road works services and construction machinery rental services. The road works services provided by us comprise of mainly: (i) road construction services (i.e. new road construction, road widening and construction of road-related facilities); and (ii) construction ancillary services (e.g. road pavement and marking maintenance works and road upgrading services). Our construction machinery rental services represent the lease of construction machineries to our customers.

Our road works are undertaken by Double-Trans and Samco, our key operating subsidiaries, which were established in 1990 and 2007, respectively. Double-Trans provides a variety of road works services to our customers and mainly tenders for projects with larger scale and higher value whereas Samco focuses on the provision of milling and pavement works in our road works services. During the Track Record Period, (i) our road construction works undertaken are project-based, (ii) our construction ancillary services undertaken are by work orders from customers while some of them are under term contracts signed with our customers, and (iii) our construction machinery rental services undertaken are by work orders from customers. During the Track Record Period, we completed 28 construction ancillary services term contracts and seven road construction services projects in Singapore with a total original contract sum of approximately S$40.6 million and S$38.5 million, respectively. For the three years ended 31 December 2016 and the four months ended 30 April 2017, our Group recorded revenue of approximately S$42.7 million, S$44.6 million, S$51.5 million and S$21.9 million, respectively. Further details of our projects are set out in the paragraph headed "Our projects and contracts" in this section.

Our Group principally provides road works services to customers under both public and private sectors. Customers under public sector works of our Group are mainly involved in works commissioned by various Singapore statutory board which primarily responsible for overseeing the transportation, city redevelopment or housing matters and customers under private sector works of our Group are mainly involved in projects commissioned by privately-owned construction companies or main contractors of various types of development projects in Singapore. During the Track Record Period, our Group generated approximately 32.3%, 36.3%, 87.8% and 84.0% of our revenue from customers of public sector, respectively, with the remaining revenue of approximately 67.7%, 63.7%, 12.2% and 16.0% from customers of private sector, respectively.

We maintained over 120 construction machinery in our machinery fleet as at the Latest Practicable Date. With our possession of the necessary machinery, we are generally self-sufficient and therefore not materially reliant on third parties for machinery rental. Our major machinery includes, among others, excavator, vibratory compactor, milling machine, and paving machine, with net book value of approximately S$8.8 million as at 30 April 2017. Our investment in machinery enables us to better cater for road works projects of different scales and complexity. Our Directors believe that our possession of machinery is essential to meet the expected growing demand in the road works industry and the construction machinery rental market in Singapore in the foreseeable future. For the three years ended 31 December 2016 and the four months ended 30 April 2017, we acquired new machinery in an aggregate amount of approximately S$1.1 million, S$4.2 million, S$1.9 million and S$0.5 million, respectively. During the Track Record Period, we had leased hydraulic excavator, truck mounted alternator and certain equipments to our customers. For the three years ended 31 December 2016 and the four months ended 30 April 2017, our rental income from the lease of machineries amounted to approximately S$1.8 million, S$3.9 million, S$19,000 and S$0.2 million, respectively. For information regarding our machinery, please refer to the paragraph headed "Machinery" in this section.

Depending on our capability, availability of labour possession of machinery, complexity of the project and cost effectiveness, we provide our road works services either by utilising our own resources (including our employees and machinery), or by engaging subcontractors. For the three years ended 31 December 2016 and the four months ended 30 April 2017, the subcontracting costs incurred by our Group amounted to approximately S$4.4 million, S$5.5 million, S$5.1 million and S$3.2 million, respectively. For information regarding our subcontracting arrangement, please refer to the paragraph headed "Subcontracting" in this section.

We maintain an internal list of suppliers while our business relationships with our suppliers during the Track Record Period ranges from one to nine year(s). Our suppliers primarily provide us with (i) thermoplastic materials; (ii) asphalt premix; (iii) signage sheetings; (iv) concrete; and (v) steel reinforcement bars. We have a list of service providers including suppliers and subcontractors. We take into account factors such as quality of goods and services, timeliness of delivery, track records of the suppliers and subcontractors as well as their reputation in the industry before admitting them into our list. Please refer to the paragraph headed "Suppliers" in this section.

According to the Ipsos Report, various factors including (i) the initiative of Singapore government to increase overall population; (ii) the expected growth in construction activities such as new public housing construction, redevelopments of commercial buildings, industrial projects and development of mega civil engineering projects in Singapore; and (iii) stable economy will continue to be drivers of growth in the road works services and lease of construction machinery industries in Singapore. In addition, the Singapore government has also announced that it will bring forward S$700 million worth of public sector infrastructure projects starting in 2017 and through 2018, which encourages the growth of the construction industry. In view of these growth drivers, our Directors anticipate the number of road works projects in Singapore will increase. For details, please refer to the section headed "Industry overview" in this prospectus.

COMPETITIVE STRENGTHS

We believe our success and our potential for future growth are attributable to our competitive strengths as set out below:

We are a well-established road works company in Singapore

We are one of the well-established road works companies in Singapore with long operating history. According to the Ipsos Report, we ranked second among all road works companies in Singapore in terms of revenue in 2016 with approximately 1.9% share of the total industry revenue. Also, we have participated in eight projects through subcontracting relating to the Singapore MRT line.

Our experienced contracts department allows us to evaluate a project's specifications, resources needs and level of difficulty accurately while our projects department ensures that projects are carried out on a timely and reliable basis. Our contracts department and projects department communicate closely to make sure that the technical, resources and scheduling challenges are addressed and monitored closely throughout the project. We also established a good rapport with our customers via close communication with their management and supervisory teams. We believe our Group's long-term presence in the industry gives our customers confidence in our ability to complete quality works in a timely manner and that we have a good reputation and a well-established presence in the road works industry in Singapore.

We have received various awards and recognitions, such as the "Injury Free (Engineering) Award 2015" and the "Certificate of Appreciation for attaining zero accident in year 2015" awarded by our client from the private sector. For details, please refer to the paragraph headed "Major qualifications, licences and certifications – Awards" in this section. Our Directors believe that our proven track record and recognitions in completing projects to the satisfactory of our customers established our presence in the road works industry in Singapore.

We own a range of construction machinery which enables us to take on various large-scale road works projects

The fleet of over 120 machineries we had as at the Latest Practicable Date allows us to undertake road works projects of different scales. We have the capacity to undertake several road works projects at the same time, and our range of machines such as excavators, vibratory compactors, milling machines, and paving machines allow us to undertake road construction and road maintenance projects with different requirements. We also have an experienced in-house servicing team to ensuring that our machines are well maintained and operating efficiently. As at the Latest Practicable Date, the serving team was constituted by three experienced mechanics, each of them has more than five years of maintenance works experience.

For the three years ended 31 December 2016 and the four months ended 30 April 2017, we invested in new machinery in the amount of approximately S$1.1 million, S$4.2 million, S$1.9 million and S$0.5 million at cost, respectively. We believe that our investment in machinery has improved our position to undertake road works projects of different scales and complexity. Our Directors also consider that the possession of our own machinery at our disposal allows us to devise flexible work plans and apply suitable machinery specifically catered for the needs and requirements of different customers, as well as enables us to expediently deploy them to various locations as required without the need to rely on rental from third parties.

We have a long-term and stable relationship with our major customers, suppliers and subcontractors

We have established a strong and long-term customer base in both private and public sectors. Our customers in the private sector include privately-owned construction companies or main contractors of various types of development projects in Singapore whereas our customers in the public sector include different statutory boards of Singapore. Throughout our operating history, we have established close relationships with our major customers. Our relationship with our five largest customers during the Track Record Period ranges from one to nine year(s). In addition, our business relationships with our five largest suppliers and five largest subcontractors range from one to nine year(s) and one to eight year(s), respectively. Our Directors believe that our network and relationships with (i) suppliers and subcontractors allows us to select suppliers and subcontractors with flexibility and minimise risks of delay or shortage of materials or services; and (ii) customers enables us to attract more business opportunities.

We have an experienced and dedicated management team and each of our executive Directors has over 14 years of experience in the road works industry in Singapore

Each of our executive Directors, Mr. Tan, Ms. Tan and Ms. Chong, respectively, has over 15, 14, and 15 years of experience in the road works industry and our Directors believe that the combination of our strong management expertise and knowledge of the industry, together with our qualified employees to complete projects reliably and timely, have been and will continue to be our Group's valuable assets. Our executive Directors are supported by our experienced senior management team which members possess over five years of experience in the road works industry. For instance, our general manager, Mr. Toh Kok Weng Benjamin has over 10 years of industry experience and our finance manager, Ms. Jane Ong Chun Kheng has over five years of industry experience. Please refer to the section headed "Directors and senior management" in this prospectus for detailed work experience of our Directors and senior management team.

BUSINESS STRATEGIES

The principal business objective of our Group is to further strengthen our position in the road works and construction machinery rental businesses in Singapore. Being a contractor which has the capability, qualification and expertise to provide both road construction and construction ancillary services, and a fleet of machinery we have competed for and secured contracts for customers under both public sector and private sector in Singapore. According to the Ipsos Report, the estimated revenue for the civil engineering sectors are expected to be higher in 2017, with the value of contracts awarded reaching approximately S$13.2 billion. In addition, the Singapore government has also announced to bring forward S$700 million worth of public sector infrastructure projects to start in 2017 and through 2018.

Having considered (i) our business growth during the Track Record Period; (ii) our competitive strengths mentioned above; and (iii) the expected increase in demand in the industry in Singapore as stated in the Ipsos Report, our Directors believe that in order to capture such business opportunity, we intent to lift our scale of operation by, among others, acquiring additional machinery and expanding our manpower. We intend to achieve our future expansion plans by adopting the following key strategies:

We consider to acquire additional machinery

Most of our works require the use of different machinery. Our capacity to carry out road works services for our customers and to lease out our construction machinery depends largely on the availability of our machinery. To further enhance our overall efficiency, capacity and technical capability in performing works of different scale and complexity, we intend to acquire additional machinery. As we recorded a high utilisation rate in our major machineries during the Track Record Period, we plan to acquire a variety of machinery, such as tandem rollers, soil compactors, 30 tons excavators, 20 tons excavators, milling machines and compact crushers which are required for our road works and lease of construction machinery services.

Our Directors believe that acquisition of additional machinery will (i) replace aged machinery hence increasing cost-effectiveness and operating efficiency; (ii) enhance our road works efficiency and technical capability; (iii) expand our lease of construction machinery business; (iv) increase our flexibility to deploy our resources more efficiently; (v) reduce our reliance on manpower; and (vi) complete our projects in a more efficient manner with timely and sufficient supply of machinery from our own premises. Our Group will also continue to evaluate the operating condition, effectiveness and efficiency of our machinery and assess our needs for additional machinery in accordance with our business development.

We consider to invest in acquiring property for (i) our ancillary office; (ii) dormitory for our foreign workers; (iii) workshop to prepare asphalt premix for our own usage; and (iv) our machinery warehouse in Singapore

During the Track Record Period, for road construction services projects, our machinery are generally kept in the work sites. However, due to the nature of road ancillary services contract, machinery that are in use under these contracts, together with the machinery that are not engaged in any of our projects/contracts, would be kept in our office premises for service and maintenance.

As at the Latest Practicable Date, we owned four properties, (i) three of them were for investment purpose and we leased all of them to third parties as their offices, and (ii) one of them was used by us for storage of construction machinery and office. To pursue our business expansion strategies, we plan to acquire a property in Singapore mainly for storing our machinery and serving as ancillary office to accommodate our business growth.

Our Directors believe that if we do not possess a property for storing and servicing of our machinery and future office uses, our Group may subject to fluctuations in rental expenses and/or render us vulnerable to termination of the relevant lease(s) which would have a direct impact on our operation and business performance.

As at the Latest Practicable Date, our Directors confirmed that no targeted premises had been identified and no formal acquisition agreement was being entered into.

We consider to strengthen and expand our workforce

We seek to strengthen and expand our workforce at both office and worksite to keep up with our business expansion plans. We intent to recruit staffing for project management and project execution for enhancing manpower in various stages of our works, such as assessment of potential projects, preparation and submission of tenders, project planning and administration, project implementation, safety coordination and quality control etc. In particular, the project managers we plan to recruit will also carry out marketing activities, who will responsible for making presentations to existing and potential customers. Going forward, our Directors consider that the increasing use of our direct skilled workers, instead of subcontractors, would be beneficial to our Group as we could have better control on our profit margins. As such, our business expansion plans can be carried out accordingly.

We consider to upgrade our information technology system

We plan to enhance our project management efficiency and keep abreast of the market trend by upgrading our information technology systems. Our Directors believe that enhancing our information technology systems, including the purchase of new hardware and software, to facilitate our Group's operation from projects tendering and award process to the actual execution of projects will allow us to: (i) increase efficiency of our business procedures; (ii) promote operational control in different areas of operation; and (iii) ensure consistency in our services offered.

We consider to expand our market share and maintain a strong financial position

Except the aforementioned requirement of resources for business operation, the aggregate number and size of contracts that we are able to undertake in our road works business also hinges on, among others, the amount of our available working capital. For construction projects in Singapore, it is not uncommon for contractors to be required to arrange with banks or insurers to provide performance bonds or directors and/or shareholders of contractors to provide personal guarantee in the amount of certain percentage of the contract sum to their customers to ensure contractor's due performance and observance of a subcontract. The performance bond requirement may result in the lock-up of a portion of our capital during the term of the surety bond and thereby affecting our liquidity position.

As such, in further developing our business and having regard to our available financial resources, our Directors intend to undertake more projects in the future, including those with performance bonds requirements. Our Directors believe that the net proceeds from the Global Offering will strengthen our available financial resources, thereby allowing us to undertake more projects by applying a portion of the proceeds mainly for satisfying potential customers' performance bonds requirements.

These plans are to enhance the organic growth of our Group. For further details in relation to our Group's use of proceeds to implement the plans set out above, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

OUR PRINCIPAL BUSINESS AND BUSINESS MODEL

We are a Singapore based contractor engaged in road works services and construction machinery rental services. Our road works services include (i) road construction; and (ii) construction ancillary services. Our construction machinery rental services represent the lease of construction machineries to our customers.

The following table sets out the breakdown of our revenue by business segments during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	S$'000	*%*	*S$'000*	*%*	*S$'000*	*%*	*S$'000*	*%*
Construction ancillary services	22,162.8	51.9	22,472.2	50.3	38,933.5	75.6	14,716.2	67.2
Road construction services	18,738.4	43.8	18,255.7	40.9	12,517.2	24.3	7,038.6	32.1
Lease of construction machineries	1,837.7	4.3	3,905.1	8.8	19.0	0.1	154.9	0.7
Total	42,738.9	100	44,633.0	100	51,469.7	100	21,909.7	100

During the Track Record Period, we acted as both main contractor and subcontractor in our road construction services projects and construction ancillary services contracts. The following table sets out our revenue during the Track Record Period by reference to our role in those projects and contracts:

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	S$'000	*% of the total revenue*	*S$'000*	*% of the total revenue*	*S$'000*	*% of the total revenue*	*S$'000*	*% of the total revenue*
Main contractor	17,223.6	42.1	19,308.8	47.4	42,255.0	82.1	19,914.8	91.5
Subcontractor	23,677.6	57.9	21,419.1	52.6	9,195.7	17.9	1,840.0	8.5
Total	40,901.2	100.0	40,727.9	100.0	51,450.7	100.0	21754.8	100.0

(1) Construction ancillary services

Construction ancillary services generally include road maintenance work such as (i) road pavement maintenance; (ii) road marking maintenance; (iii) emergency response due to traffic accidents and oil/paint spillages; and (iv) road upgrading services.

Such services are essential in order to (i) preserve the road condition as originally constructed and prevent the high costs of full road reconstruction due to failure as a result of long term neglect, (ii) maintain user safety, and (iii) provide efficient, convenient travel along the route and the associated economic benefits.

Our road pavement maintenance work majorly includes prevention of deep sub-surface pavement damage by carrying out timely preventive re-surfacing works and patching of potholes. Repainting of faded road markings and replacement of damaged traffic signs allow the continued safe use of the road for motorists, commuters and pedestrians alike. Emergency response is where personnel and equipment can be mobilised as needed on short notice to deal with damage to road furniture occurring from traffic accidents and spillages that occur on the road, causing lane closures due to safety concerns. Road upgrading services are where services are carried out to improve the road conditions.

(2) Road construction services

The road construction services generally include new road construction, road widening, road diversion, water & sewer related works and construction of road-related facilities, in which (i) the new road works generally include construction of road carriageways, road kerbs, footbridge, road markings and other ancillary facilities or landscape works; (ii) the water works include sewer pipeline construction, manhole construction, roadside drain and channel construction; and (iii) the road-related facilities works include construction of street and road facilities such as construction of sidewalks, traffic signage, bollards, bus stops and other road-related facilities.

A general road construction process begins with site clearance and earthworks to the required level. Thereafter, roadside drains are constructed to the required gradients to aid in water flow. Road kerbs are then constructed and the road carriageway layers are then laid and compacted, starting first from the sub-base layer, aggregate base course layer, asphalt base course layer and finally the wearing course layer. Finally, the road markings are painted on and traffic signage installed.

(3) Lease of construction machineries

Our lease of construction machineries represents the rental of construction machines and construction vehicles to our customers. During the Track Record Period, we normally leased hydraulic excavator, truck mounted alternator and certain equipments to our customers.

OUR PROJECTS AND CONTRACTS

Completed road construction services projects

Completed road construction services projects refer to projects for which our direct workers had moved out from the construction sites as at the end of the relevant period. During the Track Record Period, we engaged in road construction services projects in Singapore in the capacity of both main contractor and subcontractor. For the three years ended 31 December 2016 and the four months ended 30 April 2017, we completed one, five, one and nil project(s), respectively. Details of our road construction services projects completed in descending order by contract sum during the Track Record Period are as follows:

Project code	Customer sector	Project period *(Note 1)*	Original contract sum *(Note 2)* *(S$' million)*	Accumulated revenue recognised during the Track Record Period *(S$' million)*	Revenue attributable to variation orders *(Note 3)* during the Track Record Period *(S$' million)*
C1	Private	October 2013 – September 2015	14.9	12.4	n/a
C2	Private	August 2011 – January 2014	8.7	1.8	n/a
C3	Private	May 2014 – June 2015	4.8	5.2	0.5
C4	Private	May 2013 – March 2014	3.8	2.3	1.0
C5	Private	May 2014 – June 2015	2.4	3.7	1.3
C6	Private	January 2015 – February 2016	2.1	1.7 *(Note 4)*	n/a
C7	Public	July 2015 – December 2015	1.9	2.1	0.2

Notes:

(1) The project period covers the duration of our works with reference to the announcement date of the relevant project set out in the letter of award issued by our customer or their authorised persons, and the completion date of the relevant project set out in substantial completion certificate issued by our customer or their authorised person.

(2) The contract sum is based on the original agreement or quotation between our customer and us, excluding all variation orders issued by our customers.

(3) Our Directors confirm that, save for Project C2 in which there was disagreement between our customer and us with regards to the amount claimed for each of the variation orders, there were no disputes between the parties on the amount of variation orders.

(4) Our Directors confirm that the recognised revenue of project C6 was lower than that of the original contract sum due to the diminish of original works carried out which was initially included in the calculation of original contract sum. Nonetheless, since the corresponding cost of such works were also deducted, at the same time our Group did not incur any loss in this project.

Completed construction ancillary services

During the Track Record Period, we engaged in construction ancillary services in Singapore in the capacity of both main contractor and subcontractor. We mainly entered into term contracts with these customers, aside from Customer H which only awarded works by individual work orders to us. For the three years ended 31 December 2016 and the four months ended 30 April 2017, there were/was four, nine, 14 and one term contract(s) with contract period completed during the respective periods. Details of our construction ancillary services term contracts completed in descending order by original contract sum during the Track Record Period are as follows:

Term contract code	Customer sector	Contract period *(Note 1)*	Original contract sum *(Note 2)* *(S$' million)*	Accumulated revenue recognised during Track Record Period *(S$' million)*
C8	Public	July 2013 – January 2016	10.7	14.2
C9	Public	July 2013 – January 2016	9.7	14.5
C10	Private	November 2012 – October 2014	3.6	1.4
C11	Private	August 2014 – August 2016	2.7	1.8
C12	Private	February 2013 – April 2014	2.5	3.0
C13	Private	April 2015 – March 2017	2.5	2.5
C14	Private	July 2014 – July 2016	2.2	1.8
C15	Private	December 2015 – April 2016	0.9	1.0
C16	Private	July 2014 – July 2016	0.8	0.9
C17	Private	August 2014 – August 2016	0.8	0.8
C18	Private	October 2014 – February 2015	0.7	0.8
C19	Private	November 2015 – January 2016	0.5	0.5
C20	Private	September 2015 – February 2016	0.4	0.5
C21	Private	April 2015 – May 2015	0.4	0.4
C22	Private	February 2014 – March 2014	0.2	0.3

Term contract code	Customer sector	Contract period (Note 1)	Original contract sum (Note 2) *(S$' million)*	Accumulated revenue recognised during Track Record Period *(S$' million)*
C23	Private	November 2015 – January 2016	0.2	0.2
C24	Private	July 2015 – November 2015	0.2	0.2
C25	Private	July 2015 – August 2015	0.2	0.2
C26	Private	July 2014 – September 2014	0.2	0.2
C27	Private	November 2015 – December 2015	0.1	0.3
C28	Private	June 2016 – August 2016	0.1	0.1
C29	Private	August 2015 – October 2015	0.1	0.1
C30	Private	January 2016 – November 2016	0.1	0.5
C31	Private	July 2010 – December 2015	by measurement	0.5
C32	Private	May 2015 – January 2016	by measurement	0.2
C33	Private	April 2012 – December 2015	by measurement	0.2
C34	Private	June 2016 – June 2016	by measurement	less than 0.1
C35	Private	July 2010 – December 2015	by measurement	less than 0.1

Notes:

(1) The project period covers the duration of our works with reference to the announcement date of the relevant project set out in the letter of award issued by our customer or their authorised persons, and the completion date of the relevant project set out in the letter of award or supplement agreement signed by our customers and us.

(2) The contract sum is based on the initial agreement or quotation between our customer and us. As the construction ancillary services works have been segmented into work orders to be issued over a period of time, the original contract sum is indicative only and does not impose any minimum order obligation on our customer.

Road construction services projects on hand

As at the Latest Practicable Date, we had six road construction services projects on hand in Singapore which represented projects that had commenced but not yet completed. Details of our road construction services projects on hand in descending order by original contract sum are as follows:

Project code	Customer sector	Expected project period (Note 1)	Awarded contract sum(Note 2) *(S$' million)*	Accumulated revenue recognised during the Track Record Period *(S$' million)*	Expected revenue to be recognised for the eight months ending 31 December 2017 (Note 3) *(S$' million)*	Expected revenue to be recognised for the year ending 31 December 2018 (Note 3) *(S$' million)*
C36	Public	March 2016 – November 2017	13.9	11.3	2.6	n/a
C37	Public	July 2017 – January 2019	12.8	n/a	4.3	8.5
C38	Private	July 2017 – March 2019	7.7	n/a	5.2	2.6
C39	Public	February 2016 – September 2018	6.8	6.1	0.6	nil
C40	Public	October 2016 – January 2018	3.1	1.2	1.8	nil
C41	Public	October 2016 – January 2018	2.5	1.1	1.4	nil

Notes:

(1) The project period covers the duration of our works with reference to the announcement date of the relevant project set out in the letter of award issued by our customer or their authorised persons, and our best estimation of the completion of the project. In making of the estimation, our management takes into account factors including the date specified in the relevant contract, the extension period granted by our customers and the actual work schedule of our subcontractors.

(2) The contract sum is based on the initial agreement or quotation between our customer and us, excluding all variation orders issued by our customers.

(3) It represents our best estimation based on factors including the estimated completion date specified in the relevant contracts and works progress as at the Latest Practicable Date.

Construction ancillary services contracts on hand

As at the Latest Practicable Date, we had 16 construction ancillary services term contracts on hand in Singapore which represented term contracts that had commenced but not yet completed with an aggregate awarded contract sum of approximately S$84.8 million. Details of our term contracts on hand in descending order by original contract sum are as follows:

Term contract code	Customer sector	Expected contract period (Note 1)	Awarded contract sum (Note 2) (S$' million)	Accumulated revenue recognised during the Track Record Period (S$' million)	Expected revenue to be recognised for the eight months ending 31 December 2017 (Note 3) (S$' million)	Expected revenue to be recognised for the year ending 31 December 2018 (Note 3) (S$' million)
C42	Public	January 2016 – January 2019	21.6	16.9	3.8	1.1
C43	Public	January 2016 – January 2019	20.0	15.7	3.5	1.0
C44	Private	January 2017 – December 2024	12.3	0.5	1.7	4.2
C45	Private	July 2017 – May 2018	7.7	n/a	5.2	2.6
C46	Private	November 2016 – May 2018	5.1	0.9	2.5	1.8
C47	Private	July 2016 – June 2019	4.8	2.5	0.7	1.6
C48	Private	July 2016 – June 2019	4.4	1.1	1.0	1.5
C49	Public	March 2017 – June 2018	2.8	nil	2.2	0.5
C50	Private	December 2016 – February 2023	2.3	0.4	0.5	0.6
C51	Private	August 2017 – December 2017	1.8	n/a	1.8	n/a
C52	Private	February 2016 – December 2020	1.5	0.5	0.2	0.2
C53	Private	February 2017 – May 2018	0.2	less than 0.1	0.1	0.1
C54	Private	December 2016 – December 2018	0.2	nil	0.1	0.1
C55	Private	November 2016 – December 2024	0.1	less than 0.1	less than 0.1	less than 0.1
C56	Public	February 2016 – January 2018	by measurement	1.7	1.5	n/a
C57	Public	February 2016 – January 2018	by measurement	1.6	1.3	n/a

Notes:

(1) The project period covers the duration of our works with reference to the announcement date of the relevant project set out in the letter of award issued by our customer or their authorised persons, and our best estimation of the completion of the project. In making of the estimation, our management takes into account factors including the date specified in the relevant contract, the extension period granted by our customers and the actual work schedule of our subcontractors.

(2) The contract sum is based on the initial agreement or quotation between our customer and us. As the construction ancillary services works have been segmented into work orders to be issued over a period of time, the original contract sum is indicative only and does not impose any minimum order obligation on our customer.

(3) It represents our best estimation based on factors including the estimated completion date specified in the relevant contracts and works progress as at the Latest Practicable Date.

Road construction services projects in backlog

The following table sets forth the movement of backlog of our road construction services projects, representing the total original contract value of works which remain to be completed pursuant to the terms of the outstanding contracts as at a certain date and assuming performance in accordance with terms of the contract, during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	Approximately (S$'000)	*Number of contract(s) attributed*	*Approximately (S$'000)*	*Number of contract(s) attributed*	*Approximately (S$'000)*	*Number of contract(s) attributed*	*Approximately (S$'000)*	*Number of contract(s) attributed*
Opening aggregate original contract sum of backlog	27.3	3	30.7	4	2.1	1	26.2	4
Aggregate original contract sum of new contracts commenced *(Note)*	7.2	2	4.0	2	26.2	4	–	–
Aggregate original contract sum of completed contracts	3.8	1	32.7	5	2.1	1	–	–
Closing original contract sum of backlog	30.7	4	2.1	1	26.2	4	26.2	4

Note: The original contract sum is based on the initial agreement between our customer and us and may not include variation orders, as such final revenue recognised from a contract may differ from the original contract sum.

Construction ancillary services contracts in backlog

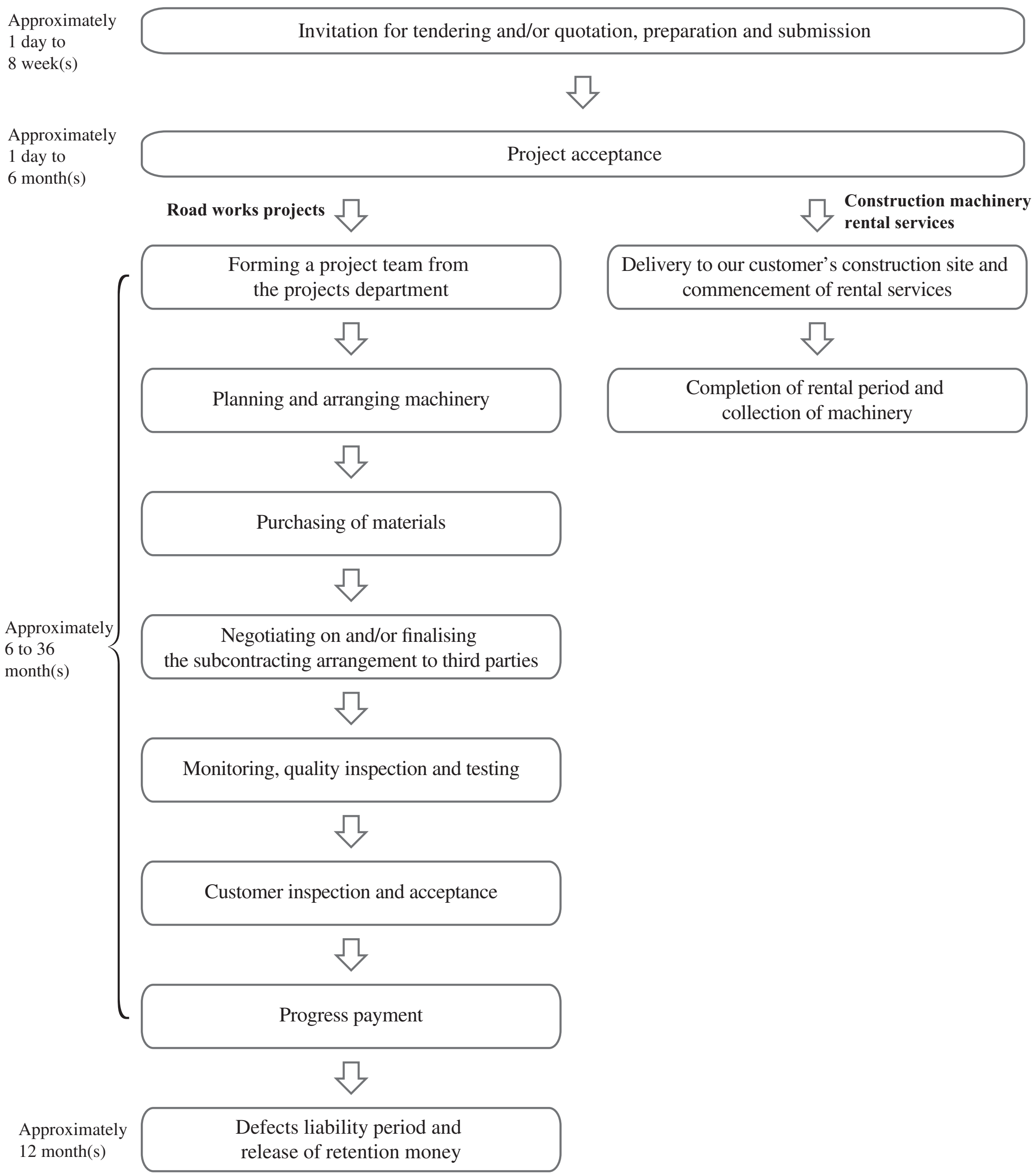
The following table sets forth the movement of backlog of our construction ancillary services contracts, representing the total original contract value of works which remain to be completed pursuant to the terms of the outstanding contracts as at a certain date and assuming performance in accordance with terms of the contract, during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	Approximately (S$'000)	*Number of contract(s) attributed*	*Approximately (S$'000)*	*Number of contract(s) attributed*	*Approximately (S$'000)*	*Number of contract(s) attributed*	*Approximately (S$'000)*	*Number of contract(s) attributed*
Opening aggregate original contract sum of backlog	26.6	7	28.3	10	36.1	15	66.5	15
Aggregate original contract sum of new contracts commenced *(Note)*	8.3	7	9.5	13	60.2	14	15.2	3
Aggregate original contract sum of completed contracts	6.6	4	1.7	9	29.8	14	2.5	1
Closing original contract sum of backlog	28.3	10	36.1	15	66.5	15	79.2	17

Note: The contract sum is based on the initial agreement or quotation between our customer and us. As the construction ancillary services works have been segmented into work orders to be issued over a period of time, the original contract sum is indicative only and does not impose any minimum order obligation on our customer. Contracts in which the contract sum was determined by measurement were not included in the calculation of aggregate original contract sum.

OPERATING PROCEDURES

The flow chart summarising the usual workflow of our business operations is set out below:



Invitation for tendering and/or quotation, preparation and submission

Our projects come mainly from two sources, (i) invitation to quote or tender from private sector customers or (ii) tender opportunities published on the GeBIZ system (the Singapore government's one-stop e-procurement portal). When we receive an invitation to quote or tender for works, our contracts department will review the tender documents and/or project requirements. We also monitor the GeBIZ system weekly for relevant tenders that we can participate in. Our contracts department has assigned staff who are knowledgeable in the assessment of projects' requirements for road works. The contracts department head has the experience, skills and knowledge of the market and competitive environment.

Our executive Directors will make the decision on whether to proceed to tender, based on various factors including (i) the specifications of the potential project; (ii) the commencement date and duration of the potential project; (iii) the site location; (iv) the resources availability; and (v) our previous experience with the customer. Should the decision be made to proceed with the tender, our contracts department will prepare the tender documents/quotation. In the course of preparation of the tender documents/quotation, our executive Directors and/or our general manager mainly evaluate on (i) manpower needed; (ii) availability of machinery; and (iii) complexity of the potential project, and conduct an on-site visit if necessary.

Our executive Directors will make the final decision on our pricing and the submission of our tender or quotation, which is typically valid for 30 days (or extended upon customers' request). Subsequent to the submission of the tender documents, we may be requested to attend tender interviews which are attended by one or two of our executive Director(s). Once the contract is signed, typically no pricing adjustment for the contracted scope of works will be made. We will keep track of tenders and quotations which we have submitted in a report, with information such as (i) project names/description, (ii) identities of main contractors, (iii) tender/ quotation sum, (iv) tender/quotation submission dates and (v) tender closing dates.

Tenders or quotations submitted during the Track Record Period

During the Track Record Period, while all of our road works projects from public sector were obtained through tendering, our road works projects from private sector were obtained through both tendering and invitation of quotation. The following table sets out the number of projects tendered and submitted quotations, number of successful projects/contracts tendered, our success rate and the approximate original contract sum of successful projects/contracts tendered during the Track Record Period:

	For the year ended 31 December 2014	For the year ended 31 December 2015	For the year ended 31 December 2016	For the four months ended 30 April 2017
(a) Tenders submitted				
Number of projects/contracts tendered	5	25	15	16
Number of successful projects/contracts tendered	2	9	5	3
Success rate *(%)*	40.0%	36.0%	33.3%	18.8%
Approximate original contract sum of successful projects/contracts tendered *(S$'000)*	4,951.5	75,735.3	14,849.3	17,340.8
(b) Quotations submitted				
Number of projects/contracts submitted quotation	20	21	14	5
Number of successful projects/contracts submitted quotation	4	7	8	2
Success rate *(%)*	20.0%	33.3%	57.1%	66.7% *(Note)*
Approximate original contract sum of successful projects/contracts submitted quotation *(S$'000)*	8,138.8	5,994.8	16,219.4	12,495.5

Note: As at the Latest Practicable Date, out of the five project/contracts submitted quotation, aside from the two successful projects/contracts submitted quotations with an aggregate original contract sum of approximately S$12.5 million, and the one unsuccessful project/contract submitted quotations, there were two projects/contracts submitted quotation with an aggregate original contract sum of approximately S$15.6 million respectively pending result. They were excluded for the purpose of calculating the success rate.

During the Track Record Period, we experienced a decrease in our tender success rate. It was mainly because we have successfully tendered for projects C42 and C43 with corresponding contract sum of approximately S$21.6 million and S$20.0 million, respectively, both of which commenced from January 2016. As such, the availability of our machinery and manpower and thus the pricing of the upcoming tenders was adversely affected. However, we may from time to time respond to our customers' invitations by submitting quotations/tenders after taking into account our pricing strategy instead of turning them down. As such, despite our decreasing tender success rate, we experienced an increase in our quotation success rate by having submitted eight successful quotations for the year ended 31 December 2016, each of which comprises of a relatively small contract sum.

Our Directors believe such strategy allows us to (i) maintain our relationship with customers; (ii) maintain our presence in the market; and (iii) be informed of the latest market developments and pricing trends which are useful for tendering projects in the future. Due to such strategy and subject to the tender strategy of our competitors from time to time, we may experience fluctuations in our overall tender success rates from period to period. Given our tender strategy and in view of our performance over the Track Record Period and our projects on hand as at the Latest Practicable Date, our Directors consider that our overall tender success rate during the Track Record Period has been satisfactory in general. For details of our ongoing projects, please refer to the paragraphs headed "Our projects and contracts – Road construction services projects on hand" and "Our projects and contracts – Construction ancillary services contracts on hand".

During our tendering process, our price will be determined on a project-by-project basis depending on and having considered our pricing strategies. For details, please refer to the paragraph headed "Customers – Pricing strategy" in this section. As such, we will ensure that we can provide and allocate sufficient resources for the tendered projects. During the Track Record Period, we have not experienced any material complaints for our projects.

Project acceptance

Upon receipt of our tender, our customer may by way of interview or enquiries clarifies with us the particulars of our submitted tender. Once our customer decides to engage us, we will be informed of our acceptance by a letter of award issued to us by our customer. We may then enter into a formal engagement agreement with our customer, and for construction ancillary services, we may enter into term contracts with them. As soon as we are engaged by our customer, we would secure our engagement with our subcontractors and arrange with our suppliers for the supply of materials for the project.

Upon the award of the contract, a kick-off meeting or project briefing will be held with the relevant personnel. Our projects are headed by one of our executive Directors who has the overall responsibility to manage the project, in terms of meeting both the timing and project specifications. All project information including the tender documents and contracts will be transferred from the contracts department to the projects department. Our projects department will prepare detailed steps to be taken for the project and the resources required at each stage.

ROAD WORKS PROJECTS

Project execution

Once our engagement is confirmed, we will commence the implementation of the project by following the detailed steps including: (i) forming a project team from the projects department; (ii) planning and arranging the required machinery to be delivered to the construction site; (iii) procuring and arranging with suppliers for the required materials for the project; (iv) negotiating on finalising the subcontracting arrangement if necessary; (v) monitoring, quality inspection and testing; (vi) customer inspection and acceptance; and (vii) progress payment.

Forming a project team from the projects department

Depending on the scale and complexity of the projects, the projects department will form and assign a project team for each awarded project. The project team generally comprises the following key personnel: executive Director, project manager, engineer, site supervisor, quantity surveyor and foreman.

Our executive Directors will also closely monitor the progress of the project on a continuous basis, and will in particular ensure statutory requirements are complied with. Our project team will oversee the project on site and report to the executive Directors on the project status and identify any problems that need to be resolved from time-to-time. Set out below are some general duties performed by the key personnel:

(a) Executive Director

One of our executive Directors selects and supervises the project management team and is responsible for the whole project. The executive Director will discuss with our clients, main contractor, architect, consultant, other contractors and the government officer regarding the blueprint of projects, and select proper persons to constitute the management team. The executive Director is also responsible for planning the allocation of human resources and ensuring that procurement of requisite raw materials and equipment is carried out simultaneously.

(b) Project manager

Our project manager is mainly responsible for communicating with other members of the project team on the project status, reviewing the progress report and site daily record prepared by our engineer and liaising with subcontractors for the works conducted by subcontractors. On an ongoing basis, our project manager will directly report to our executive Directors on the project status and issues, and attend the progress meeting to report the project progress to our customer.

(c) Engineer

Our engineer is responsible for preparing the site daily record to properly record (i) the number of workers; and (ii) description of works both performed by our workers or subcontractors. Our engineer passes the site daily record to the project manager for review and keep the site daily records in site office for spot check by our executive Directors.

(d) Site supervisor

Our site supervisor is responsible for inspecting fieldworks including monitoring the work progress and communicating with our foreman about each project's detail operations.

(e) Quantity surveyor

Our quantity surveyor is responsible for inspecting the work progress on the site, checking with the executive Director for understanding the updated progress status, and preparing the payment application. For progress monitoring purpose, our quantity surveyor is required to update our project manager the latest certified progress from our customer.

(f) Foreman

Our foreman is responsible for supervising our workers and subcontractors on site.

Planning and arranging machinery

Most of our works involve the usage of machinery. Our logistic manager is responsible for managing the machinery for all projects. Our project manager, site supervisor and foreman will determine the types of machinery to be used, the time for the use of the machinery and the logistics of delivery of machinery. For details on our machinery, please refer to the paragraph headed "Machinery" in this section.

We may lease out our construction machinery to our customers upon request. By then, we would provide separate fee quote to our customers. If accepted, we would arrange delivery of the same to their warehouses or construction sites. For details of our construction machinery rental services, please refer to the paragraph headed "Construction machinery rental services".

Purchasing of materials

The construction materials that we purchase for a project include thermoplastic materials, asphalt premix, signage sheetings, concrete and steel reinforcement bars. In line with our tender submitted, our projects department will coordinate with our contracts and purchasing department on the required purchases from our suppliers. In some projects, certain construction materials might be purchased by our customer on our behalf for their projects and we are responsible for delivering construction machinery to the site, such as the trailers which are not permitted to directly drive on highway that are delivered by us on lorries. Our construction materials purchased are sent to the site directly by our suppliers and we do not retain any construction materials as our inventory as the materials are acquired on a project-by-project basis in accordance with the project specifications. For details on our suppliers, please refer to the paragraph headed "Suppliers" in this section.

Negotiating on and/or finalising the subcontracting arrangement to third parties

Depending on our capability, resources level, cost effectiveness and the complexity of the project, we may subcontract specific parts of the project to our subcontractors in Singapore, such as delivery services, railing works, piling works, electrical works and steel works. Save for such specific parts of the project, we usually carry out other parts of a project by our direct workers.

For details on our subcontracting, please refer to the paragraph headed "Subcontracting" in this section.

Monitoring, quality inspection and testing

Our executive Director, who is responsible for overseeing projects department, regularly provides progress reports to the other executive Directors. Such reports include project performance, risks in delaying the construction programme (if any), comments from our customer and follow-up matters for the project. In addition, we would normally hold progress meeting with our customer throughout the project. Our project team is also responsible to perform site supervision as the case may be and the result of such site supervision will be submitted to our customers upon their requests. The site foreman maintains a daily site report for the works both performed by our workers or subcontractors and our executive Director will review the report. The project manager will monitor the work progress to ensure the project can be completed on time.

Customer inspection and acceptance

In the course of execution of the road works projects, our customer will inspect our works done from time to time. Upon its satisfaction, our customer will issue an approval form specifying the activity completed by stages. Upon completion of the projects, we will typically receive a certificate of substantial completion from our customer, which indicates that our services have been completed, inspected and approved. We will also issue a notice of completion to our customer to notify them of the handover of the project. There may be a subsequent maintenance period for works done of up to twelve months. Our Directors confirm that our Group has not experienced any material delays for our projects during the Track Record Period.

Progress payment

Based on the activity carried out in the preceding month, we will submit to our customer a payment application, which generally includes the estimated fee for our work done along with any variation, the list of materials delivered to the site and the costs of the material delivered. The amount will be netted off with any costs of construction materials procured on our behalf by our customer. Once our customer is satisfied with our payment application, a payment certificate will be issued to us and the payment will be made to us accordingly. Our private sector customers will usually retain up to 10% of each interim payment and up to a maximum limit of 5% of the contract sum as retention money for the project.

Defects liability period and release of retention money

Subject to the requirements of different projects, a defects liability period of up to 12 months from the date of the certificate of substantial completion may be provided by us. During the defects liability period, we are responsible for remedial works which may arise from the defective works or materials used. The retention money will be withheld by our customer and half of which will be released to us on the issue of the certificate of substantial completion and the remaining half upon the expiry of defect liability period. During the Track Record Period, we did not experience any material claim by our customers in respect of defective works and no deduction was made against the retention monies.

CONSTRUCTION MACHINERY RENTAL SERVICES

Delivery to our customer's construction site and commencement of rental services

Our customers may arrange for the delivery of the rented machine to their construction sites. Upon delivery, our customers would be responsible for the rented construction machinery subject to the terms of our contract. The operation of our construction machinery requires a substantial amount of diesel which is arranged by our customer.

Our customers shall apply to the relevant authorities for the necessary permit for the machine to be parked along the public road. Our customers shall also provide a parking area within the site before and after operation for our machines. Upon arrival at our customer's construction sites, the rented construction machines would be inspected and certified by a competent person of the main contractor.

During the rental period, we issue an invoice to our customers at the end of each month. We generally provide our customers a credit period of 30 days after issuance of invoice.

Completion of rental period and collection of machinery

At the end of the rental period, the construction machinery will be inspected, and returned to our designated location. If the construction machinery is found to be damaged during our inspection, we would charge the customer the cost of replacement unless the damage is caused by normal wear and tear. Items required to be replaced would be specified in the invoices which we issue to our customers for subsequent payments. The process will be the same for construction machinery obtained from third party provider.

MAJOR QUALIFICATIONS, LICENCES AND CERTIFICATIONS

Qualifications and licences in Singapore

Double-Trans and Samco, both of our operating subsidiaries, hold a GB1 licence issued by BCA under the BLS which enables us to undertake contracts for general building works in both public and private sectors. This licence is required for carrying out private sector buildings works or public sector building works. Our Group is also registered by BCA under the CRS for a number of workheads which enable us to tender for public sector building works and by EPPU for a supply head which enables us to be a supplier of laboratory testing and survey equipment for the public sector. The following tables set out a summary of the major qualifications and licences of Double-Trans and Samco in Singapore:

Qualifications and licences of Double-Trans

Type	Relevant authority/ organisation	Relevant list/category	Qualification/ Licence/Grading	Date of expiry
General Builder Licence	BCA	General Builder Class 1	GB1	16 June 2018
Construction Workheads (CW)	BCA	CW01, General Building	C3	1 July 2020
	BCA	CW02, Civil Engineering	B1	1 July 2020
Construction Related Workheads (CR)	BCA	CR07, Cable/Pipe laying and road reinstatement	L1	1 July 2020
	BCA	CR11, Signcraft Installation	L1	1 July 2020
	BCA	CR14, Asphalt Works & Road Marking	L5	1 July 2020
Supply Heads	EPPU	EPU/LTE/10 – Laboratory Testing And Survey Equipment	S10>S$30,000,000 (EPU S10)	4 January 2020

Qualifications and licences of Samco

Type	Relevant authority/ organisation	Relevant list/category	Qualification/ Licence/Grading	Date of expiry
General Builder Licence	BCA	General Builder Class 1	GB1	16 June 2018
Specialist Builder Licence	BCA	Specialist Builder (Pre-Cast Concrete Works)	SB(PC)	31 October 2019
Construction Workheads (CW)	BCA	CW01, General Building	C3	1 September 2019
	BCA	CW02, Civil Engineering	C1	1 September 2019
Construction Related Workheads (CR)	BCA	CR07, Cable/Pipe laying and road reinstatement	L1	1 September 2019
	BCA	CR14, Asphalt Works & Road Marking	L5	1 September 2019
Supply Heads	EPPU	EPU/LTE/10 – Laboratory Testing And Survey Equipment	S8 S$10,000,000 (EPU S8)	3 January 2020

Both GB1 licences (General Builder Class 1) of Double-Trans and Samco allow us to carry out private or public sector road works. Double-Trans' CW02 (B1) licence and Samco's CW02 (C1) license allow us to tender directly to government agencies or statutory boards for road works projects of amounts up to S$40 million and S$4.0 million, respectively in the public sector with effect from 1 July 2017. Our executive Directors are of the view that our existing BCA gradings are adequate for our business needs.

Our Directors confirm that our Group has as at the Latest Practicable Date obtained all the necessary licences which are required to carry out our principal business activities in Singapore. Our Directors also confirm that our Group, in all material respects, has been in compliance with all relevant laws and regulations during the Track Record Period and up to the Latest Practicable Date.

Certifications

The following table sets out our major certifications:

Holder	Relevant authority/ organisation	Relevant list/category	Qualification/ Licence/Grading	Date of first grant/registration	Date of expiry
Double-Trans	QAI Certification Pte Ltd	Quality management system for the provision of civil engineering works including road construction	ISO 9001:2008	26 March, 2013	22 March, 2019
Samco	QAI Certification Pte Ltd	Quality management system for the provision of civil engineering works including road construction	ISO 9001:2015	30 March, 2017	29 May, 2020
Double-Trans	QAI Certification Pte Ltd	Health & safety management system for the provision of road works & civil engineering works	OHSAS 18001:2007	26 March 2008	22 March, 2018
Samco	QAI Certification Pte Ltd	Health & safety management system for the provision of road works & civil engineering works	OHSAS 18001:2007	3 November 2009	9 March, 2018
Double-Trans	QAI Certification Pte Ltd	Environmental management system for the provision of civil engineering works including road construction	ISO 14001:2004	26 March, 2013	21 March, 2019
Samco	QAI Certification Pte Ltd	Environmental management system for the provision of civil engineering works including road construction	ISO 14001:2015	30 March, 2017	29 March, 2020
Double-Trans	Workplace Safety and Health Council	bizSAFE	Level Star	30 June, 2015	22 March, 2018
Samco	Workplace Safety and Health Council	bizSAFE	Level Star	6 April, 2015	9 March, 2018
Double-Trans	Avery Dennison	Traffic Converter	Traffic Converter	1 March, 2016	28 February, 2018
Double-Trans	BCA	Green and Gracious Builder Scheme	N/A	2 March, 2016	1 March, 2019

Awards

Holder	Relevant authority/organisation	Awards Grading	Year/Date of grant
Double-Trans	Media Enrich Enterprise Pte Ltd	SME Prestige Award (Platinum category)	2 September 2013
Samco	Customer F	Certificate of Appreciation for attaining zero accident in year 2014	20 January 2015
Double-Trans	DP Information Group	Singapore SME 1000 Company	2015
Double-Trans	Customer F	Injury Free (Engineering) Award 2015	2015
Samco	Customer F	Injury Free (Engineering) Award 2015	2015
Double-Trans	Customer F	Certificate of Appreciation for attaining zero accident in year 2015	3 February 2016
Samco	Customer F	Certificate of Appreciation for attaining zero accident in year 2015	3 February 2016
Double-Trans	Jointly organised by The Business Times and KPMG	Enterprise 50 Awards	2016

CUSTOMERS

During the Track Record Period, we acted as the main contractor and subcontractor to our customers, primarily including various statutory boards of the Singapore and privately-owned construction companies or main contractors of various types of development projects in Singapore, for provision of road works services. During the same period, we also provide construction machinery rental services to our customers.

Major customers

For the three years ended 31 December 2016 and the four months ended 30 April 2017, the percentage of our Group's total revenue attributable to our Group's largest customer was approximately 26.8%, 33.9%, 49.2% and 39.4%, respectively, while the percentage of our Group's total revenue attributable to our five largest customers in aggregate was approximately 75.0%, 80.4%, 93.7% and 87.5%, respectively.

Set out below is a breakdown of our revenue by major customers:

For the year ended 31 December 2014

Rank	Customers	Principal business	Approximate transaction amount *(S$'000)*	Approximate percentage of total revenue *(%)*	Type of services provided	Approximate years of relationship
1.	Customer A *(Note 1)*	A statutory board planning, designing, building and maintaining land transport infrastructure and systems	11,465.5	26.8	Construction ancillary services	8
2.	Customer B	An enterprise providing services in civil engineering	10,939.2	25.6	Road construction services	4
3.	Customer C *(Note 2)*	A subsidiary of a listed company providing fully integrated services in the construction industry	3,795.9	8.9	Road construction services and construction ancillary services	8
4.	Customer D *(Note 3)*	A subsidiary of a listed company providing infrastructure and civil engineering services specialising in reclamation and shore protection works	2,876.6	6.7	Construction ancillary services	4
5.	Customer E	Construction services provider	3,002.1	7.0	Construction machinery rental services	2
		Five largest customers combined	32,079.3	75.0		
		All other customers	10,659.6	25.0		
		Total revenue	42,738.9	100.0		

Notes:

1. Customer A is a board under the ministry spearheading land transport developments, providing public transport, walk cycle ride and roads & monitoring projects country-wide.

2. Customer C's portfolio consists of projects from across civil and infrastructure, commercial, hospital, hotels & leisure, industrial, institutional, mixed development and residential areas. Their suite of services includes infrastructure development, design & build, build only construction management, project management, major upgrading and restoration of properties for conservation. From its beginnings as a sole proprietorship in the 1940s, Customer C has grown to become a listed construction firm, backed by a portfolio of projects valued over S$9 billion.

3. Over the years, Customer D has grown from a company with a single focus in civil engineering into a construction player with businesses in civil engineering, precast and energy infrastructure. For the year ended 31 December 2016, it generated revenue of S$202,726.

For the year ended 31 December 2015

Rank	Customers	Principal business	Approximate transaction amount (S$'000)	Approximate percentage of total revenue (%)	Type of services provided	Approximate years of relationship
1.	Customer A *(Note 1)*	A statutory board planning, designing, building and maintaining land transport infrastructure and systems	15,150.8	33.9	Road construction services and construction ancillary services	8
2.	Customer C *(Note 2)*	A subsidiary of a listed company providing fully integrated services in the construction industry	8,675.6	19.4	Road construction services and construction ancillary services	8
3.	Customer B	An enterprise providing services in civil engineering	5,372.0	12.0	Road construction services	4
4.	Customer E	Construction works provider	3,898.2	8.7	Construction machinery rental services	2
5.	Customer F	A corporation providing transshipment services, the transfer of containers from one vessel to another vessel bound for its final destination, whereas in transit	2,857.4	6.4	Road construction services and construction ancillary services	9
		Five largest customers combined	35,954.0	80.4		
		All other customers	8,679.0	19.6		
		Total revenue	44,633.0	100.0		

Notes:

1. Please refer to descriptions of Customer A's background as one of the top five customers for the year ended 31 December 2014.

2. Please refer to descriptions of Customer C's background as one of the top five customers for the year ended 31 December 2014.

For the year ended 31 December 2016

Rank	Customers	Principal business	Approximate transaction amount *(S$'000)*	Approximate percentage of total revenue *(%)*	Type of services provided	Approximate years of relationship
1.	Customer A *(Note 1)*	A statutory board planning designing building and maintaining land transport infrastructure and systems	25,340.9	49.2	Road construction services and construction ancillary services	8
2.	Customer G *(Note 2)*	A public housing authority planning and developing housing estates, providing various commercial, recreational and social amenities in towns	13,038.8	25.3	Road construction services and construction ancillary services	9
3.	Customer H1 *(Note 3)*	A limited liability partnerships in general wholesale trade including trading of equipment, machinery, plant bitumen, emulsion and lube supply	5,765.9	11.2	Construction ancillary services	1
4.	Customer F	A corporation providing transshipment services, the transfer of containers from one vessel to another vessel bound for its final destination, whereas in transit	2,820.8	5.5	Construction ancillary services	9
5.	Customer C *(Note 4)*	A subsidiary of a listed company providing fully integrated services in the construction industry	1,261.9	2.5	Construction ancillary services	8
		Five largest customers combined	48,228.3	93.7		
		All other customers	3,241.4	6.3		
		Total revenue	51,469.7	100.0		

Notes:

1. Please refer to descriptions of Customer A's background as one of the top five customers for the year ended 31 December 2014.

2. Customer G is a public housing authority that built 21,000 flats in less than 3 years. Within a decade of its formation, 54,000 flats were built. More than 1 million flats have been completed in 23 towns and 3 estates across the island, where the flats are home to over 80% of the concerned resident population.

3. We provided milling and patching works for them in different work orders.

4. Please refer to descriptions of Customer C's background as one of the top five customers for the year ended 31 December 2014.

For the four months ended 30 April 2017

Rank	Customers	Principal business	Approximate transaction amount *(S$'000)*	Approximate percentage of total revenue *(%)*	Type of services provided	Approximate years of relationship
1.	Customer G *(Note 1)*	A public housing authority planning and developing housing estates, providing various commercial, recreational and social amenities in towns	8,633.8	39.4	Road construction services and construction ancillary services	9
2.	Customer A *(Note 2)*	A statutory board planning designing building and maintaining Singapore's land transport infrastructure and systems	8,100.9	37.0	Road construction services and construction ancillary services	8
3.	Customer F	A corporation providing transshipment services, the transfer of containers from one vessel to another vessel bound for its final destination, whereas in transit	1,303.4	5.9	Construction ancillary services	9
4.	Customer I	A corporation providing construction and maintenance of roads, airfields and road milling and resurfacing	638.8	2.9	Construction ancillary services	1
5.	Customer C *(Note 3)*	A subsidiary of a listed company providing fully integrated services in the construction industry	511.4	2.3	Construction ancillary services	8
		Five largest customers combined	19,188.3	87.5		
		All other customers	2,721.4	12.5		
		Total revenue	21,909.7	100.0		

Notes:

1. Please refer to descriptions of Customer G's background as one of the top five customers for the year ended 31 December 2016.

2. Please refer to descriptions of Customer A's background as one of the top five customers for the year ended 31 December 2014.

3. Please refer to descriptions of Customer C's background as one of the top five customers for the year ended 31 December 2014.

Our Directors confirm that, during the Track Record Period, our Group had no material dispute with or claims from our customers, and we had not committed any material breach of agreements entered into between our customers and us. All of our top five customers were Independent Third Parties. None of our Directors, their respective associates or any shareholder (who or which, to the best knowledge of our Directors, owns more than 5% of our issued share capital as of the Latest Practicable Date), has any interest in any of our top five customers during the Track Record Period.

Customer concentration

For the three years ended 31 December 2016 and the four months ended 30 April 2017, the percentage of our total revenue attributable to our five largest customers combined amounted to approximately 75.0%, 80.4%, 93.7% and 87.5%, respectively. The percentage of our total revenue attributable to our largest customer amounted to approximately 26.8%, 33.9%, 49.2% and 39.4%, respectively, for the same periods. According to the Ipsos Report, it is common for construction contractors to rely on a few customers and such customer concentration is not uncommon for construction companies in Singapore. Our Directors consider that despite the customer concentration, our Group's business model is sustainable for the following reasons:

(i) it is reasonable for the Singapore statutory board which is responsible for planning, designing, building and maintaining land transport infrastructure and systems in Singapore to remain as our top customer for the three years ended 31 December 2016 in terms of revenue contribution since we provide road works services in Singapore;

(ii) except for the said Singapore statutory board the ranking and combination of our top five customers for the three years ended 31 December 2016 and the four months ended 30 April 2017 during the Track Record Period were substantially different. This suggests that we did not place undue reliance on any particular one of them throughout the Track Record Period for revenue generation;

(iii) all tenders with the Singapore government department are on an open tender basis via GeBIZ rather than invitations or based on relationships, and contractors with a proven quality and safety track record will be evaluated favourably;

(iv) we have an established track record of quality and reliable services provided to our existing customers which will place us in an advantageous position when competing for tenders;

(v) our track record with Singapore statutory board will similarly place us in an advantageous position as Singapore statutory board typically have shared access to their contractors;

(vi) our Directors consider that there is little or no risk of default from the Singapore government; and

(vii) our Directors are of the view that there will be continuing demand for road works services, being our primary business focus, as maintenance services are required on an ongoing basis.

Our Directors are aware of the risk of customer concentration. We identify and take on new customers from time to time and have no intention to reserve our resources to serving our major customers only. In this connection, we plan to continue to maintain close business relationships with our existing customers and further develop our client base in order to reduce the reliance on our major customers.

Government policy

Singapore over the years has advanced to be an attractive market for global construction and infrastructure developments due to its robust business environs, healthy pipeline of development works and a developing economy. Beside the government's S$700 million infrastructure projects plan in the coming years, the government also planned various infrastructure projects ahead to meet the future needs of its growing society. All of these projects require technical skills and civil engineering work, thus further boosting demand for civil engineering sector in Singapore.

Marketing activities

During the Track Record Period, we secured new businesses mainly through tendering and invitation of quotation. Our Directors consider that due to our proven track record and our well-established relationship with our existing customers, we are able to leverage our existing customer base, reputation and our years of experience in road works projects such that we do not rely heavily on marketing and promotional activities. Our executive Directors and project managers are generally responsible for liaising and maintaining our relationship with customers and keeping abreast of market developments and potential business opportunities.

Pricing strategy

For our road works projects, our pricing is determined depending on: (i) the nature, scope and complexity of the project; (ii) the schedule of rates issued by our customers (if any); (iii) the estimated number and types of workers required; (iv) the estimated number and types of machinery required; (v) the completion time requested by customer; (vi) the availability of our machinery and manpower; (vii) any further subcontracting needed; (viii) the prospect of obtaining future contracts from the customer; and (ix) the prevailing market conditions.

When determining the tender price, we generally take into account the estimated material costs with reference to the relevant price indicators, such as the material index and foreign labour levy, of the preceding month. When there is price fluctuation in the preceding month which our management considers to be material, we would obtain pre-bid quotations from our suppliers for preparation of the schedule of rates which would form part of the tender document and govern the relevant material costs for the entire project. There is no assurance that the actual amount of costs would not exceed our estimation during the performance of our projects. During the Track Record Period, our Directors confirm that, except Project C2, there was no loss making and cost overrun project recorded. For Project C2, the whole works of this project was substantially completed on 31 January 2014. Throughout the construction stage of Project C2, we had received and preformed a number of variation orders as requested by our customer. Moreover, there was disagreement between our customer and us with regard to the amount claimed for each of the variation orders. Our Directors continually negotiated and discussed with our customer in order to reach an agreement on rate for the performed variation orders for Project C2, however no substantive progress was being made during the two years ended 31 December 2013. Hence, in view of the unclaimed variation orders, our Directors estimated, with their best assessment, that the total contract cost of Project C2 would exceed its total contract revenue, we considered it was prudence and appropriate to recognise the resultant loss during the two years ended 31 December 2013 in conformity with the Financial Reporting Standard 11 in Singapore. As a result, Project C2 recognised an aggregate loss of approximately S$2.6 million for the two years ended 31 December 2013, and a further loss of approximately S$0.1 million was being recognised during the Track Record Period.

For our construction machinery rental services, our pricing is determined depending on: (i) the market rate of rental of same type of machinery; and (ii) the availability of our machinery.

PRINCIPLE TERMS OF OUR ROAD WORKS AGREEMENT

For the three years ended 31 December 2016 and the four months ended 30 April 2017, revenue generated from road works projects under our term contracts were approximately S$22.2 million, S$22.5 million, S$38.9 million and S$14.7 million, respectively, representing approximately 51.9%, 50.3%, 75.6% and 67.2% of the total revenue from road works service for the respective year/period. For our risk exposure relating to our term contracts entered into with our customer, please refer to the section headed "Risk factors" in this prospectus.

Despite there was usually one contract under each of our road construction services projects whilst the actual amount and nature of works required to be performed by us under a construction ancillary services term contract were subject to various work orders placed by our customers, the terms of our road construction works contracts are generally similar to the terms of the work orders. Below are some of the generalised terms included in our contracts and purchase orders:

Contract sum	• For one-off projects, our contract normally states the agreed price subject to the scope of work and customers' requirement • For term contracts, our customer generally provides forecasts of road works orders with estimated annual number of projects and the contract price. The orders contain schedule of rates with breakdowns of specifications of work to be done, including unit price and sizes of construction materials to be used
Contract period	• The duration of our road construction services projects generally ranged from six months to three years while the contract period of term contracts of our construction ancillary services generally ranged from 18 months to three years • For road construction services projects, our Group shall complete the specified project before the completion date. During the duration of a term contract, our customer may place order(s) for services of the relevant properties pursuant to the terms of the term contract. Our customer is not obligated to place orders under a term contract during the duration of such term contract
Specifications	• Reference is made to the tender submitted, which includes detailed specifications and drawings in architectural, structural and technical areas, and equipment and materials to be used

Subcontracting	• Subcontracting is allowed with consent of our customer. Our Group shall supervise and be liable to the works of the subcontractors
Site facilities and materials	• The contractual parties agree on the site facilities and arrangements, such as security guards, traffic control and disposal of waste, to be provided by the main contractor. Some of the main contractors would procure construction materials on our behalf and arrange delivery to the construction site
Insurance	• Our Group generally shall maintain employee's compensation insurance against its employees, construction all risk insurance and public liability insurance
Payment terms	• Interim payment application shall be submitted on a monthly basis
Defects liability period and retention money	• Defects liability period of up to 12 months, or 18 months if specifically required Normally, the retention money will be withheld by our customers and 50% of which will be released to us on the issue of the certificate of substantial completion and the remaining 50% upon expiry of the defect liability period

Variation orders

The Group may accept customers' requests for variation in the scope of work during the course of the performance of the works under the engagement, subject to agreement between our Group and the customer on the fee (as the case may be) with respect to such variation orders. The rates for the works under such variation orders are in general to be agreed upon between our Group and the customers with reference to the schedule of rates as provided in the relevant contracts or as may be agreed between our Group's customers and our Group based on the quotation provided by our Group for such variation orders.

For the three years ended 31 December 2016 and the four months ended 30 April 2017, we respectively received revenue of approximately S$2.4 million, S$1.7 million, S$0.1 million and nil attributable to variation orders. During the Track Record Period, save for Project C2 of which details have been set out in the paragraph "Customers – Pricing strategy" above, as confirmed by our Directors, we had no material dispute with our customers as regards the amount of the variation orders.

Credit policy

Based on the activities carried out in the preceding month, we submit to our customers a payment application for an interim payment which generally includes the estimated fee for our work done, the list of construction materials delivered to the site and other expenses, such as waste disposal charge, incurred. Once our customer is satisfied with our interim payment application, an interim payment certificate will be issued to us usually within one month. We will then issue an invoice to our customer. Our customer will settle the interim payment with us by cheque and will retain a certain percentage of our fee as retention money. We will grant our customer an average credit period of approximately 30 days from the date of issuance of our invoice.

Our customers will usually retain up to 10% of each interim payment and up to a maximum limit of 5% of the total contract sum as retention money. Normally, the retention money will be withheld by our customer and 50% of which will be released to us on the issue of the certificate of substantial completion and the remaining 50% upon the expiry of defect liability period.

We maintain a summary sheet of interim payment applications submitted and payment certificates issued by our customers to ensure all corresponding payment certificates have been received or followed up with our customers on a timely basis. Upon the due date of retention receivables, our quantity surveyor will follow up with our customers by contacting our customers directly and re-issue the invoices if necessary. Our management will also consider issuing demand letter to our customers if there are any difficulties to collect the retention receivables. For details on our receivable revenue days, please refer to the section "Financial information – Discussion on selected balance sheet items – Trade receivables analysis".

PRINCIPLE TERMS OF OUR CONSTRUCTION MACHINERY RENTAL AGREEMENTS

Below are some of the generalised terms included in most of our construction machinery rental quotations:

Contractual period:	Minimum rental period of one month subject to extension by our customers during the Track Record Period; we may sometimes include a fixed rental period depending on the nature and the estimated timeframe of the construction projects our customers are involved in.
Payment:	Invoices would be issued monthly based on the agreed rate.
Repair:	The expense of all repairs made during the rental period, including labour, material, parts and other items shall be paid by our customers.
Operator:	Provided by our customers.
Diesel:	Provided by our customers.
Insurance:	All insurance coverage is undertaken by our customers. We are not responsible for any losses suffered or damages to third party and our customer's property during the course of operation.
Permit:	Our customers are responsible for applying to the relevant authorities for the necessary permit for the equipment to be parked along the public road. They must also provide a parking area within the site before and after operation for our machineries. In the event when our customers failed to adhere to the above requirement, our customers shall be held liable for all fines and summon imposed.

SEASONALITY

Our Directors believe that the road works industry and the construction machinery rental industry in Singapore does not exhibit any significant seasonality.

MAJOR CUSTOMERS WHO WERE ALSO OUR SUPPLIERS

During the Track Record Period, to the best knowledge and belief of our Directors, save for two of our top five customers (namely Customer B and Customer C) with whom we had payment arrangements, Customer H was one of our suppliers. For the three years ended 31 December 2016 and the four months ended 30 April 2017, our sales to Customer H amounted to approximately nil, nil, approximately S$5.8 million and approximately S$0.3 million, respectively, representing nil, nil, approximately 11.2% and approximately 1.2%, respectively, of our total revenue respectively. During the same period, our purchase from Customer H amounted to nil, nil, approximately S$2.5 million and approximately S$1.9 million, respectively, representing nil, nil, approximately 7.4% and approximately 11.7%, respectively, of our total direct costs.

To the best knowledge and belief of our Directors, Customer H is an Independent Third Party. With reference to available public information, this customer principally engages in general wholesale trade including trading of equipment, machinery, plant bitumen, emulsion and lube supply in Singapore.

Negotiation of the terms of our sales to and purchases from the above customers was conducted on case-by-case basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. The terms of transactions with this customer are in line with the market and similar to those transactions with our other customers and suppliers.

Payment arrangement with our major customers

It is common in the road works industry for a main contractor to pay on behalf of its subcontractors for certain expenses in the project, which would be subsequently deducted from its payments to that subcontractor in settling the interim payments and final accounts to the subcontractor. During the Track Record Period, we had such payment arrangements with two of our top five customers (namely Customer B and Customer C). In this context, we regard such customers as our suppliers at the same time. Such payment generally included purchase cost of road works materials and other miscellaneous expenses. Upon our request, or at the discretion of our customers, our customers may purchase road works materials or pay miscellaneous expenses on our behalf, where we settle such amounts with our customers through the abovementioned payment arrangement. Effectively, the payments due to us from our customers will be settled after netting off such amounts. For the three years ended 31 December 2016 and the four months ended 30 April 2017, such purchases amounted to approximately S$3.0 million, S$4.4 million, S$44,800 and nil, respectively, representing approximately 8.9%, 13.2%, 0.1% and nil of our total direct costs for the same periods. During the Track Record Period, as confirmed by our Directors, we had no material dispute with our customers as regards this payment arrangement and the payment involved. In addition, as we settled the contra-charge by netting off with the payments due from our customers, both cash inflows from the project work done and cash outflows from the purchase of road works materials or the payment on miscellaneous expenses were reduced by the same amount. Therefore, this payment arrangement also had no material impact on our cashflow positions during the Track Record Period.

SUPPLIERS

Our suppliers primarily supply the following materials to us: (i) thermoplastic material; (ii) asphalt premix; (iii) signage sheetings; (iv) concrete; and (v) steel reinforcement bars.

We generally order our materials on a project-by-project basis and we did not enter into any long-term or standard contract with our suppliers. The terms of our supply contracts include the type of materials, price, quantity and payment terms. Unless otherwise stated in our agreement with the customer, we usually provide construction materials for our projects. As we are provided with the standard requirements of the materials and we are liable for the quality of our project, except in the case that we are provided with materials by our customer, as main contractor or subcontractor, we are able to choose our own suppliers for our projects and we source the materials from our list of suppliers. The list of suppliers is reviewed quarterly or from time to time (as the case may be) and each approved supplier will be reviewed based on its performance, such as its quality, timeliness, responsiveness and environmental, health and safety record.

During the Track Record Period, our largest supplier accounted for approximately 42.4%, 28.4%, 32.7% and 28.0% of our total material costs for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively, and our five largest suppliers in aggregate accounted for approximately 79.5%, 75.6%, 73.2% and 74.2% of our total material costs for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively.

Criteria for selecting suppliers

As at the Latest Practicable Date, there were over 130 suppliers on our list of suppliers, which is reviewed and updated periodically. The admission of suppliers onto our internal list is subject to assessment of various factors including (i) quality of materials; (ii) timeliness of delivery; (iii) previous experience with the supplier; (iv) reputation of the supplier; and (v) price. During the Track Record Period, none of our suppliers was removed from our internal list of suppliers due to poor quality of the materials supplied by them.

Prices are determined by reference to quotations of suppliers as agreed between us and our suppliers on a project to project basis. Our Directors consider various factors, including but not limited to the future price trend of the materials when preparing tender proposals and hence we could generally pass on the increase in costs to our customers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material fluctuations in the costs of materials that had a material impact on our business, financial condition or results of operations.

The following table sets out the amount of each type of materials purchased by us and their approximate percentage of our total purchase of materials during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April	
	2014		2015		2016		2017	
	S$ million	*%*	*S$ million*	*%*	*S$ million*	*%*	*S$ million*	*%*
Thermoplastic material	0.2	1.3	0.7	4.5	2.7	17.4	1.1	14.9
Asphalt premix	15.0	78.7	6.8	43.6	5.7	36.6	2.2	29.5
Signage sheetings	–	–	0.01	0.04	0.9	5.7	0.7	10.3
Concrete	1.2	6.5	3.3	21.2	1.2	7.9	0.6	7.8
Steel reinforcement bars	–	–	0.05	0.3	2.1	13.6	0.9	12.2
Others *(note)*	2.5	13.5	4.7	30.3	2.9	18.8	1.8	25.3
Total	19.0	100	15.6	100	15.5	100	7.3	100

Note: Others mainly include precast, hardware, etc.

Major suppliers

Set out below is a breakdown of our Group's total purchases with the top suppliers of our Group:

For the year ended 31 December 2014

Suppliers	Principal business	Approximate purchase amount *(S$'000)*	Approximate percentage of total purchase *(%)*	Type of goods/ services purchases	Approximate years of relationship
Supplier A	An exempt private company limited by shares in building construction, manufacturing coke oven products (asphalt products, including paving and roofing materials)	8,042.6	42.2	Asphalt premix	9
Supplier B	A subsidiary of a listed company in civil engineering construction, manufacturing asphalt premix	3,046.0	16.0	Asphalt premix	3
Customer B	An enterprise providing services in civil engineering	2,876.9	15.1	Road base aggregate material	4
Supplier C	An exempt private company limited by shares carrying out general wholesale trade of building materials (granite, sand and clay)	634.2	3.3	Road base aggregate material	3

Suppliers	Principal business	Approximate purchase amount (S$'000)	Approximate percentage of total purchase (%)	Type of goods/ services purchases	Approximate years of relationship
Supplier D	An exempt private company limited by shares engaging in production of pre-cast concrete components in building construction	555.1	2.9	Precast concrete products (drain and kerb)	3
	Five largest suppliers combined	15,154.9	79.5		
	All other suppliers	3,885.2	20.5		
	Total purchases	19,040.1	100.0		

For the year ended 31 December 2015

Suppliers	Principal business	Approximate purchase amount (S$'000)	Approximate percentage of total purchase (%)	Type of goods/ services purchases	Approximate years of relationship
Supplier A	An exempt private company limited by shares in building construction, manufacturing coke oven products (asphalt products, including paving and roofing materials)	4,440.1	28.4	Asphalt premix	9
Customer B	An enterprise providing services in civil engineering	3,637.6	23.3	Road base aggregate material	4
Supplier B	A subsidiary of a listed company civil engineering construction, manufacturing asphalt premix	2,212.2	14.2	Asphalt premix	3
Supplier D	An exempt private company limited by shares engaging in production of pre-cast concrete components in building construction	790.0	5.1	Precast concrete products (drain and kerb)	3
Customer C	A subsidiary of a listed company providing fully integrated services in the construction industry	719.3	4.6	Ready mix concrete	8
	Five largest suppliers combined	11,799.2	75.6		
	All other suppliers	3,824.4	24.4		
	Total purchases	15,623.6	100.0		

For the year ended 31 December 2016

Suppliers	Principal business	Approximate purchase amount *(S$'000)*	Approximate percentage of total purchase *(%)*	Type of goods/ services purchases	Approximate years of relationship
Supplier B	Subsidiaries of a listed company in civil engineering construction, manufacturing asphalt premix	5,045.4	32.7	Asphalt premix	3
Customer H *(Note)*	A group of companies in general wholesale trade including trading of equipment, machinery, plant bitumen, emulsion and lube supply	2,535.1	16.4	Asphalt premix, signage material and construction equipment part	1
Supplier E	A road making solution specialist private limited company	1,460.2	9.5	Road marking material	2
Supplier F	A group of companies providing masonry products, formwork systems, reinforcement components and pre-cast concrete	1,216.9	7.9	Grating	1
Supplier G	A private limited company providing ready-mix concrete needs building and construction industry	1,029.4	6.7	Ready mix concrete	1
	Five largest suppliers combined	11,287.0	73.2		
	All other suppliers	4,163.7	26.8		
	Total purchases	15,450.7	100.0		

Note: Customer H comprises Customer H1 and Customer H2, which were related companies at the material time.

For the four months ended 30 April 2017

Suppliers	Principal business	Approximate purchase amount *(S$'000)*	Approximate percentage of total purchase *(%)*	Type of goods/ services purchases	Approximate years of relationship
Supplier B	A group of companies in civil engineering construction, manufacturing asphalt premix	2,055.8	28.0	Asphalt premix	3
Customer H2	A private limited company in general wholesale trade including trading of equipment, machinery, plant bitumen, emulsion and lube supply	1,903.2	25.9	Asphalt premix, signage material and construction equipment part	1
Supplier E	A road making solution specialist private limited company	894.9	12.2	Road marking material	2
Supplier G	A private limited company providing ready-mix concrete needs building and construction industry	370.5	5.0	Ready mix concrete	1
Supplier H	An exempt private company limited by shares in general contractors (Non-building construction) and road construction	224.3	3.1	Drain and kerb	4
	Five largest suppliers combined	5,448.8	74.2		
	All other suppliers	1,891.6	25.8		
	Total purchases	7,340.4	100.0		

All of our top five suppliers during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates or shareholders holding more than 5% of the issued share capital of our Company had any interest in our top five suppliers during the Track Record Period and up to the Latest Practicable Date.

Credit terms

Most of our suppliers are located in Singapore and all of our purchases are denominated in Singapore dollars. The credit terms granted by our suppliers range from 30 to 120 days and we settle our payment by cheque or bank transfer.

Product delivery

Our suppliers are usually responsible for arranging delivery of materials to us at their own costs. The delivery usually takes three to five days, except for concrete which will be delivered in one day upon order or calls in urgent needs. During the Track Record Period, none of our suppliers had filed for bankruptcy, reinforcement, insolvency or similar proceedings and we had not experienced any material shortage or delay in the supply of products.

Sales returns

After we have received the construction materials, we will perform quality checks and are entitled to return the materials which fail to meet the requirements to our suppliers. For further details of our quality control measures on our raw materials, please refer to the paragraph headed "Quality control" in this section. During the Track Record Period, i) there was no material cancellation of purchase orders placed by us with our suppliers; and ii) we did not have any material disputes with our suppliers.

Inventory

We did not maintain any inventories during the Track Record Period as our construction materials are purchased and consumed on a project-by-project basis. Our project team plans the delivery schedule ahead to ensure immediate consumption of construction materials.

SUBCONTRACTING

Depending on our capacity, resources level, cost effectiveness and complexity of the project, we may subcontract certain activities in a project to other subcontractors in Singapore. During the Track Record Period, our subcontracted works include delivery services, railing works, piling works, electrical works and steel works.

Our subcontractors include companies which generally have the available skills and manpower to perform the activities. During the Track Record Period, the number of subcontractors engaged by our Group was 29, 36, 45 and 39 for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. During the Track Record Period, all of our subcontractors were located in Singapore and all of our service fees were denominated in Singapore dollars.

We are responsible to our customers for the works performed in a project, including those carried out by our subcontractors. Our customers do not limit us in the use of subcontractor for a project or which subcontractor to be used by us. According to the agreements we enter into with our subcontractors, we have legal rights to hold our subcontractors liable for any loss and damages suffered by our Group.

Criteria for selecting subcontractors

Our Group maintains a list of subcontractors, which are selected based on their quality of work, reputation in the industry, sufficiency of machinery and labour, punctuality in delivery, response time for enquiry and their safety and environmental records. As at the Latest Practicable Date, we had over 30 subcontractors on our list of subcontractors. We believe that our stable relationship with our subcontractors enables us to have a thorough understanding and assessment of their performance over the years, which in turn allows us to ensure their quality of works. During the Track Record Period, none of the approved subcontractors was removed from our list of subcontractors due to poor performance in subcontracting works.

Save for the subcontracting arrangements between operating subsidiaries of our Group, we confirmed that all of our subcontractors are Independent Third Parties. Our Directors consider that there are sufficient subcontractors in the market to whom we can delegate our works if required. We believe we are flexible to engage alternative subcontractors to take up part of our works when necessary.

Our major subcontractors

Subcontracting costs attributable to our largest subcontractor for each of the three years ended 31 December 2016 and the four months ended 30 April 2017 accounted for approximately 25.7%, 36.5%, 33.2% and 30.7% of our total subcontracting costs, respectively, while our five largest subcontractors for each of the three years ended 31 December 2016 and the four months ended 30 April 2017 in aggregate accounted for approximately 65.5%, 75.2%, 62.1% and 69.5% of our total subcontracting costs, respectively.

For the three years ended 31 December 2016 and the four months ended 30 April 2017, the total subcontracting works performed by subcontractors amounted to approximately S$4.4 million, S$5.5 million, S$5.1 million and S$3.2 million, respectively.

Set out below is a breakdown of our subcontracting costs to major subcontractors:

For the year ended 31 December 2014

Rank	Subcontractors	Principal business	Approximate transaction amount *($'000)*	Approximate percentage of total subcontracting costs *(%)*	Type of services provided	Approximate years of relationship
1.	Subcontractor A	A private limited company providing signage manufacturing services	1,128.1	25.7	Supply and installation of signage	4
2.	Subcontractor B	An individual construction contractor	803.8	18.3	Reinforced concrete construction labour	5
3.	Subcontractor C	An exempt private company limited by shares in construction of other civil engineering projects and general contractors (Building construction including major upgrading works)	391.6	8.9	Railing	3
4.	Subcontractor D	A private limited company providing superflat floors, densit, deflex and decoasphalt	288.6	6.6	Asphalt imprint and colouring	4
5.	Subcontractor E	A company in building construction and construction of other civil engineering projects (e.g. playground systems)	265.4	6.0	Reinforced concrete construction labour	4
		Five largest subcontractors combined	2,877.4	65.5		
		All other subcontractors	1,515.5	34.5		
		Total subcontracting costs	4,392.9	100.0		

For the year ended 31 December 2015

Rank	Subcontractors	Principal business	Approximate transaction amount (\$'000)	Approximate percentage of total subcontracting costs (%)	Type of services provided	Approximate years of relationship
1.	Subcontractor A	A private limited company providing signage manufacturing services	1,998.7	36.5	Supply and installation of signage	4
2.	Subcontractor B	An individual construction contractor	784.5	14.3	Reinforced concrete construction labour	5
3.	Subcontractor C	An exempt private company limited by shares in construction of other civil engineering projects and general contractors (Building construction including major upgrading works)	758.7	13.9	Railing	3
4.	Subcontractor D	A private limited company providing superflat floors, densit, deflex and decoasphalt	308.1	5.6	Asphalt imprint and colouring	4
5.	Subcontractor F	A private limited company producing asphalt premix and supplying building material	268.9	4.9	Semi rigid pavement infilling and asphalt colouring works	3
		Five largest subcontractors combined	4,118.9	75.2		
		All other subcontractors	1,351.3	24.8		
		Total subcontracting costs	5,470.2	100.0		

For the year ended 31 December 2016

Rank	Subcontractors	Principal business	Approximate transaction amount *($'000)*	Approximate percentage of total subcontracting costs *(%)*	Type of services provided	Approximate years of relationship
1.	Subcontractor G	An exempt private company limited by shares in general contractors, plumbing, heating (Non-electric) and air-conditioning	1,700.7	33.2	Trunk Sewer	1
2.	Subcontractor C	An exempt private company limited by shares in construction of other civil engineering projects and general contractors (Building construction including major upgrading works)	602.5	11.7	Railing	3
3.	Subcontractor B	An individual construction contractor	377.4	7.4	Reinforced concrete construction labour	5
4.	Subcontractor H	An exempt private company limited by shares in foundation works (including micropiling, conventional piling and underpinning) and general contractors	258.6	5.0	Piling Works	1
5.	Subcontractor I	An exempt private company limited by shares in building construction and installation of industrial machinery and equipment, mechanical engineering works	243.8	4.8	Steel works	4
		Five largest subcontractors combined	3,183.0	62.1		
		All other subcontractors	1,945.5	37.9		
		Total subcontracting costs	5,128.5	100.0		

For the year ended 30 April 2017

Rank	Subcontractors	Principal business	Approximate transaction amount ($'000)	Approximate percentage of total subcontracting costs (%)	Type of services provided	Approximate years of relationship
1.	Supplier H	An exempt private company limited by shares in general contractors (Non-building construction) and road construction	993.0	30.7	External works (drain and kerb)	4
2.	Subcontractor G	An exempt private company limited by shares in general contractors, plumbing, heating (Non-electric) and air-conditioning	721.3	22.3	Trunk sewer	1
3.	Subcontractor J	An individual construction contractor	232.3	7.2	External works (drain and kerb)	8
4.	Subcontractor H	An exempt private company limited by shares in foundation works (including micropiling, conventional piling and underpinning) and general contractors	188.4	5.8	Piling works	1
5.	Subcontractor K	An exempt private company limited by shares in foundation works (including micropiling conventional piling and underpinning)	114.0	3.5	Piling works	1
		Five largest subcontractors combined	2,248.9	69.5%		
		All other subcontractors	982.1	30.5%		
		Total subcontracting costs	3,231.0	100.0%		

Subcontracting process

In preparing the tender for submission to our customer, our executive Directors and project manager have to review the specifications of the project and consider whether subcontractor is required for a project. We will invite other companies to provide quotations for our manager's decision.

Depending on the subcontracting works, we will provide the drawings and specifications to the selected subcontractors and request them to submit their tender or quotation. Once a project is awarded to us, we will negotiate the terms of the engagement with our subcontractor and discuss with the subcontractor our execution plan for the project to ensure it/he will complete the subcontracted works on time and in accordance with the specifications. Our project team will monitor and supervise the works of the subcontractor on an ongoing basis until the subcontracting works are completed. Our customer will inspect the work done by our subcontractor and an approval form will be issued by our customer for the completed works if our customer is satisfied with the completed works. Our subcontractor issues invoice to us in respect of subcontracting costs generally on a monthly basis.

General terms of subcontracts

As our customers engage us on a project-by-project basis, we have not entered into any long-term or standard contract with our subcontractors. The key terms of the subcontracts include pricing, scope of works, time of performance, arrangement of labour, purchase of materials and safety requirements.

Pursuant to our engagement, we have legal rights to hold our subcontractors liable for any loss and damage suffered by our Group if their works are not done in accordance with the requirements set out in our engagements.

Control on subcontractors

We are liable to our customers for the performance and the quality of work done by our subcontractors. Therefore, our subcontractors are not allowed to subcontract parts of our projects without our permission. In the event that our subcontractors subcontract parts of our projects without our permission, we have the absolute discretion to terminate the contract immediately and our subcontractor shall be liable to our consequential additional costs incurred.

Our subcontractors are prohibited from hiring illegal foreign workers and have to conform to safety and regulatory requirements. In order to monitor our subcontractors, we typically: (i) request our subcontractors to ensure that their workmen follow strictly to our main contractor's workplace safety enforcement on site, and have to use workers who have safety orientation certificates. Safety equipment such as safety helmets/safety boots and safety belts shall be provided by our subcontractor, and workers who fail to comply shall be denied from the worksite; (ii) require our subcontractors to participate in our on-site toolbox meetings and safety committee meetings so that they can be aligned with our projects department on potential workplace safety and health issues and project-related matters; and (iii) conduct regular inspection of our subcontractors' works.

During the Track Record Period, none of the subcontractors had major non-performance that resulted in default in payment by our customer to us or liquidated damages payable by us to our customer. If our customer defaults in making payment, we remain liable to settle the subcontractors' fees should the subcontracting works already have been performed.

MACHINERY

We rely on the use of machinery to enable us to carry out our road works services. Accordingly, we possess a broad range of machinery to perform different types of road works projects. We acquired new machinery of European, Japanese and South Korean brands from authorised dealers or used machinery directly from second-hand shops. Our Directors believe that our investment in machinery will enable us to cater for projects of larger scale and higher complexity in the future.

For the three years ended 31 December 2016 and the four months ended 30 April 2017, we acquired new machinery in the amount of approximately S$1.1 million, S$4.2 million, S$1.9 million and S$0.5 million, respectively. As at 30 April 2017, our machinery carried a net book value of approximately S$8.8 million.

Set out below are principal types of machinery used by our Group:

(i)

Hydraulic excavator

(ii)

Milling machine

(iii)

Paving machine

(iv)

Tandem roller

(v)

Thermoplastic screed machine

The following table sets out a breakdown of the number of units of machinery owned by us as at 30 April 2017:

	As at 30 April 2017 *No. of units*	Range of remaining useful life *(years)*	Acquisition costs *(S$' million)*	Net book value *(S$' million)*
Hydraulic excavator	38	2.8-9.9	4.0	2.8
Milling machine	8	4.1-9.3	1.8	1.3
Paving machine	4	5.3-9.4	1.3	0.8
Roller	14	2.9-9.9	0.7	0.5
Thermoplastic screed machine	10	3.5-9.7	0.1	0.1
Others *(Note)*	54	1.1-8.1	4.9	3.3
Total	128	1.1-9.9	12.8	8.8

Note: Others mainly include vibrator compactor, bobcat, pre-heater, diesel generator, tipper truck etc.

Utilisation rate

We maintain an internal record of the usage of our major types of machinery (i.e. hydraulic excavators, milling machines, paving machines, roller and thermoplastic screed machines) including the duration and the project for which the machinery is deployed. Based on such record, the following table sets out the average utilisation rate of our major types of machinery respectively during the Track Record Period (which is calculated as the total number of days for which our major types of machinery were rented to our customers or deployed to our work sites in a financial year or period, divided by the total number of working days (assuming 6 working days per week) in that financial year or period):

	For the year ended			For the four months ended
	31 December 2014	31 December 2015	31 December 2016	30 April 2017
Utilisation rate				
Hydraulic excavator	96%	98%	95%	91%
Milling machine	96%	87%	93%	94%
Paving machine	96%	99%	93%	94%
Roller	96%	98%	94%	94%
Thermoplastic screed machine	97%	98%	94%	92%

Our Directors are of the view that in light of the high utilisation rate of our major machinery, it is essential to acquire additional machinery to expand our machinery fleet and enhance our service capacity. For details, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

It should be noted, however, that our Directors consider that the utilisation rate calculated based solely on the deployment of our machineries to our work sites and idle time of the machinery may not be an accurate indicator of the level of utilisation of our overall service capacity because:

(i) different projects require different types of machinery depending on their functions and it is therefore not entirely feasible to quantify the capacity of each piece of machinery by making reference to an objective and comparable scale or standard of measurement; and

(ii) as set out in the fixed asset register of our Group as at Latest Practicable Date, we had more than 120 units of machinery and over 10 types of machinery of various sizes and capacity. The utilisation rate of individual machinery cannot be clearly defined. A typical road works project requires the use of different machinery at different stages, and machinery from time to time is left unused in active construction sites pending completion of other stages. Machinery is also sometimes left unused for repairing or maintenance at work sites or at our warehouse.

Repair, maintenance and replacement

During the Track Record Period, when our machinery was out-of-order, it was either (i) repaired by our in-house servicing team; (ii) sent to the authorised dealer for repairs if the machinery was still under warranty; or (iii) sent to other third party repair companies. The warranty period of new machinery is up to 12 months.

At times during the project, there may be wear and tear from usage of the machinery. Our in-house servicing team can repair the machinery or replace such wear and tear.

Pursuant to our accounting policies, depreciation of machinery is provided for using straight-line method over a period of 10 years.

Safekeeping of machinery

For road construction services projects, machinery that are in use at work sites are kept under the general management of the respective work sites. However, for road ancillary services contracts, due to the nature of the projects, we could not park our machineries in respective road sites and therefore machineries were kept in our Group's office premises located in Singapore, which was equipped with locked gates where our security guard was on duty. Besides, during the Track Record Period, our machinery that was not in use was also stored in our Group's office premises.

Financing arrangements for the purchase of machinery

Taking into account our liquidity position and capital needs, our Group raises external financing for the purchase of machinery through finance leases and bank borrowings, part of which is non-current in nature. In choosing between finance lease arrangements and other financing sources such as bank borrowings, our Group takes into account several factors including interest cost, availability of funds, repayment schedule and security requirements.

During the Track Record Period, our Group acquired certain machinery by way of finance leases, under which our Group purchased certain machinery from suppliers through finance lease arrangements with banks and suppliers. Since the terms of these finance leases transfer substantially all the risks and rewards of ownership of the machinery to our Group as the lessee, the relevant machinery was accounted for as our Group's assets under the category of machinery. For the three years ended 31 December 2016 and the four months ended 30 April 2017, the interest rates ranged from 1.33% to 4.5%, from 1.33% to 4.5%, from 1.33% to 4.68%, and from 1.33% to 4.68% per annum for our finance leases, respectively. Our Group had machinery under finance leases with net book value of approximately S$6.5 million as at 30 April 2017, representing approximately 73.9% of the net book value of machinery.

QUALITY CONTROL

Quality control on projects

We have a quality control policy and we are committed to complying with and continually improving our quality management system to ensure that we provide quality road works services that consistently meet our customers' expectations, legal requirements and safety standards. Both of our operating subsidiaries, Double-Trans and Samco have the OHSAS 18001:2007 certification and bizSAFE Level Star. For further information, please refer to the paragraph headed "Workplace safety and health policy" in this section. Double-Trans and Samco also have the ISO 9001:2008 and ISO 14001:2004 certifications.

During the project, our projects department have assigned project manager to inspect the works being carried out by our workers and by our subcontractors. For road works, in-process inspection includes ensuring that project specifications are met. At the completion of the project, our staff will conduct a final check before arranging for handover to our customer. For road works, the checks include ensuring that all control levels are in accordance with the project specifications. Safety and regulatory requirements are also to be complied with.

During the Track Record Period and up to the Latest Practicable Date, there are no disputes between our Group and our customers in respect of the quality of work performed by us and our subcontractors.

Quality control on materials

For incoming purchases such as asphalt premix, our project engineers will conduct visual inspections and sample tests. The criteria include ensuring the right quantity, type, grade or size of materials (as the case may be) and evidence of defects such as non-homogenous mixing inconsistent mix design.

WORKPLACE SAFETY AND HEALTH POLICY

We are committed to ensuring the health and safety of our staff, who are valuable to our Group and to the successful execution of our projects. We have an occupational health and safety management system in place. Due to the nature of the construction industry, incidents at worksites may have detrimental effects on the health and safety of our workers. In cases where we are the subcontractors, the main contractors will have established workplace safety and health procedures which all their subcontractors are required to comply with on-site. For every project, our site safety supervisors will ensure that work place safety procedures are complied with by our employees and subcontractors.

We have established a safety and health policy with corresponding measures on (i) impact/ risk management; (ii) communication, participation and consultation; (iii) emergency preparedness & response; (iv) compliance obligations; and (v) accident/incident investigation & reporting.

System of recording and handling accidents and our safety compliance record

For projects that we act as main contractor, when there is an accident at our site we require any injured worker or person who witnessed the accident to report to our safety officer and safety supervisors who will record the accident for the purposes of collecting information for processing employees' compensation claims as well as compliance with the relevant regulations in Singapore regarding the reporting of all work injuries at our sites to the relevant department. For projects that we act as subcontractor, we require our workers or employees of our subcontractors to report any accident to us and the main contractors. To ensure proper recording and handling of work injuries, we follow a general procedure as below:

Our site Health and Safety Committee, which comprises of project manager, project safety officer and project safety supervisor, shall investigate work injuries incidents as soon as possible. The root cause(s) of the accident, incident or emergency will be evaluated. The risk level for appropriate and commensurate correction to be taken will then be established, followed by review of the emergency preparedness and response plans and procedures after the occurrence of such accidents. Actions will then be taken to mitigate any consequences arising from such incidents. Accordingly, timely, effective and appropriate corrective and preventive actions will be provided to ensure the safe entry of affected area. The implemented corrective and preventive actions will be reviewed and evaluated. These corrective actions will be verified by the Chairman of our site Health and Safety Committee, making sure that they are implemented effectively.

Workplace accidents during the Track Record Period

During the Track Record Period and up to the Latest Practicable Date, we recorded five accidents which gave rise or may give rise to potential workmen's compensation claims. All of these accidents related to employees of our Group and none of these accidents involved fatalities. Set out below the details of our workplace accidents:

	Date of the incident	Causes of the incident	Particular of claims
1.	24 February 2014	Injury to right finger	Closed by compensation of S$2,346.7
2.	29 May 2015	Caught in between objects	Closed by compensation of S$8,950.6
3.	19 July 2015	Cut to finger	Closed by compensation of S$4,864.0
4.	20 May 2015	Finger caught in between objects	Closed by compensation of S$10,407.6
5.	7 February 2017	Hit by object	Pending*(Note)*

Note: Please refer to the paragraph headed "Legal proceedings" in this section for details of this claim.

All of the above accidents were reported to the MOM accordingly and are covered by insurance. In relation to the above five accidents took place, there were five subsequent workmen's compensation claims against our Group up to the Latest Practicable Date, of which four were settled and one was outstanding. For details, please refer to the paragraph headed "Legal proceedings" in this section.

We have taken out insurance in compliance with applicable laws and regulations with a view to providing sufficient coverage for such work-related injuries for employees and we have not incurred any material liabilities as a result thereof. As such, these incidents did not and are not expected to have a material impact on our Group's operations. For further details of our insurance policies, please refer to the paragraph headed "Insurance" in this section.

Save as disclosed above and to the best of our Directors' knowledge and belief, during the Track Record Period and up to the Latest Practicable Date, our Group did not experience any significant incidents or accidents in relation to workers' safety and we also have not suffered from any removal, suspension, downgrading or demotion of our licences or permits due to accidents or breaches of workplace safety regulations.

Analysis of accident rate

The following table sets out the workplace injury rate in construction industry in Singapore and our Group:

	Construction industry (Note 1)	**Our Group**
2014		
Workplace injury rate per 100,000 employed persons (Note 2)	594	321.5
Lost time injuries frequency rate (Note 3)	183	3.1
2015		
Workplace injury rate per 100,000 employed persons (Note 2)	451	1,234.5
Lost time injuries frequency rate (Note 3)	166	84.4
2016		
Workplace injury rate per 100,000 employed persons (Note 2)	467	Nil
Lost time injuries frequency rate (Note 3)	159	Nil
2017		
Workplace injury rate per 100,000 employed persons (Note 2)	N/A	229.4 (Note 4)
Lost time injuries frequency rate (Note 3)	N/A	25.2 (Note 4)

Notes:

(1) This information is based on the Workplace Safety and Health Report 2014, 2015 and 2016 published in April 2015, April 2016 and March 2017, respectively, by the Workplace Safety and Health Institute, Singapore.

(2) Workplace injury rate is calculated as the occurrence of accidents recorded divided by the total number of workmen employed during the year multiplied with 100,000.

(3) Lost time injuries frequency rate is calculated as number of man days lost to workplace accidents divided by the total number of man-hours worked multiplied by 1,000,000. Number of man hours for a financial year is estimated based on the number of our relevant workers directly involved in the provision of our services as at the end of the financial year, multiplied by 3,650 hours per year per worker.

(4) Numbers up to 30 April 2017.

During the three years ended 31 December 2016, our workplace injury rate remained below than the rate in the construction industry except for the year ended 31 December 2015, during which our workplace injury rate was higher than the industry rate. This was due to the three accidents happened in the corresponding period. The Workplace Safety and Health Report stated that the nature of the three accidents, namely caught in between objects and cut by object, were not uncommon in the industry. For details of the accidents, please refer to the paragraph headed "Workplace safety and health policy – Workplace accidents during the Track Record Period" in this section. Having considered the number and nature of the accidents, notwithstanding the lost time injuries frequency of year ended 31 December 2015 was lower than the industry rate, our Directors consider that our overall accident rate during the Track Record Period has been satisfactory in general.

ENVIRONMENTAL COMPLIANCE

Our Group's operation is subject to certain environmental requirements pursuant to the laws of Singapore, including primarily those in relation to air pollution control, noise control and waste disposal. For details of the regulatory requirements, please refer to the section headed "Regulatory overview" in this prospectus. Our in-house rules contain measures and work procedures governing environmental protection compliance that are required to be followed by our workers. Such measures and procedures include, among others:

(i) Air pollution control

Control dust, fumes, smokes and obnoxious gas generated at the construction site to a tolerable level so as to prevent our staff, worker and neighbour from air-borne disease as well as to protect the environment from air pollution.

(ii) Water pollution control

Prevent pollution of surface water, public sewer and rain-water-drain from defining a procedure so as to prevent pollution of water.

(iii) Construction waste management

Manage construction wastes so as to ensure proper disposal, maximise re-use and recycling.

(iv) General housekeeping and vector control

Proper housekeeping technique to prevent mosquito breeding so as to protect our staff and the public from harmful diseases.

(v) Noise monitoring and control

Reduce noise to a tolerable level so as to prevent our staffs, workers and neighbours from noise-induced deafness as well as to protect the environment from noise pollution.

(vi) Resource conservation

Save resources such as water, diesel and power and establish a resource conservation programme through a proper monitoring system so that the usage of resources can be controlled.

(vii) Storage of hazardous chemicals

Store, handle and use hazardous chemicals or substances while preventing injuries and any undue adverse impact on the environment.

Before the commencement of road works projects, we need to engage a professional engineer to plan, design, supervise and review a system of earth control measures to meet the requirements cited in the Code of Practice on Surface Water Drainage and to comply with the Sewerage and Drainage Act. We are also required to submit the detailed earth control measures proposal, endorsed by our engineer, to the Public Utilities Board, prior to commencement of works. Noise management plans and noise monitoring reports are required to be submitted when we provide road works services. These reports are to be submitted to National Environmental Agency and MOM as per respective regulations. Waste disposal management records are to be maintained to ensure compliance with the Environmental Public Health (General Waste Collection) Regulations. For further details, please refer to the section headed "Regulatory overview" in this prospectus.

Where required of our Group, we have carried out and submitted all relevant reports during the Track Record Period. In projects where we are the subcontractor, the abovementioned procedures will be conducted by the main contractor.

For the three years ended 31 December 2016 and the four months ended 30 April 2017, we respectively incurred approximately S$1,520.0, S$22,186.0, S$416,623.8 and S$19,090.3 in relation to compliance with applicable environmental rules and regulations.

During the Track Record Period, we experienced a fluctuation on the expenses in relation to environmental compliance. For the year ended 31 December 2014, we mainly acted as subcontractor and normally were not responsible for environmental compliance as stipulated under the contracts. For the year ended 31 December 2015, we completed project C1 in which we undertook the role of waste disposal and as a result we experienced a slight increase in costs in relation to environmental compliance. For the year ended December 2016, we undertook three projects, namely C36, C39 and C41, in which we acted as main contractor and thus were responsible for environmental compliance as stipulated under the contracts. As such, we experienced a rapid increase in the expenses in relation to environmental compliance. For the four months ended 30 April 2017, we engaged a subcontractor which was responsible for waste disposal for our projects. This explained the decrease of our expenses in relation to environmental compliance in the corresponding period, since the costs for that subcontractor was regarded as subcontracting costs.

We estimated our annual cost of compliance in the future will remain at a similar level to that for the four months ended 30 April 2017, on a pro-rata basis.

During the Track Record Period and up to the Latest Practicable Date, there was no material non-compliance with the applicable laws and regulations in relation to environmental protection.

INSURANCE

We have a work injury compensation policy for all our manual and non-manual workers as stipulated by MOM, renewed annually to insure all injuries happened in direct connection with our business and as governed by WICA. Our work injury compensation policy in Singapore provides for a maximum limit of liability of medical expenses of up to S$50,000 per accident per employee. We also have foreign worker medical insurance as stipulated by MOM, renewed annually. We also have security bonds for our foreign workers which are required by MOM for new applications of work permits. All employers of non-Malaysian work permit holders are required to deposit a S$5,000 security bond with MOM, which must be furnished prior to the foreign worker's arrival in Singapore; entry into Singapore will not be allowed if failing to furnish. Besides, we also have group hospital and surgical plan for our staff. In addition, we have motor vehicle insurance policies for our fleet of machinery to cover any liability for death or bodily injury of third parties on the road or to protect against damages to the fleet of machinery.

We have contractors' all risks policy to cover against loss or damage for accidental bodily injury in connection with the performance of the contract. We also have public liability insurance to cover personal injury and property damage at our premise and in Singapore, in connection with our operations. In addition, we have fire insurance policies to cover loss or damage to all of our four properties, inclusive of fixtures and fittings, due to fire.

Our Directors confirm that our Group has obtained adequate insurance coverage for the operation of its business, and is in line with the industry norm. For the three years ended 31 December 2016 and the four months ended 30 April 2017, our total insurance expenses were approximately S$0.4 million, S$0.3 million, S$0.5 million and S$0.2 million, respectively.

EMPLOYEES

As at the Latest Practicable Date, we employed a total of 512 full-time employees, all of whom were stationed in Singapore. The following table sets out a breakdown of the number of our employees by functions:

	As at the Latest Practicable Date
Management	3
Accounts	6
Administration and Human Resources	6
Contracts	10
Projects	20
Safety	9
Logistic	29
Site management	123
Construction workers	306
Total	512

As at the Latest Practicable Date, our Group had a total of 512 full-time staff (including our executive Directors), of which approximately 11.3% were locals and permanent residents and approximately 88.7% were foreign workers.

Relationships with staff

We did not experience any significant problems with our employees or any disruption to our operations due to labour disputes nor did we experience any difficulties in the recruitment and retaining of experienced or skilled staff members during the Track Record Period. Our Directors therefore consider that we have maintained good relationships with our employees.

Recruitment policies

We generally recruit our employees through placing advertisements in the open market with reference to factors such as their experience, qualifications and expertise required for our business operations. They are normally subject to a probation period of three months. We endeavour to use our best effort to attract and retain appropriate and suitable personnel to serve our Group. Our Group assesses the available human resources on a continuous basis and aim to recruit suitable candidates for job vacancies to cope with the business development of our Group.

Our foreign workers are sourced and recruited through references and recommendations. The supply of foreign workers in Singapore is subject to various regulations and policies. Please refer to the section headed "Regulatory overview" in this prospectus for further details. As at the Latest Practicable Date, we have employed foreign workers under the construction sector (for our workers engaged at work sites). MOM has approved our applications to hire the aforementioned workers under the construction sector.

Our human resource department is required to obtain a list of hire documents, including but not limited to (i) copy of work pass issued by the MOM; (ii) work pass application form; (iii) copy of Passport, Entry and Re-entry Permit (for Non-Singaporeans), from the candidate to ensure the recruitment of such candidate would be in compliance with the Singapore laws and regulations. Further, our Group's project team is required to obtain the list of workers, together with copies of their work pass, from its subcontractor to ensure those workers are not illegal foreign workers. 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.

Employee training

Our employees received training depending on their department and the scope of works. Typically, they are required to attend trainings, from time to time, relating to our quality, environmental, health and safety policies, and courses required by BCA and MOM.

Remuneration policy

The remuneration package our Group offered to our employees includes salary and bonuses. In general, our Group determines employee salaries based on each employee's qualifications, position and seniority. Our Group has designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions.

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. For further details, please refer to the section headed "Regulatory overview" in this prospectus.

PROPERTIES

Owned property

As at the Latest Practicable Date, we owned four properties and we leased out three of the four premises to third party as following:

Address	Landlord	Approximate gross floor area (*sq. m.*)	Use of the property	Key terms of the tenancy
No. 4 Sungei Kadut Street 2, Singapore 729226	Double-Trans	5,105.74	Office, Warehouse & Dormitory	Permanent
No. 28 Sin Ming Lane, #07-133 Mid View City, Singapore 573972	Double-Trans	125.98	Investment (Rented to third party)	18 January 2016 to 17 January 2018
No. 28 Sin Ming Lane, #07-134 Mid View City, Singapore 573972	Double-Trans	133.04	Investment (Rented to third party)	18 January 2016 to 17 January 2018
No. 26 Sin Ming Lane, #08-116 Mid View City, Singapore 573971	Double-Trans	157.00	Investment (Rented to third party)	1 April 2016 to 31 March 2018

Leased property

As at the Latest Practicable Date, we rented licensed dormitories and applied for Temporary Occupation Licenses for use of State lands, details of which are as follows:

Address	Landlord	Leased area	Monthly rent	Tenure	Use of property
516 Old Choa Chu Kang Road, Singapore 698907	Independent Third Party	*Note (1)*	S$4,320	one year, from 15 January 2017 to 14 January 2018	Dormitory for our foreign workers
504 Old Choa Chu Kang Road, Singapore 698926	Independent Third Party	*Note (2)*	S$4,320	one year, from 13 September 2017 to 12 September 2018	Dormitory for our foreign workers
7 Kranji Link, Singapore 728640	Customer C *(Note (4))*	*Note (3)*	S$840	one year, from 25 June 2017 to 24 June 2018	Dormitory for our foreign workers
Lot 3871I MK 19 at Yishun Street 42	Customer G	approximately 3,012 square metres	S$6,263	21 months, from 1 August 2016 to 30 April 2018	Site office, storage and temporary access
Lot 03935T MK 19 at Canberra Street	Customer G	approximately 2,102 square metres	S$4,007	11 months, from 1 March 2017 to 31 January 2018	Site office, storage and access
Lot 00685K & 00470M TS 27 at Winstedt Drive	Customer G	approximately 2,000 square metres	S$7,318	31 months, from 15 October 2016 to 16 May 2019	Site office, storage and access
Lot 10851V MK 27 at Somapah Road	Singapore statutory board	approximately 2,100 square metres	S$5,084	10 months, from 1 July 2017 to 30 April 2018	Site office, storage and access

Notes:

(1) Tenancy agreements stated by number of occupants, which in aggregate was for 48 occupants.

(2) Tenancy agreements stated by number of occupants, which in aggregate was for 48 occupants.

(3) Tenancy agreements stated by number of occupants, which in aggregate was for 26 occupants.

(4) Negotiation of the terms of the lease agreement and our sales to Customer C were neither inter-connected nor inter-conditional with each other. The terms are in line with the market and similar to those transaction with other landlords and customers.

Save as disclosed above, our Group did not have any other property interests as at the Latest Practicable Date.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, we were the owner of the following domain:

Owner	Domain name	Date of registration	Expiration date
Samco	samco.com.sg	21 January 2011	21 January 2018
Double-Trans	shuangyunholdings.com	24 October 2017	24 October 2018

As at the Latest Practicable Date, we applied for the registration of the following trade mark in Hong Kong and the registration of which was still pending:

Trade mark	Applicant	Class	Place of application
	Our Company	37	Hong Kong

RESEARCH AND DEVELOPMENT

During the Track Record Period and as at the Latest Practicable Date, we did not engage in any research and development activity.

NON-COMPLIANCE

Our Directors confirm that we have complied with all applicable laws and regulations in Singapore (being the principal jurisdiction in which we operate) in all material respects during the Track Record Period and up to the Latest Practicable Date.

INTERNAL CONTROL

In preparation for the Listing in Hong Kong, in January 2017, we engaged an independent internal control adviser, to perform a review of the efficiency and effectiveness of our Group's internal control system.

Our independent internal control adviser is a company providing services in internal control review, which has been previously engaged in internal control review projects for listing applicants to the Stock Exchange.

The internal control review covered the period from 1 January 2014 to 30 April 2017. Upon the completion of the review, the major factual findings in regard to the internal controls were reported and improvement recommendations were proposed to the Company as followed:

Internal control review findings	Improvement recommendations
Our Group did not have written policies and procedures for corporate controls in our Group.	Our Group's management should establish the written policies and procedures for corporate control.
Our Group did not formally document the procedures for financial reporting and disclosure controls in our Group.	Our Group's management should formally document the financial accounting procedures and establish a written policy which requires the staff of the accounting team to be sent for formal trainings to keep them updated on required accounting standards.
Our Group did not formally document the procedures for revenue management process in our Group.	Our Group's management should formally document the relevant procedures to govern revenue management process.
Our Group did not have written policies and procedures for pretty cash management leading to purchase of raw materials using pretty cash. As a result, there were instances where the purchase requisition forms were not submitted prior to the purchase.	Our Group's management should ensure that the purchasing policy is clearly communicated to the relevant employees, and revise the policy to incorporate criteria for exceptions in the purchasing policies.
There were lack of written policies and procedures on expenditure management process in our Group.	Our Group's management should formally document the relevant policies and procedures for expenditure management process.

Our internal control adviser completed the final review on 30 June 2017. In response to the improvement recommendation provided by our internal control adviser, our Group completed such recommendations on 21 April 2017 prior to a follow-up review by our internal control adviser. Based on the follow up review, our internal control adviser concluded that the improvement recommendations were implemented and recommended controls are in place. Our Directors further confirm that, there is no outstanding material internal control issue as at the Latest Practicable Date.

View of our Directors and the Sole Sponsor

Our Directors consider that the abovementioned internal control review findings would not affect the suitability of our executive Directors under Rule 3.08 and 3.09 of the Listing Rules or the suitability of listing of our Company under Rule 8.04 of the Listing Rules having taken into account that (i) our Group has fully rectified all of the internal control review findings, if applicable; (ii) our Group has implemented (or will implement where applicable) the abovementioned measures to avoid recurrence of the internal control review findings; (iii) there were no recurring of similar internal control review findings since the implementation of such measures; and (iv) the internal control review findings did not involve any dishonesty or fraudulent act on the part of our executive Directors, and did not raise any question as to the integrity of our executive Directors. Furthermore, based on the internal control adviser's review and recommendations, our Group adopted the measures and policies to improve its internal control systems and to ensure its compliance with the Listing Rules and the relevant laws. The internal control adviser performed their follow-up review in June 2017 and noted that improvement recommendations were implemented, and they confirm that our Group's overall internal controls system were established. In view of the above, our Directors believe, and the Sole Sponsor concurs that, the internal control measures are sufficient and could effectively ensure a proper internal control system of our Group and prevent the recurrence of the internal control review findings.

LEGAL PROCEEDINGS

Save as disclosed below, during the Track Record Period and as at the Latest Practicable Date, no member of our Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to our Directors as pending or threatened against any member of our Group.

Set out below are the details of the settled, outstanding litigation and claims involved by our Group as at the Latest Practicable Date which are considered by our Directors to have no material impact on our Group.

Settled and ongoing claims

During the Track Record Period and as at the Latest Practicable Date, we were named as the defendant in two cases of motor accidents without injury and one case of industrial accident with injury. Among those, one case of motor accident without injury has been concluded with a total claim amount of approximately S$33,960 and our insurers have informed us the case has been fully settled. The other case of motor accidents without injury has also been concluded. The case of industrial accident with injury is outstanding with damages to be assessed.

We were the plaintiff in three other cases of motor accidents without injury. One case of motor accident without injury, with a total estimated claim of approximately S$20,900, was currently pending before the Magistrate Court in Singapore as at the Latest Practicable Date. The rest of the cases, in which we were named as the plaintiff, have been fully concluded with a total claim amount of approximately S$14,640 and S$8,040, respectively.

Outstanding claims against our Group as at the Latest Practicable Date

Nature of incident	Capacity of plaintiff	Limitation period of potential claim against us	Status
A worker alleged that he sustained injuries to his right hand when he was working on site	Our employee	Employees' compensation claim: expired on 30 September 2016	Employees' compensation claim was withdrawn by the plaintiff on 3 December 2015
		Personal injury claim: expiring on 30 September 2018	Currently, the case is being handled by legal representative of the insurer insurance company

Potential claims

As advised by the Singapore Legal Counsel, the injured employees have up to one year from the date of accident or diagnosis of illness to decide whether to file a claim under the Work Injury Compensation Act or to file a common law claim against our Group within three years. As at the Latest Practicable Date, one out of the five workplace accidents referred to in the paragraph headed "Workplace safety and health policy – Workplace accidents during the Track Record Period" has not been time barred against commencing relevant claims against us.

Any amounts payable under such potential claims (if any) shall be covered by the relevant insurance policies.

Our Group is required under the relevant legislation in Singapore to take out and has taken out compulsory insurance policies in Singapore to provide for third party liability under such claim. Our Directors confirm that each of the aforementioned outstanding claims would not result in any material impact on the financial position or results and operations of our Group.

Potential claim against our Group as at the Latest Practicable Date

Nature of incident	Capacity of potential plaintiff	Limitation period of potential claim against us	Status
A worker alleged that his left index finger was hit by a timber piece used to support framework during removal of such framework, causing orthopedics injuries on his left index finger	Our employee	Employees' compensation claim: expiring on 7 February 2018	Remained outstanding as at the Latest Practicable Date
		Personal injury claim: expiring on 7 February 2020	Currently, the case is being handled by the insurance company

INDEMNITY GIVEN BY OUR CONTROLLING SHAREHOLDERS

Our Controlling Shareholders have entered into a Deed of Indemnity whereby our Controlling Shareholders have agreed to indemnify our Group, subject to the terms and conditions of the Deed of Indemnity, in respect of any liabilities and penalties which may arise as a result of any outstanding and potential litigations (including criminal litigations), claims of our Group on or before the date on which the Global Offering becomes unconditional. Further details of the Deed of Indemnity are set out in the section headed "E. Other information – 1. Tax and other indemnities" in Appendix V to this prospectus.

Insurance policies have been taken out in compliance with applicable laws and regulations with a view to providing sufficient coverage for such work-related injuries for employees and we have not incurred any material liabilities as a result thereof. As such, these incidents did not and are not expected to have a material impact on our Group's operations. For further details of our insurance policies, please refer to the paragraph headed "Insurance" in this section.

Regarding the above potential and ongoing claims, no provision was made in the financial statements of our Group having considered (i) the uncertainties as to whether such claims will be commenced; (ii) the coverage of insurance policy; (iii) the uncertainties in the total amount that will be involved for such claims, if any; and/or (iv) the indemnity given by our Controlling Shareholders.

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the Global Offering and the Capitalisation Issue, Mr. Tan will, through Jian Sheng (which is owned by him and Ms. Tan as to 80% and 20% respectively), be interested in 75% of the issued shares of our Company taking no account of the Shares which may be issued pursuant to the exercise of the Over-allotment Option and any options that may be granted under the Share Option Scheme, and hence Jian Sheng and Mr. Tan are our Controlling Shareholders. As Ms. Tan is also indirectly interested in our Company through the common investment holding company (i.e. Jian Sheng) with Mr. Tan, Ms. Tan is also one of our Controlling Shareholders. Given the aforesaid and for the purpose of the Listing Rules, Mr. Tan, Ms. Tan and Jian Shang are a group of Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Group is capable of carrying on our business independently from and does not place undue reliance on our Controlling Shareholders and their respective close associates, taking into consideration the following factors:

Management independence

Our Board comprises three executive Directors and three independent non-executive Directors.

Mr. Tan and his younger sister, Ms. Tan, are our Controlling Shareholders. Mr. Tan and his wife, namely Ms. Chong Sook Fern, as well as Ms. Tan, are our three executive Directors. However, half of our Board are three independent non-executive Directors who will bring independent judgement to the decision-making process of our Board.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and that no conflict between his/her duties as a Director and his/her personal interest would be allowed. 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 Director(s) or their respective close associate(s), the interested Director(s) shall abstain from voting at the relevant board meeting(s) of our Company in respect of such transactions and shall not be counted towards the quorum.

Three of the members of our Board are independent non-executive Directors who graduated from universities, and have extensive experience in different areas or are professionals, and they have been appointed pursuant to the requirements under the Listing Rules to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions.

Furthermore, our Board's main functions include devising and approving the overall business plans and strategies of our Group, monitoring the implementation of our Group's policies and strategies and taking into account the reports and advice of the senior management of our Group. In addition, our Company has an independent senior management team to carry out the business decisions of our Group independently.

Having considered the above factors, our Directors are of the view that they are able to carry out the business decisions of our Group independently and to perform their relevant roles independently of our Controlling Shareholders and their respective close associates after the Listing.

Operational independence

The operations of our Group are independent of and not connected with our Controlling Shareholders and their respective close associates. Our Group has established our own set of organisational structure made up of individual divisions, each with specific areas of functions, including but not limited to management, administration and human resources, accounts, projects, safety, logistic, and site management.

Our Group has not shared the operational resources, such as premises, access to customers and suppliers, sales and general administration resources with the Controlling Shareholders and/or their respective close associates.

There has not been any business transaction between our Group and our Controlling Shareholders and/or their respective close associates during the Track Record Period.

Based on the above, our Directors are satisfied that our Group is able to operate independently from our Controlling Shareholders and their respective close associates.

Financial independence

Our Group has an independent financial system, and makes financial decisions according to our Group's own business needs. We have sufficient capital to operate our business independently, and adequate internal resources and banking facilities to support our daily operations.

During the Track Record Period, our Group had obtained borrowings secured by personal guarantees of Mr. Tan and Ms. Tan. Our Directors confirmed that the aforesaid guarantee provided by Mr. Tan and Ms. Tan will be released and/or the underlying borrowings will be repaid upon the Listing.

As such, upon Listing, our Group will have independent access to third party financing without relying on any guarantee from our executive Directors and Controlling Shareholders or their respective close associates. All loans and advances due from/to our Controlling Shareholders or their close respective associates will be fully settled before Listing.

Our Directors are of the view that our Group is able to obtain external financing on market terms and conditions for its business operations as and when required and is not financially dependent on our Controlling Shareholders or any of their respective close associates.

Administrative independence

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

RULE 8.10 OF THE LISTING RULES

Our Controlling Shareholders, our Directors and their respective close associates do not have any interest in a business apart from our Group's business which competes and is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

DEED OF NON-COMPETITION

Jian Sheng, Mr. Tan and Ms. Tan (each the "**Covenantor**", and collectively, the "**Covenantors**") entered into the Deed of Non-competition on 20 October 2017 in favour of our Company (for ourselves and as trustee for our subsidiaries) with an aim to avoid any possible future competition between our Group and each of the Covenantors.

Pursuant to the Deed of Non-competition, each of the Covenantors has jointly and severally, irrevocably and unconditionally undertaken and covenanted with our Company (for ourselves and for the benefit of our subsidiaries) that each of them shall, and shall procure each of their respective close associates (other than members of our Group):

(a) not directly or indirectly, be interested, involved or engaged, or acquire or hold any right or interest (in each case, whether as an investor, a director or shareholder, partner, agent, or otherwise, and whether for profit, reward, or otherwise), in any business which competes, or is likely to compete with the business engaged by our Group from time to time (the "**Restricted Business**");

(b) not solicit any employee of our Group for employment;

(c) not solicit or procure any of the suppliers and/or the customers of our Group from time to time to terminate their business relationships or otherwise reduce the amount of business with our Group;

(d) not, without the consent of our Company, make use of any information pertaining to the business of our Group which may have come to his/her/its knowledge in his/her/its capacity as the Director or Controlling Shareholder for any purpose of engaging, investing or participating in any Restricted Business;

(e) not invest or participate in any Restricted Business; and

(f) procure each of his/her/its close associates (excluding members of our Group), whether on his/her/its own account or in conjunction with or on behalf of any person, firm or company, not to invest or participate, whether directly or indirectly, in any project or business opportunity of the Restricted Business.

The undertakings given by the Covenantors as set out above do not apply to the holding of shares, or other securities, in any company which conducts or is engaged in any Restricted Business, provided that, in the case of such shares, they are listed on a recognised stock exchange and:

(a) the total number of the shares directly or indirectly held by the Covenantors, and/or their respective close associates in aggregate does not amount to more than 5% of the issued shares of the relevant company, or control the exercise of more than 5% of the voting rights thereof, or control the composition of a majority of the board of directors of such company; and

(b) the Covenantors, and/or their respective close associates, are not entitled to appoint a majority of the directors or management of that company.

Each of the Covenantors has jointly and severally, irrevocably and unconditionally further undertaken and covenanted with our Company (for ourselves and for the benefit of our subsidiaries) that if he/she/it or his/her/its close associates (other than any member of our Group) is given or offered or becomes aware of any project, or new business opportunity, that may directly or indirectly compete, or may lead to competition, with the Restricted Business (the "**New Opportunity**"):

(a) he/she/it shall, and he/she/it shall procure his/her/its close associates (other than any member of our Group) to, refer or to procure the referral of the New Opportunity to our Company, and shall notify our Company in writing of the New Opportunity and, in any event, within 7 business days after becoming aware of the New Opportunity, and shall promptly provide such information as is reasonably required by our Company or the independent non-executive Directors in order to enable our Company and/or the independent non-executive Directors to come to an informed assessment of the New Opportunity;

(b) he/she/it shall, and he/she/it shall procure his/her/its close associates (other than any member of our Group) to, grant a right of first refusal to our Group to take up the New Opportunity, and our Group shall, within a period of 6 months after receipt of the written notice (or such longer period if our Group is required to complete any approval procedures as set out or required under the Listing Rules from time to time), notify the Covenantors in writing if our Group shall exercise such right of first refusal, and our Company shall only exercise such right of first refusal upon the approval of all our independent non-executive Directors (who do not have any interest in the New Opportunity);

(c) he/she/it shall, and he/she/it shall procure his/her/its close associates (other than any member of our Group) to, abstain from participating in, and voting at, and shall not be counted as quorum at, all meetings of the Board where there is a conflict of interest, or potential conflict of interest, including, but not limited to, the relevant meeting of our independent non-executive Directors, for considering whether or not to exercise the right of first refusal;

(d) he/she/it shall, and he/she/it shall procure his/her/its close associates (other than any member of our Group) to, use his/her/its best endeavours to ensure that the New Opportunity is offered to our Company on terms no less favourable than the terms on which the New Opportunity is offered to him/her/it and/or his/her/its close associates (other than any member of our Group);

(e) he/she/it or his/her/its close associates (other than any member of our Group) shall be entitled to pursue the New Opportunity only if he/she/it, or his/her/its close associates (other than any member of our Group) has received a notice from our Company declining the New Opportunity; and

(f) if there is a material change in the terms and conditions of the New Opportunity, he/she/it shall, and he/she/it shall procure that his/her/its close associates (other than any member of our Group) to, refer the New Opportunity as so revised to our Company in the manner as set out above.

Each of the Covenantors has jointly and severally, irrevocably and unconditionally undertaken and covenanted with our Company (for ourselves and for the benefit of our subsidiaries) that:

(a) he/she/it shall promptly provide our Company and our Directors with information available to him/her/its and his/her/its close associates as our Company may from time to time reasonably request to ascertain compliance by the Covenantors of their obligations under the Deed of Non-competition; and

(b) if requested by our Company, he/she/it shall issue a letter to our Company, confirming his/her/its and his/her/its close associates' full compliance with the relevant terms of the Deed of Non-competition, and consenting our Company's disclosure of the contents of such letter in the annual reports of our Company, and/or such other documents as otherwise published by our Company.

Each of the Covenantors further undertook and covenanted with our Company that he/she/it shall not, and shall procure his/her/its close associates (other than any member of our Group) to not, for any purpose, use or make use of any intellectual property rights of or relating to any member of our Group, or use or do anything which is intended or is likely to be confused with any of the intellectual property rights of or relating to any member of our Group.

Save as disclosed in this prospectus, each of the Covenantors represented and warranted to our Company that neither he/she/it nor any of his/her/its close associates was currently, directly or indirectly, interested or involved or engaged in or having or holding any right or interest (in each case, whether as an investor, a director or shareholder, partner, agent, or otherwise, and whether for profit, reward, or otherwise) in any Restricted Business, otherwise than through our Group.

Each of the Covenantors has undertaken to our Company to, during the term of the Deed of Non-competition, indemnify and keep indemnified our Company and any members of our Group against any loss or liability suffered by our Company or any members of our Group (as relevant) arising out of or in connection with any breach of any of his/her/its obligations or undertakings under the Deed of Non-competition including any costs and expenses (including legal expenses) incurred as a result of such breach, provided that the indemnity shall be without prejudice to any of the other rights and remedies of our Company or any members of our Group in relation to any such breach.

Our Company shall adopt the following procedures to ensure that the provisions of the Deed of Non-competition are observed at all times:

(a) our independent non-executive Directors shall review, on an annual basis, the compliance with the terms of the Deed of Non-competition and the enforcement of the undertakings given by each of the Covenantors contained in the Deed of Non-competition; and

(b) each of the Covenantors, jointly and severally, unconditionally and irrevocably undertakes, to and for the benefit of our Company (for ourselves and as trustee for the benefit of each of our subsidiaries from time to time) that, during the effective period of the Deed of Non-competition, each of them:

(i) will provide all information requested by our Company which is necessary for the annual review by our independent non-executive Directors with regard to compliance of the terms of the Deed of Non-competition and the enforcement of the undertakings contained therein by each of them;

(ii) will make an annual confirmation on compliance with such undertakings in the annual reports of our Company and each of the Covenantors acknowledges that our independent non-executive Directors will review, at least on an annual basis, the compliance with such undertakings given by each of the Covenantors, including all decisions taken in the year on whether to pursue a New Opportunity in accordance with the Deed of Non-competition and our Company will make disclosures in our annual reports or by way of announcements regarding the decisions and the rationale of those decisions (as appropriate) of the Board on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the Deed of Non-competition and each of them hereby gives its general consent to such disclosure;

(iii) in the event of any disagreement between the parties to the Deed of Non-competition as to whether or not any activity or proposed activity of the Covenantors constitutes a Restricted Business, the matter shall be determined by our independent non-executive Directors whose majority decision shall be final and binding;

(iv) shall, according to the Articles or the Listing Rules, declare his interests and where required, excuse themselves from, and abstain from voting and not be counted as quorum of, any meetings of Shareholders and/or the Board for consideration and approval of any matters referred to in the Deed of Non-competition which have or may give rise to conflicts of interest, actual or potential.

The terms and conditions of the Deed of Non-competition are conditional on, and take effect upon (a) the Listing Committee granting listing of, and permission to deal in, all the Shares in issue and to be issued pursuant to or as disclosed in this prospectus; and (b) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant as a result of the waiver of any condition(s) by the Underwriters) and that the Underwriting Agreements not being terminated in accordance with their terms or otherwise.

The Deed of Non-competition shall terminate on the earliest date on which: (i) our Company becomes wholly-owned by the Covenantors and/or their respective close associates (whether individually or collectively); (ii) the securities of our Company cease to be listed on the Stock Exchange, or any other stock exchange recognised under the SFO; and (iii) the relevant Covenantors and/or his close associates cease to hold, taken together, 30% or more of the issued share capital of the Company or otherwise the relevant Covenantor ceases to be a Controlling Shareholder.

CORPORATE GOVERNANCE MEASURES

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 Listing Rules, in particular, strictly observe any proposed transactions between us and our connected person(s) and comply with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules where applicable;

(b) appointment of Dakin Capital Limited as our compliance adviser to advise us on the compliance matters in respect of the Listing Rules and applicable laws and regulations;

(c) our independent non-executive Directors will be responsible for considering and deciding as to whether to pursue or decline the New Opportunity;

(d) our Controlling Shareholders undertake to provide all details reasonably necessary for our Company to consider whether to pursue such New Opportunity, and in the event that there is any material change in the nature, terms or conditions of such New Opportunity, our Controlling Shareholders shall refer such New Opportunity to our Company as if it were a new one;

(e) if appropriate, our independent non-executive Directors may appoint independent financial advisers to assist in the decision-making process in relation to such New Opportunity;

(f) our Controlling Shareholders undertake to provide all information necessary for the annual review by our independent non-executive Directors in respect of the compliance with the Deed of Non-Competition;

(g) our independent non-executive Directors will review, on an annual basis, the compliance of our Controlling Shareholders with the Deed of Non-Competition, in particular the right of refusal relating to any New Opportunity and our Company will disclose decisions on matters reviewed by our independent non-executive Directors relating to the compliance with and enforcement of the Deed of Non-Competition in our annual report or by way of announcement to public; and

(h) adoption of the Articles which provides that a Director shall abstain himself/herself from participating in Board meetings (nor he/she be counted towards the quorum) and from voting on any resolutions of the Board in relation to any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested.

DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our Group's business. The following table sets forth information regarding the current Directors:

Name	Age	Position	Date of joining our Group	Date of appointment	Roles and responsibilities	Relationship with other Director(s) or senior management
Mr. Tan Chai Ling (alias Chen Zhilong) (陳志龍)	42	Chairman of the Board, CEO, executive Director	July 2008	21 June 2017	Formulating the overall strategic direction, tendering and pricing strategy	Elder brother of Ms. Alynda Tan Hue Hong and spouse of Ms. Chong Sook Fern
Ms. Alynda Tan Hue Hong (陳慧芬)	41	Executive Director	July 2003	21 June 2017	Overseeing the finance, human resources and administrative functions, including leading and preparing business plans, monitoring and reviewing overall control and reporting process	Younger sister of Mr. Tan Chai Ling
Ms. Chong Sook Fern (alias Zhang Shufen) (張淑芬)	41	Executive Director	February 2015	15 July 2017	Overseeing projects department, site operations and costing matters	Spouse of Mr. Tan Chai Ling
Prof. Pong Kam Keung (龐錦強)	56	Independent non-executive Director	October 2017	20 October 2017	Participating in making significant decisions and giving advice on corporate governance, connected transactions and nomination of Directors and senior management of our Group	Nil
Mr. Siu Man Ho Simon (蕭文豪)	43	Independent non-executive Director	October 2017	20 October 2017	Participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration of Directors and senior management of our Group	Nil
Mr. Yau Chung Hang (邱仲珩)	45	Independent non-executive Director	October 2017	20 October 2017	Participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of our Group	Nil

Executive Directors

Mr. Tan Chai Ling (alias Chen Zhilong)(陳志龍), aged 42, is our Chairman of the Board, CEO and executive Director. He was appointed as our Director on 21 June 2017 and re-designated as our executive Director, chairman of the Board and CEO on 15 July 2017. Mr. Tan is responsible for formulating the overall strategic direction, tendering and pricing strategy. Mr. Tan joined our Group in July 2008 and has been a director of Double-Trans and Samco.

Mr. Tan has over 15 years of experience in the construction industry in Singapore. Before joining our Group, Mr. Tan worked as a project engineer with Sembcorp Engineers & Constructors P/L from 2002 to 2006. From 2006 to 2007, Mr. Tan worked as a project engineer with Samwoh Corporation P/L. From 2007 to 2008, Mr. Tan worked as a project manager with Pan United Asphalt P/L.

Mr. Tan obtained a bachelor of engineering (civil) degree from the Nanyang Technological University of Singapore in February 2002. Mr. Tan has been a member of Institution of Engineers Singapore since 2008, and was selected as a senior member of the Institution of Engineers Singapore in July 2016.

Mr. Tan is a Controlling Shareholder. He is the elder brother of Ms. Tan, who is an executive Director and a Controlling Shareholder, and the spouse of Ms. Chong Sook Fern, who is also an executive Director.

Mr. Tan was previously a director of the companies in the table below which were incorporated in Singapore and were struck off and dissolved pursuant to section 344 of the Companies Act, Singapore, due to cessation of business:

Name of company	Nature of business	Date of submission of application for striking off	Date of Dissolution
Samco Holdings Pte. Ltd.	Company has ceased trading from 1 October 2009	26 May 2011	14 October 2011
Shen Yang Builders Pte. Ltd.	Company has ceased trading from 1 January 2013	20 December 2016	8 May 2017
Shen Yang Investments Pte. Ltd.	Company has ceased trading from 1 January 2010	4 January 2013	7 June 2013
Shen Yang Logistics Pte. Ltd.	Company has ceased trading from 1 January 2014	20 December 2016	6 April 2017
Zin Lian Engineering & Construction Pte Ltd.	Company has ceased trading from 1 January 2003	20 March 2005	10 September 2005

The above companies were solvent at the date of dissolution. As far as Mr. Tan was aware, the dissolution of the above companies has not resulted in any liability or obligation being imposed against him.

Ms. Alynda Tan Hue Hong (陳慧芬), aged 41, is our executive Director. She was appointed as our Director on 21 June 2017 and re-designated as our executive Director on 15 July 2017. Ms. Tan is responsible for overseeing the finance, human resources and administrative functions, including leading and preparing business plans, monitoring and reviewing overall control and reporting process. Ms. Tan joined our Group since June 2007 as the accounts officer of Samco. Ms. Tan was appointed as a director of Double-Trans and Samco in September 2009 and has been a director since then.

Ms. Tan has accumulated more than 20 years of experience in the finance and accounting field. Before joining our Group, Ms. Tan worked as an accounts assistant with NTUC Healthcare Pharmacy from November 1994 to February 1995. From May 1996 to August 1996, Ms. Tan worked with Samtrade Pte Ltd. as an accounts cum admin assistant. From September 1996 to March 1998, Ms. Tan joined Yoshida Seiki F.A. Engineering Pte Ltd. as an accounts assistant. From September 1998 to September 1999, Ms. Tan was employed by TTI Testron (A Division of The DII Group Singapore Pte Ltd.) Everett Charles Technologies as an accounts officer. From October 1999 to September 2001, Ms. Tan was an accounts officer at IRI International Singapore/IRI/Alpha Metals (A Division of Cookson Singapore Pte Ltd.). Mr. Tan worked as an account officer for Samco Engineering Pte Ltd. from July 2003 to June 2007.

Ms. Tan obtained her Diploma in Business from Temasek Polytechnic in Singapore in August 1996. Ms. Tan then accomplished the Certificate stage of The Association of Chartered Certified Accountants in June 2000.

Ms. Tan is a Controlling Shareholder. She is the younger sister of Mr. Tan, who is the Chairman of the Board, CEO, an executive Director and a Controlling Shareholder.

Ms. Tan was previously a director of the companies in the table below which were incorporated in Singapore and were struck off and dissolved pursuant to section 344 of the Companies Act, Singapore, due to cessation of business:

Name of company	Nature of business	Date of submission of application for striking off	Date of Dissolution
Shen Yang Builders Pte. Ltd.	Company has ceased trading from 1 January 2013	20 December 2016	8 May 2017
Shen Yang Investments Pte. Ltd.	Company has ceased trading from 1 January 2010	4 January 2013	7 June 2013
Shen Yang Logistics Pte. Ltd.	Company has ceased trading from 1 January 2014	20 December 2016	6 April 2017

The above companies were solvent at the date of dissolution. As far as Ms. Tan was aware, the dissolution of the above companies has not resulted in any liability or obligation being imposed against her.

Ms. Chong Sook Fern (alias Zhang Shufen)（張淑芬）, aged 41, is our executive Director. She was appointed as an executive Director on 15 July 2017. Ms. Chong is responsible for overseeing projects department, site operations and costing matters of our Group. Ms. Chong joined our Group since February 2015 as the project director.

Ms. Chong has more than 15 years of experience in the construction industry in Singapore. Before joining our Group, Ms. Chong was project engineer (junior) at Precise Development Pte Ltd. from December 2000 to January 2002. From February 2002 to January 2004, Ms. Chong was a project engineer at Wan Soon Construction Pte Ltd.. From February 2004 to June 2005, Ms. Chong worked as an engineer cum quantity surveyor with Techprecast Pte Ltd. (the subsidiary of Wan Soon Construction Pte Ltd.).

From April 2006 to May 2008, Ms. Chong worked as a sales engineer cum quantity surveyor with AJA Enterprises Pte Ltd. From September 2011 to September 2012, Ms. Chong worked as a design engineer with HDB-BRI. Ms. Chong was a senior project manager for SIPM Consultants Pte Ltd. (the subsidiary of Surbana International Consultants Pte Ltd.) from June 2008 to September 2011, and from September 2012 to February 2015.

Ms. Chong obtained her bachelor of engineering (civil) from the Nanyang Technological University of Singapore in July 2000.

Ms. Chong is the spouse of Mr. Tan, who is the Chairman of the Board, CEO, an executive Director and a Controlling Shareholder.

Save as disclosed in this prospectus, each of our executive Directors has confirmed that (i) he/she has no interests in the Shares within the meaning of Part XV of the SFO, (ii) he/she is independent from, and is not related to, any other Directors, members of senior management as disclosed in this section, (iii) he/she has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, (iv) he/she did not hold any other positions in our Company or other members of our Group as at the Latest Practicable Date, and (v) there is no other information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders in connection with his/her appointment.

Independent non-executive Directors

Prof. Pong Kam Keung (**龐錦強**), aged 56, was appointed as our independent non-executive Director on 20 October 2017. He is also a member of the audit and nomination committees of our Company with effect from the Listing Date. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of our Group.

Before joining our Group, he was the chief prosecution officer of Environmental Protection Department of the Hong Kong Government from July 2004 to July 2013. He was a member of the Appeal Tribunal Panel of the Housing, Planning and Lands Bureau of the Hong Kong Government from February 2007 to November 2012 and a member of the Advisory Committee on Barrier Free Access of the Buildings Department from August 2001 to July 2003. Prof. Pong served as a director of education and membership of the Hong Kong Institute of Facility Management from October 2008 to October 2009. He has been an adjunct professor at the division of environment of the Hong Kong University of Science and Technology since December 2013 and a member of Governance & Quality Committee of the Hong Kong Green Building Council Limited since January 2017.

Prof. Pong has been an executive director of Sundart Holdings Limited (a company listed on the Main Board, stock code: 1568) since July 2015 and a non-executive director of Star Properties Group (Cayman Islands) Limited (a company listed on the Main Board, stock code: 1560) since March 2016.

Prof. Pong obtained his bachelor of science degree in building surveying from the Thames Polytechnic, United Kingdom in June 1989, a degree of master of science in property investment from the City University of London, United Kingdom in December 1993, a bachelor degree of laws from the University of Wolverhampton, United Kingdom in September 1995, a master degree of science in urban planning from the University of Hong Kong, Hong Kong in December 2005 and a degree of master of corporate governance from the Hong Kong Polytechnic University, Hong Kong in October 2008. Prof. Pong has been a fellow of the Hong Kong Institute of Facility Management, the Hong Kong Institute of Surveyors, the Chartered Institute of Arbitrators, the Royal Institution of Chartered Surveyors, the Hong Kong Institute of Chartered Secretaries and a member of the Royal Town Planning Institute since July 2000, November 2000, January 2001, January 2006, October 2012 and January 2007, respectively. Prof. Pong registered as a chartered building engineer by the Chartered Association of Building Engineers in February 2014.

Prof. Pong was the director of the following companies which were incorporated in Hong Kong and deregistered pursuant to section 291AA of the Predecessor Companies Ordinance which provides that a defunct or solvent company may be dissolved by way of deregistration. All of the following deregistrations were made voluntarily by way of submitting applications to the Companies Registry of Hong Kong because these companies had either never commenced business or operation or ceased to carry on business or operation for more than three months immediately before the relevant application. The relevant details are as follows:

Name of company	Nature of business prior to deregistration	Date of submission of application for deregistration	Date of deregistration
Master Bright International Limited (萬光國際有限公司)	Inactive	24 August 2005	30 December 2005
New China Investment Limited (新中國投資有限公司)	Inactive	24 August 2005	30 December 2005

Mr. Siu Man Ho Simon (蕭文豪), aged 43, was appointed as our independent non-executive Director on 20 October 2017. He is also a member of the audit and remuneration committees of our Company with effect from the Listing Date. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of our Group.

Mr. Siu is a practicing solicitor of the High Court of Hong Kong and a China Appointed Attesting Officer appointed by the Ministry of Justice of the People's Republic of China. Mr. Siu is currently a partner in a law firm, Sit, Fung, Kwong & Shum, Solicitors, which he first joined as a solicitor in January 2000 and has been continuously serving there since then. His areas of practice include corporate finance, capital markets, securities, mergers and acquisitions, joint ventures and general commercial matters.

Mr. Siu also actively participates in charitable and social services in Hong Kong. He is currently acting as the legal adviser for United Hearts Youth Foundation and Hong Kong Taekwondo Association as well as the school manager of The Association of Directors & Former Directors of Pok Oi Hospital Ltd Leung Sing Tak College.

Mr. Siu has been an independent non-executive director of each of Wai Yuen Tong Medicine Holdings Limited (a company listed on the Main Board, stock code: 897), Brilliant Circle Holdings International Limited (a company listed on the Main Board, stock code: 1008) and Weiye Holdings Limited (a company listed on the Main Board, stock code: 1570) since August 2001, March 2009, and March 2016. He was appointed as the independent non-executive director of Jiashili Group Limited (stock code: 1285) with effect from 12 June 2015 and resigned from the position on 1 December 2015.

Mr. Siu obtained his Bachelor of Laws degree from the University of Hong Kong in November 1996.

Mr. Yau Chung Hang (邱仲珩), aged 45, was appointed as our independent non-executive Director on 20 October 2017. He is also the Chairman of the audit and remuneration committees of our Company and a member of the nomination committee of our Company with effect from the Listing Date. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of our Group.

Mr. Yau has over 20 years of experience in accounting and financial management. Before joining our Group, he worked as an accountant with Li Tang Chen CPA from June 1995 to January 1997. From January 1997 to May 2000, he worked at Deloitte Touche Tohmatsu and his last position was senior accountant. From May 2000 to October 2001, he joined Valspar Hai Hong Co., Ltd. as a credit manager. He then worked as the chief financial officer and company secretary with Changchun Da Xing Pharmaceutical Company Ltd. (a company listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8067) from January 2002 to January 2004. From January 2004 to April 2005, he was a finance manager of Tristate Holdings Limited (a company listed on the Main Board, stock code: 458). From April 2005 to March 2006, he joined Ningbo Yidong Electronic Company Ltd. (a company listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8249) as the company secretary. He then worked at Brilliant Circle Group (a company listed on the Main Board, stock code: 1008) as the chief financial officer and company secretary from January 2006 to February 2014. He has been the chief financial officer and company secretary of Jiashili Group (a company listed on the Main Board, stock code: 1285) since March 2014 and the joint company secretary of UTS Marketing Solutions Holdings Limited (a company listed on the Main Board, stock code: 6113) since 21 September 2016.

Mr. Yau was the independent non-executive director of Ban Loong Holdings Limited (a company listed on the Main Board, stock code: 30) from 16 May 2013 to 6 October 2014.

Mr. Yau obtained his bachelor of arts degree in accountancy from the University of Bolton, the United Kingdom in August 2005. He is a member of The Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants.

Mr. Yau was the director of the following company which was incorporated in Hong Kong and deregistered pursuant to section 291AA of the Predecessor Companies Ordinance which provides that a defunct or solvent company may be dissolved by way of deregistration. The following deregistration was made voluntarily by way of submitting application to the Companies Registry of Hong Kong because this company had either never commenced business or operation or ceased to carry on business or operation for more than three months immediately before the relevant application. The relevant details are as follows:

Name of company	Nature of business prior to deregistration	Date of submission of application for deregistration	Date of deregistration
Aviaction International Limited	Inactive	11 December 2000	12 April 2001

Save as disclosed in this prospectus, each of our independent non-executive Directors has confirmed that (i) he/she has no interests in the Shares within the meaning of Part XV of the SFO, (ii) he/she is independent from, and is not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders, (iii) he/she has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, and (iv) there is no other information which is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(f) to 13.51(2)(n)(v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders in connection with his/her appointment.

SENIOR MANAGEMENT

The following table sets out certain information concerning our senior management:

Name	Age	Date of joining our Group	Position/Title	Roles and responsibilities	Relationship with other Director(s) or senior management
Mr. Toh Kok Weng, Benjamin (alias Du Guorong, Benjamin) (杜國榮)	36	May 2008	General manager	Overseeing contract department, including analysing project requirements and preparation of tender documents	Nil
Ms. Ong Chun Kheng (王俊蒨)	35	June 2013	Finance manager	Overseeing finance function, including financial and management reporting, accounting, taxation, internal control and compliance matters	Nil

Mr. Toh Kok Weng, Benjamin (alias Du Guorong, Benjamin)（杜國榮）, aged 36, joined our Group in May 2008 as the project engineer of Double-Trans and Samco. He was promoted to the position of projects manager and general manager of our Group in June 2010 and May 2016, respectively. Mr. Toh is primarily responsible for overseeing contract department, including analysing project requirements and preparation of tender documents of our Group.

Mr. Toh has more than 10 years of experience in the construction industry. From the second quarter of 2006 to the first quarter of 2008, Mr. Toh worked as a project engineer with Pan-United Asphalt Pte Ltd.

Mr. Toh obtained his bachelor of engineering (civil engineering) degree from the University of Queensland in Australia in December 2005 and his Specialist Diploma in Construction Productivity from the Building and Construction Authority in November 2016.

In the three years preceding the Latest Practicable Date, Mr. Toh has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. Ong Chun Kheng （王俊蒨）, aged 35, joined our Group in June 2013 as the accountant of Double-Trans and was promoted to the position of finance manager of our Group in August 2016. Ms. Ong is primarily responsible for overseeing finance function, including financial and management reporting, accounting, taxation, internal control and compliance matters.

Ms. Ong has about 10 years of experience in accounting. From July 2007 to August 2010, Ms. Ong worked with Mazars Chartered Accountant as an audit executive – semi senior. From December 2010 to September 2011, Ms. Ong worked as an audit executive – semi senior with Paul Wan & Co Certified Accountants. From September 2011 to May 2013, Ms. Ong worked as an accounts executive with SEF Construction Pte Ltd.

Ms. Ong obtained her bachelor of accounting degree from the Malaya University in Malaysia in September 2007.

In the three years preceding the Latest Practicable Date, Ms. Ong has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas.

COMPANY SECRETARY

Ms. Cheng Florence Ga Sui（**鄭家穗**）, aged 45, was appointed as our company secretary of our Company on 15 July 2017 and is responsible for our secretarial affairs.

Ms. Cheng has about 10 years of experience in company secretarial work. Ms. Cheng served as the customer services executive in technical team of Offshore Incorporations Limited from May 2007 to July 2008. From November 2008 to January 2012, she was a company secretarial officer of ATC (Hong Kong) Limited. From January 2012 to March 2013, she worked with Phoenix Satellite Television Company Limited as the company secretary assistant. She then joined Vistra Corporate Services (HK) Limited and worked as a company secretarial manager from August 2013 to May 2016, and since October 2016 she has been working with BPO Global Service Limited as its company secretarial director.

Ms. Cheng obtained her bachelor of arts degree in business administration from the University of Wolverhampton and her master of corporate governance from the Hong Kong Polytechnic University in July 2003 and October 2008 respectively. She has been an associate member of the Hong Kong Institute of Chartered Secretary since May 2013.

In the three years preceding the Latest Practicable Date, Ms. Cheng has not held any directorship in any public companies the securities of which are listed on any securities in Hong Kong or overseas.

Ms. Cheng does not act as our full-time employee but she has been appointed as our company secretary pursuant to our engagement of an external company secretarial services provider, BPO Global Services Limited, to provide company secretarial services to us. Ms. Cheng's major roles in BPO Global Services Limited include advising its board of directors on corporate governance matters and facilitating the induction and professional development of directors. As Ms. Cheng is supported by different designated teams of professional staff within BPO Global Services Limited, she is confident that she is able to allocate sufficient time and has professional resources to perform her role as the company secretary of our Company. In view of the aforesaid, our Directors and the Sole Sponsor both concur with the view of Ms. Cheng that despite Ms. Cheng is not our employee, she is able to allocate sufficient time and has professional resources to perform her role as the company secretary of our Company.

BOARD COMMITTEES

The Board has established the audit committee, the remuneration committee and the nomination committee.

Audit committee

Our Company established the audit committee pursuant to a resolution of the Directors passed on 20 October 2017 in compliance with Rule 3.21 of the Listing Rules. Written terms of reference in compliance with the corporate governance code as set out in Appendix 14 (the "Corporate Governance Code") of the Listing Rules has been adopted. Among other things, the primary duties of the audit committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review financial statements of our Company and judgments in respect of financial reporting; and oversee the effectiveness of the procedures of the internal control procedures of our Group. The audit committee consists of three independent non-executive Directors, namely Prof. Pong Kam Keung, Mr. Siu Man Ho Simon and Mr. Yau Chung Hang. Mr. Yau Chung Hang is the chairman of the audit committee.

Remuneration committee

Our Company established the remuneration committee on 20 October 2017 pursuant to a resolution in compliance with Rule 3.25 of the Listing Rules with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the remuneration committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors, senior management and general staff of the Group and ensure that none of the Directors or any of their associates determine their own remuneration. The remuneration committee consists of an executive Director, namely Mr. Tan Chai Ling, and two independent non-executive Directors, namely Mr. Yau Chung Hang and Mr. Siu Man Ho Simon. Mr. Yau Chung Hang is the chairman of the remuneration committee.

Nomination committee

Our Company established the nomination committee on 20 October 2017 with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the nomination committee are to review the structure, size and composition of the Board annually; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to appointment or reappointment of Directors. The nomination committee consists of an executive Director, namely Mr. Tan Chai Ling, and two independent non-executive Directors, namely Mr. Yau Chung Hang and Prof. Pong Kam Keung. Mr. Tan Chai Ling is the chairman of the nomination committee.

Roles of chairman of the Board and CEO performed by same person

Under paragraph A.2.1 of Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer of an issuer should be separate and should not be performed by the same person. Mr. Tan is currently our chairman of the Board and the CEO who is primarily responsible for the day-to-day management of our Group's business. Our Directors consider that vesting the roles of our chairman of the Board and CEO in the same person facilitates the execution of our business strategies and decision making, and maximises the effectiveness of our Group's operation. Our Directors also believe that the presence of three independent non-executive Directors provides added independence to our Board. Our Directors will review the structure from time to time and consider an adjustment should it become appropriate. Except for the deviation from the said Corporate Governance Code Provision A.2.1, our corporate governance practices have complied with the Corporate Governance Code.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of remuneration including salaries, allowances bonus, director fees and benefits in kind which were paid to our Directors for the three years ended 31 December 2016 and the four months ended 30 April 2017 were approximately S$689,440, S$692,272, S$997,720 and S$422,900, respectively.

The aggregate amount of remuneration including salaries, allowances bonus, sales commission and benefits in kind which were paid to the five highest paid individuals (excluding our Directors amongst the five highest paid individuals) for the three years ended 31 December 2016 and the four months ended 30 April 2017 were S$297,694, S$309,838, S$388,865 and S$159,240, respectively.

During the Track Record Period, no remuneration was paid by our Group to, or received by, our Directors or senior management or the five highest-paid individuals as an inducement to join or upon joining our Group or as compensation for loss of office. There was no arrangement under which a Director waived or agreed to waive any remuneration during the same period.

Save as disclosed above, no other payments have been made or are payable in respect of the three years ended 31 December 2016 and the four months ended 30 April 2017 by any member of our Group to any of our Directors. Under the arrangements currently in force, our Group estimates the aggregate remuneration, excluding discretionary bonus and retirement scheme contribution, of our Directors for the year ending 31 December 2017 to be approximately S$1,088,000.

SHARE OPTION SCHEME

Our Group has conditionally adopted the Share Option Scheme under which employees of our Group including executive Directors and other eligible participants may be granted options to subscribe for Shares. The principal terms of the Share Option Scheme are summarised in the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus.

Remuneration policy

Our Group offers attractive remuneration package to its employees, which includes basic salary, bonuses and other cash allowances or subsidies. Our Group determines the salary of its employees mainly based on their qualifications, relevant working experience, position and seniority. Our Group conducts annual review on the salary levels and promotions based on the working performance of each employees.

COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, our Company will appoint Dakin 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 3A.23 of the Listing Rules, the 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 under Chapters 14 and/or 14A of the Listing Rules, is contemplated by our Company, including share issues and share repurchases;

(iii) where our Company proposes to use the proceeds of the Global Offering 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 (if any) or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the Listing Date and end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date (i.e. the date of despatch of the annual reports of our Company in respect of our results for the financial year ending 31 December 2018), subject to early termination.

The compliance adviser shall provide us with services, including guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, rules, codes and guidelines, and to act as one of our principal channels of communication with the Stock Exchange.

The share capital of our Company immediately following completion of the Global Offering and Capitalisation Issue is set out in the table below. The table is prepared on the basis of the Global Offering becoming unconditional and the issue of Offer Shares and Capitalisation Issue pursuant thereto is made as described herein. It takes no account of any Shares to be issued upon exercise of the Over-allotment Option and 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 under the general mandates for the allotment and issue or repurchase of Shares granted to the Directors as referred to below or otherwise.

Authorised share capital:		*HK$*
2,000,000,000	Shares	200,000,000
Shares issued and to be issued, fully paid or credited as fully paid upon completion of the Global Offering and Capitalisation Issue		*HK$*
1	Shares in issue as at the date of this prospectus	0.10
749,999,999	Shares to be issued pursuant to the Capitalisation Issue	74,999,999.90
250,000,000	Shares to be issued pursuant to the Global Offering *(Note)*	25,000,000.00
1,000,000,000	Shares in total	100,000,000.00

Note: The share capital of our Company will be enlarged by up to an additional 37,500,000 Shares in the event that the Over-allotment Option is exercised in full.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 8.08 of the Listing Rules, at least 25% of the total issued share capital of our Company must at all times be held by the public. The 250,000,000 Offer Shares represent 25% of the issued share capital of our Company upon Listing.

RANKING

The Offer Shares will rank in *pari passu* in all respects with all the Shares now in issued or to be allotted and issued as mentioned in this prospectus save for the entitlement under the Capitalisation Issue and will qualify for all dividends or other distributions declared made or paid on the Shares in respect of a record date which falls after the Listing Date.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme, the major terms of which are set out in the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, the 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 Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued (otherwise than pursuant to a rights issue, an issue of Shares upon the exercise of options which may be granted under the Share Option Scheme or under any option scheme or similar arrangements or scrip dividend scheme or similar arrangements, or a specific authority granted by the Shareholders) shall not exceed:

(a) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalisation Issue (not including Shares to be issued upon exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme); and

(b) the total nominal value of the share capital of our Company 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 mandate does not cover Shares to be allotted, issued or dealt with under a rights issue or pursuant to the exercise of the options which may be granted under the Share Option Scheme. This general mandate to issue Shares will remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of our Company;

(b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or

(c) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed "A. Further information about the Company – 3. Written resolutions of the sole Shareholder passed on 20 October 2017" in Appendix V to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, the Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares to be issued upon exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme).

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, and such repurchases are made in accordance with all applicable laws and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in the paragraph headed "A. Further information about the Company – 6. Repurchase of the Shares by the Company" in Appendix V to this prospectus.

The general mandates to issue and repurchase Shares will remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of our Company;

(b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable law of the Cayman Islands to be held; or

(c) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph "A. Further information about the Company – 6. Repurchase of the Shares by the Company" 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 the Articles. For details, please see the paragraph headed "2. Articles of Association" in Appendix IV to this prospectus.

So far as the Directors are aware, the following persons will, immediately following the completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares to be issued upon exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), have an interests or short positions in Shares or underlying Shares, which would fall to be disclosed to our Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or who shall, 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 Group:

LONG POSITION IN THE SHARES

Name	Capacity/nature	Number of Shares held/interested immediately following completion of the Global Offering	Percentage of shareholding immediately following completion of the Global Offering
Jian Sheng	Beneficial owner	750,000,000	75%
Mr. Tan *(Note 1)*	Interest in controlled corporation	750,000,000	75%
Ms. Chong Sook Fern *(Note 2)*	Interest of spouse	750,000,000	75%

Notes:

1. Jian Sheng is owned by Mr. Tan as to 80% and Ms. Tan as to 20%. Therefore, Mr. Tan is deemed to be interested in all the Shares held by Jian Sheng for the purposes of the SFO.

2. Ms. Chong Sook Fern is the spouse of Mr. Tan and accordingly is deemed to be interested in the Shares in which Mr. Tan has interest under the SFO.

Save as disclosed above, the Directors are not aware of any person(s) who, immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares to be issued upon exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), shall have an interest or a short position in the Shares, or underlying Shares, which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or shall be, directly or indirectly, 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 Group, and are, therefore, regarded as substantial Shareholders under the Listing Rules.

You should read the following discussion and analysis of our Group's financial position and results of operations together with our combined financial information as at 31 December 2014, 2015, 2016 and 30 April 2017 and for each of the three years ended 31 December 2016 and for the four months ended 30 April 2017 and the accompanying notes included in the Accountants' Report set out in Appendix I to this prospectus. The Accountants' Report has been prepared in accordance with IFRS. Prospective investors should read the whole of the Accountants' Report set out in Appendix I to this prospectus and not rely merely on the information contained in this section. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, please refer to the section headed "Risk factors" in this prospectus.

OVERVIEW

We are a Singapore based contractor engaged in road works services and construction machinery rental services. The road works services provided by us comprise of mainly: (i) road construction services (i.e. new road construction, road widening, and construction of road-related facilities); and (ii) construction ancillary services (e.g. road pavement and marking maintenance works and road upgrading services). During the Track Record Period, we had completed seven road construction services projects and 28 construction ancillary services contracts of an aggregate original contract sum approximately of S$38.5 million and S$40.6 million, respectively. For the three years ended 31 December 2016 and the four months ended 30 April 2017, we recorded revenue of approximately S$42.7 million, S$44.6 million, S$51.5 million and S$21.9 million, respectively, and profit and other comprehensive income for the year or period of approximately S$2.8 million, S$6.0 million, S$7.3 million and S$1.1 million, respectively. During the same periods, our construction ancillary services accounted for approximately 51.9%, 50.3%, 75.6% and 67.2%, respectively, while road construction services accounted for approximately 43.8%, 40.9%, 24.3% and 32.1%, respectively.

For further information about our business and operations, please refer to the section headed "Business" in this prospectus.

BASIS OF PRESENTATION OF FINANCIAL INFORMATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 21 June 2017 and became the indirect holding company of Double-Trans and Samco pursuant to the Reorganisation completed on 20 October 2017. Details of which are set out in the section headed "History, development and Reorganisation" in this prospectus.

The financial information of our Group has been prepared as if our Company had been the holding company of Double-Trans and Samco throughout the Track Record Period.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Group's financial condition and results of operations have been and will continue to be affected by a number of factors, including those set out below:

Our road works projects are non-recurrent in nature

Our Group is principally engaged in the road works business in Singapore. Our services are provided on a project-by-project and non-recurring basis. In fact, we do not have any long term commitments with our customers and the number of our customers may vary from year to year. Upon completion of our ongoing road works, and in the event that our Group is unable to secure new contracts or has not commenced work for any of our new contracts, our revenue and financial performance may be adversely affected. Therefore, our future growth and success depends on our ability to continue securing tenders and contract awards. If our customers do not provide us with new businesses after completion of current projects, our future revenue would be adversely affected.

Our success rate on project tendering

Our projects come mainly from two sources, namely (i) tender opportunities published on GeBIZ (the Singapore government's one-stop e-procurement portal where all public sector's invitations for quotations and tenders are posted); and (ii) invitations to quote or tender from customers. Our projects are typically awarded through a competitive tendering process. Our tender success rates for open tenders were approximately 40.0%, 36.0%, 33.3% and 28.6% for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively; while our success rate for quotation were approximately 20.0%, 22.2%, 57.1% and 66.7% for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. Our tender success rate depends on various factors, such as our pricing and tender strategy, customers' tender evaluation standards, our competitors' pricing and tender strategy, and the level of competition. Our tender success rate and our order book will affect our financial position and performance.

Pricing of our projects

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, 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 scope of services, the costs expected to be incurred and the competitive environment at the time of tendering, etc. For further details, please refer to the section headed "Business – Customers – Marketing activities" and the section headed "Business – Customers – Pricing strategy" in this prospectus. Our pricing directly affects our revenue and cash flows.

Amount of work orders

A typical construction ancillary services contract has generally a contract period of 18 months to three years, during which our Group may be required to perform a range of different services in respect of different roads. In some contracts, the contract value and the scope of work are fixed. While in other contracts, there is no fixed or committed contract value. 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. For those contracts which do not have a fixed contract value, the amount of revenue that we are able to derive depends on the amount of customers' work orders during the contract periods, which may fluctuate from time to time.

Fluctuation in cost of services

Our key costs of services in our projects are (i) material costs; (ii) staff costs; and (iii) subcontracting costs.

Our subcontracting costs and material costs represent a significant portion of our cost of services. Our subcontracting costs amounted to approximately S$4.4 million, S$5.5 million, S$5.1 million and S$3.2 million, and accounted for approximately 12.9%, 16.6%, 15.0% and 19.9% of our cost of services for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. Our material costs amounted to approximately S$19.0 million, S$15.6 million, S$15.5 million and S$7.3 million, respectively, and accounted for approximately 55.8%, 47.3%, 45.3% and 45.2% of our cost of services for the same periods, respectively. The subcontracting costs and material costs may fluctuate after we have secured our projects and may deviate from our estimation during the tender stage. Should there be any significant and unexpected increase in the subcontracting costs and material costs which cannot be passed on to customers, the Group's profitability will be adversely affected.

Staff cost is one of the major components of our cost of services during the Track Record Period. Staff costs directly related to our projects are factored into our tender price. Staff cost comprises salaries, contributions to the Central Provident Fund stipulated by regulations, and also costs related to the employment of foreign workers. As our operations are fairly labour intensive, staff cost is a significant factor of our financial performance.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in material costs, staff costs and subcontracting costs on our profit before taxation during the Track Record Period, assuming all other variables remained constant. According to the Ipsos Report, staff costs and road works raw material prices recorded a CAGR during the period between 2011 and 2016 of approximately 5.0% and (8.3)%, respectively. For prudence sake, our Group adopt a hypothetical fluctuation of 5.0% and 8.0% in performing the sensitivity analysis below:

Hypothetical fluctuation in material costs *(% change)*	**-8.0%**	**-5.0%**	**+5.0%**	**+8.0%**
Change in profit before tax *(S$)*				
For the year ended 31 December 2014	1,523,204.6	952,002.9	(952,002.9)	(1,523,204.6)
For the year ended 31 December 2015	1,249,890.8	781,181.8	(781,181.8)	(1,249,890.8)
For the year ended 31 December 2016	1,236,057.4	772,535.9	(772,535.9)	(1,236,057.4)
For the four months ended 30 April 2016	260,103.0	162,564.4	(162,564.4)	(260,103.0)
For the four months ended 30 April 2017	587,228.6	367,017.9	(367,017.9)	(587,228.6)

Hypothetical fluctuation in staff costs *(% change)*	**-8.0%**	**-5.0%**	**+5.0%**	**+8.0%**
Change in profit before tax *(S$)*				
For the year ended 31 December 2014	603,498	377,186.3	(377,186.3)	(603,498)
For the year ended 31 December 2015	783,261.1	489,538.2	(489,538.2)	(783,261.1)
For the year ended 31 December 2016	834,341.4	521,463.4	(521,463.4)	(834,341.4)
For the four months ended 30 April 2016	213,090.5	133,181.6	(133,181.6)	(213,090.5)
For the four months ended 30 April 2017	316,076.1	197,547.6	(197,547.6)	(316,076.1)

Hypothetical fluctuation in subcontracting costs *(% change)*	**-8.0%**	**-5.0%**	**+5.0%**	**+8.0%**
Change in profit before tax *(S$)*				
For the year ended 31 December 2014	351,432.6	219,645.4	(219,645.4)	(351,432.6)
For the year ended 31 December 2015	437,619.3	273,512.1	(273,512.1)	(437,619.3)
For the year ended 31 December 2016	410,278.2	256,423.9	(256,423.9)	(410,278.2)
For the four months ended 30 April 2016	62,256.6	38,910.4	(38,910.4)	(62,256.6)
For the four months ended 30 April 2017	258,483.8	161,552.4	(161,552.4)	(258,483.8)

Changes in laws and regulations in Singapore governing our industry

Our business is governed by the various laws and regulations in Singapore, as summarised in the section headed "Regulatory overview" in this prospectus. Changes in laws and regulations governing our business may affect our profitability and financial performance. For instance, any changes in licensing requirements may affect our ability to continue to tender for Singapore government contracts, and any changes in foreign worker levy rates will affect our costs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The financial information of our Group has been prepared in accordance with accounting policies which conform with IFRSs. The significant accounting policies adopted by our Group are set forth in detail in note 4 to the Accountants' Report set out in Appendix I to this prospectus.

Some of the accounting policies involve judgments, estimates, and assumptions made by our management. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Further information regarding the key judgements made in applying our accounting policies are set forth in note 5 to the Accountants' Report set out in Appendix I to this prospectus.

IFRS 15 Revenue from contracts with customers and related amendments

Our Group expects to apply IFRS 15 at the date of initial application (i.e. 1 January 2018). Based on the current accounting policies adopted by our Group, the revenue is recognised with reference to the proportion that contract costs incurred for work performed to date relative to the estimated total contract cots. In accordance with IFRS 15, input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended, costs incurred, time elapsed etc.) relative to the total expected inputs to the satisfaction of the performance obligation. Thus, the timing of revenue recognition based on IFRS 15 would not significantly affect the timing of revenue recognition under the current accounting policies.

As set out in page I-12 to the Accountants' Report in Appendix I, our Directors do not anticipate that the application of IFRS 15 will have a material impact on our Group's future financial statements.

RESULTS OF OPERATIONS

The following is a summary of the statements of comprehensive income of our Group during the Track Record Period, respectively, derived from the Accountants' Report set out in Appendix I to this prospectus.

	For the year ended 31 December			For the four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	S$	S$	S$	S$
				(Unaudited)	
Revenue	42,738,909	44,632,963	51,469,726	11,202,880	21,909,695
Cost of services	(34,141,515)	(33,045,917)	(34,080,060)	(7,364,324)	(16,243,603)
Gross profit	8,597,394	11,587,046	17,389,666	3,838,556	5,666,092
Other income and expenses	136,463	572,926	344,621	200,321	412,843
Administrative expenses	(4,746,530)	(5,062,832)	(8,195,375)	(2,374,900)	(3,477,298)
Other gains and losses	(299)	291,406	(468,420)	10,863	(102,668)
Listing expenses	–	–	–	–	(829,536)
Finance costs	(709,942)	(748,953)	(954,944)	(290,029)	(467,797)
Profit before taxation	3,277,086	6,639,593	8,115,548	1,384,811	1,201,636
Income tax expense	(513,134)	(1,033,214)	(1,064,874)	(96,081)	(283,697)
Profit for the year/period	2,763,952	5,606,379	7,050,674	1,288,730	917,939
Other comprehensive income					
Item that will not be reclassified to profit or loss:					
Gain on revaluation of properties, net of related income tax	–	420,251	251,072	–	219,185
Profit and other comprehensive income for the year/period	2,763,952	6,026,630	7,301,746	1,288,730	1,137,124

PRINCIPAL COMPONENTS OF STATEMENTS OF COMPREHENSIVE INCOME

Revenue

Our revenue amounted to approximately S$42.7 million, S$44.6 million, S$51.5 million and S$21.9 million for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. We derive all of our revenue from road construction services (i.e. new road construction, road widening, and construction of road-related facilities), construction ancillary services (e.g. road pavement and marking maintenance works and road upgrading services) and construction machinery rental services during the Track Record Period.

The following table sets forth a breakdown of our revenue of during the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2014		2015		2016		2016		2017	
	S$	*% of total revenue*	*S$*	*% of total revenue*	*S$*	*% of total revenue*	*S$ (Unaudited)*	*% of total revenue (Unaudited)*	*S$*	*% of total revenue*
Construction ancillary services	22,162,783	51.9	22,472,168	50.3	38,933,540	75.6	9,357,741	83.5	14,716,250	67.2
Road construction services	18,738,414	43.8	18,255,726	40.9	12,517,186	24.3	1,826,139	16.3	7,038,590	32.1
Lease of construction machineries	1,837,712	4.3	3,905,069	8.8	19,000	0.1	19,000	0.2	154,855	0.7
Total	42,738,909	100.0	44,632,963	100.0	51,469,726	100.0	11,202,880	100.0	21,909,695	100.0

During the Track Record Period, our revenue generated from lease of construction machineries amounted to approximately S$1.8 million, S$3.9 million, S$19,000 and S$0.2 million, respectively. The substantial decrease in our revenue from lease of construction machineries during the year ended 31 December 2016 was mainly due to the substantial increase in our construction ancillary services during the year ended 31 December 2016 which increased our internal needs in the construction machineries. Therefore, our Group utilised our owned machineries for the road maintenance projects instead of leasing out during the year ended 31 December 2016. Our revenue from construction ancillary services increased substantially by approximately 73.3%, while our revenue from lease of construction machineries substantial decreased from approximately S$3.9 million for the year ended 31 December 2015 to approximately S$19,000 for the year ended 31 December 2016.

During the Track Record Period, the public sector works of our Group are mainly involved in works commissioned by various Singapore statutory board which primarily responsible for overseeing the transportation, city redevelopment or housing matters. Whereas private sector works of our Group are mainly involved in projects commissioned by private-owned construction companies or main contractors of various types of development project in Singapore. The following table sets forth our revenue generated from private and public sector road construction projects during the Track Record Period:

	For the year ended 31 December						For the four months ended 30 April			
	2014		2015		2016		2016		2017	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$ (Unaudited)*	*% (Unaudited)*	*S$*	*%*
Public sector works	30,429,113	71.2	35,208,863	78.9	41,553,180	80.7	9,271,468	82.8	19,405,838	88.6
Private sector works	12,309,796	28.8	9,424,100	21.1	9,916,546	19.3	1,931,412	17.2	2,503,857	11.4
Total revenue	42,738,909	100.0	44,632,963	100.0	51,469,726	100.0	11,202,880	100.0	21,909,695	100.0

As shown in the table above, our revenue generated from public sector works represented approximately 71.2%, 78.9%, 80.7% and 88.6% of our Group's total revenue during the Track Record Period, whilst revenue generated from private sector works represented approximately 28.8%, 21.1%, 19.3% and 11.4% of our Group's total revenue during the Track Record Period.

For the three years ended 31 December 2016 and the four months ended 30 April 2017, there were 8, 9, 6 and 4 road construction projects contributing approximately S$18.7 million, S$18.3 million, S$12.5 million and S$7.0 million, respectively to our revenue. Set out below is the breakdown of such projects based on their respective revenue recognised during the Track Record Period:

	For the year ended 31 December			For the four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	Number of projects	*Number of projects*	*Number of projects*	*Number of projects (Unaudited)*	*Number of projects*
Revenue recognised					
S$5,000,000 or above	1	1	1	–	–
S$1,000,000 to below S$5,000,000	4	4	1	1	3
S$100,000 to below S$1,000,000	2	2	2	1	1
Below S$100,000	1	2	2	1	–
	8	9	6	3	4

Cost of services

Cost of services refer to costs that are directly related to our projects such as material costs, staff costs, subcontracting costs and depreciation, which amounted to approximately S$34.1 million, S$33.0 million, S$34.1 million and S$16.2 million for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. The table below sets forth a breakdown of our cost of services by nature and percentage contribution to total cost of service for the periods indicated:

	For the year ended 31 December						For four months ended 30 April			
	2014		**2015**		**2016**		**2016**		**2017**	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$ (Unaudited)*	*% (Unaudited)*	*S$*	*%*
Material cost	19,040,058	55.8	15,623,635	47.3	15,450,717	45.3	3,251,288	44.1	7,340,358	45.2
Staff cost	7,543,725	22.1	9,790,764	29.6	10,429,268	30.6	2,663,631	36.2	3,950,951	24.3
Subcontracting cost	4,392,908	12.9	5,470,241	16.6	5,128,478	15.0	778,207	10.6	3,231,047	19.9
Depreciation	846,463	2.5	1,191,259	3.6	1,364,745	4.0	428,403	5.8	476,710	2.9
Rental expenses	167,250	0.5	833,577	2.5	64,559	0.2	98,701	1.3	22,185	0.1
Others	2,151,111	6.3	136,441	0.4	1,642,293	4.9	144,094	2.0	1,222,352	7.5
Total	34,141,515	100.0	33,045,917	100.0	34,080,060	100.0	7,364,324	100.0	16,243,603	100.0

Our significant direct costs are material costs, staff costs and subcontracting costs. During the Track Record Period, the material costs accounted for approximately 55.8%, 47.3%, 45.3% and 45.2% of our total costs of services, respectively; while the staff costs accounted for approximately 21.9%, 29.9%, 30.6% and 24.3% of our total costs of services, respectively. Our Directors confirm that the proportion of material costs and staff costs in our total costs of services depends on, among other factors, the nature, design, and requirements of our projects which vary from project to project.

Our Group engages subcontractors for parts of our works or a particular work process, including delivery services, railing works, piping works, electrical works and steel works. During the Track Record Period, the aggregate amount of material costs, staff costs and subcontracting costs accounted for approximately 90.6%, 93.8%, 90.9% and 89.4% of our total cost of services, respectively. Fluctuations in material costs, staff costs and subcontracting costs, our ability to include appropriate cost estimates in tendering process or preparation of quotations and our ability to pass on any cost escalations to our customers will affect our profitability.

During the Track Record Period, our material cost amounted to approximately S$19.0 million, S$15.6 million, S$15.5 million and S$7.3 million, respectively. Our material cost decreased from approximately S$19.0 million for the year ended 31 December 2014 to approximately S$15.6 million for the year ended 31 December 2015 was mainly due to the combined effect of (i) the decrease in our road works raw materials price in Singapore, especially asphalt premix which is one of our most significant raw materials in our road works. According to the Ipsos Report, the price of asphalt premix decreased by approximately 23.2% from approximately S$108.4 per tonne in 2014 to approximately S$83.2 per tonne in 2015; and (ii) increase in our subcontracting cost from approximately S$4.4 million during the year ended 31 December 2014 to approximately S$5.5 million during the year ended 31 December 2015. As we required our subcontractors to arrange for and bear the costs of the relevant material costs necessary for carrying out the subcontracted works, therefore our material costs decreased while our subcontracting costs increased.

The materials and equipment being installed are usually delivered by our suppliers directly to our project sites for immediate consumption and only insignificant amount of inventory is kept in our project sites due to the limitation of the storage in the field work, our Group did not have significant amount of uninstalled materials as at 30 April 2017. Thus, our Directors anticipate that the financial impact of the uninstalled materials in the application of IFRS 15 will be considered as insignificant.

During the Track Record Period, our staff cost amounted to approximately S$7.5 million, S$9.8 million, S$10.4 million and S$4.0 million, respectively. Our staff cost increased from approximately S$7.5 million for the year ended 31 December 2014 to approximately S$9.8 million for the year ended 31 December 2015 was mainly due to (i) the increase in our awarded construction ancillary service contracts by government statutory boards, which increased from 12 contracts for the year ended 31 December 2014 to 23 contracts for the year ended 31 December 2015, while the standard requirement of our contracts awarded by government statutory boards had strictly not allowed us to deploy the same workers into different contracts. Therefore, we were required to recruit adequate number of workers and subcontractors to support the increase in our number of construction ancillary services contracts; and (ii) increase in the foreign worker levy on 1 July 2014 and 2015.

During the Track Record Period, our rental expenses amounted to approximately S$0.2 million, S$0.8 million, S$64,559, and S$22,185, respectively. Our rental expenses increased from approximately S$0.2 million for the year ended 31 December 2014 to approximately S$0.8 million for the year ended 31 December 2015 was mainly due to the increase in our rental expenses on dormitory for our foreign workers. During the year ended 31 December 2015, we hired more foreign workers in order to cope with our increase in number of awarded construction ancillary services contracts by the government statutory boards. During the year ended 31 December 2016, our rental expenses decreased significantly from approximately S$0.8 million for the year ended 31 December 2015 to approximately S$64,559 for the year ended 31 December 2016. Such decrease was mainly due to the leasehold building acquired during the year ended 31 December 2016 which we utilized part of the building as the dormitory for our foreign workers. As such, our rental expenses decreased significantly by approximately S$0.7 million during the year ended 31 December 2016.

Gross profit

Our gross profit was approximately S$8.6 million, S$11.6 million, S$17.4 million and S$5.7 million for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. The following table sets forth the gross profit and gross profit margin by types of business for the periods indicated:

	For the year ended 31 December						For the four months ended 30 April			
	2014		2015		2016		2016		2017	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$* (Unaudited)	*%* (Unaudited)	*S$*	*%*
Road construction services	1,701,700	9.1	5,916,752	32.4	3,060,421	24.4	282,030	15.4	1,513,360	21.5
Construction ancillary services	5,866,739	26.5	2,843,736	12.7	14,318,255	36.8	3,545,536	37.9	4,060,928	27.6
Lease of construction machineries	1,028,955	56.0	2,826,558	72.4	10,990	57.8	10,990	57.8	91,804	59.3
Total	8,597,394	20.1	11,587,046	26.0	17,389,666	33.8	3,838,556	34.3	5,666,092	25.9

During the Track Record Period, our Group recorded gross profit margin on road construction services of approximately 9.1%, 32.4%, 24.4% and 21.5% for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively, while our Group recorded gross profit margin on construction ancillary services of approximately 26.5%, 12.7%, 36.8% and 27.6% for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. During the same period, our Group recorded gross profit margin on lease of construction machineries of approximately 56.0%, 72.4%, 57.8% and 59.3% for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively.

Our gross profit margin of road construction services increased from approximately 9.1% for the year ended 31 December 2014 to approximately 32.4% for the year ended 31 December 2015. Such substantial increase in our gross profit margin of road construction services was mainly due to our projects, namely Project C1, Project C6 and Project C7 which had relatively high gross profit margin of approximately 44.4%, 28.1% and 31.7%, respectively. For further details in relation to the high gross profit margin of Project C1, Project C6 and Project C7, please refer to the paragraph headed "Period to period comparison of results of operations – Year ended 31 December 2015 compared to year ended 31 December 2014" in this section.

Our gross profit margin of construction ancillary services increased from approximately 12.7% for the year ended 31 December 2015 to approximately 36.8% for the year ended 31 December 2016. Such increase was mainly due to our Group applied new material, in particular, all weather thermoplastic for our construction ancillary services contracts awarded by our Customer A which generated relatively high gross profit margin than normal thermoplastic during the year ended 31 December 2016; and we had commenced two new construction ancillary services contracts by Customer A during the year ended 31 December 2016.

Our gross profit margin of lease of construction machineries services increased from approximately 56.0% for the year ended 31 December 2014 to approximately 72.4% for the year ended 31 December 2015. Such improvement in margin was mainly due to the decrease in demand for our repair and maintenance services for these construction machineries in 2015.

Please refer to the paragraph headed "Period to period comparison of results of operations" in this section for the reasons for the fluctuation in our gross profit margin during the Track Record Period.

Other income and expenses

The table below sets forth a breakdown of our other income and expenses for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$* (Unaudited)	*S$*
Sales of miscellaneous parts	–	247,850	90,179	66,299	30,394
Income from provision of consultancy service, training and projects support services	64,050	34,798	–	–	277,068
Labour costs recharged to subcontractor	1,146,628	–	–	–	–
Less: associated labour costs	(1,146,628)	–	–	–	–
Government grant	67,624	254,063	114,592	69,539	64,481
Rental income from investment properties	–	–	95,620	28,680	40,900
Sundry income	4,789	36,215	44,230	35,803	–
	136,463	572,926	344,621	200,321	412,843

During the Track Record Period, our other income and expenses comprised (i) sales of miscellaneous parts; (ii) income from provision of consultancy service, training and projects support services; (iii) labour costs recharged to subcontractors; (iv) government grant, which mainly included subsidy from the Productivity and Innovation Credit Scheme, the Special Employment Credit and the Wages Credit Scheme; (v) rental income from investment properties; and (vi) sundry income. Our other income and expenses amounted to approximately S$0.1 million, S$0.6 million, S$0.3 million and S$0.4 million for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively. During the year ended 31 December 2014, our labour costs recharged to subcontractor represented the manpower outsourcing of (i) our project managers to our subcontractor for overseeing their working progress and ensuring their works are properly and on a timely basis; and (ii) our direct labours to our subcontractor for completing their work on a timely basis.

Labour costs recharged to our subcontractor for the year ended 31 December 2014 was mainly due to the requests made by one of our subcontractors, an acquaintance of our Directors, to our Company to offer additional project managers and workers for completing the work within the required timeframe. During that period, the subcontractor faced difficulties in recruiting additional project managers and workers for completing our project on time. Our Directors believed that if there was any delay in completion of our project by the subcontractor, it would affect the Company's reputation and result in late penalty. Hence, after taking into account (i) the long-term relationship with the subcontractor; (ii) the available time for completing our project; (iii) our available project managers and workers at that time; and (iv) the expected time to be incurred in negotiating with the subcontractor, our Directors considered that it would be more efficient and convenient to offer the required project managers and workers to the subcontractor and deducted the associated labour costs from its payments to that subcontractor in settling its additional labour cost for our project. No labour costs recharged to subcontractor have been incurred for the two years ended 31 December 2016 and the four months ended 30 April 2017 as our Directors did not receive such requests for the said years/period. During the Track Record Period, we generated labour costs recharged income from our subcontractors amounted to approximately S$1.1 million, nil, nil and nil, respectively, while our associated labour costs amounted to approximately S$1.1 million, nil, nil and nil, respectively.

During the Track Record Period, our other income generated from government grant amounted to approximately S$67,624, S$0.3 million, S$0.1 million, and S$64,481, respectively. Our government grants mainly included the following:

(i) Productivity and Innovation Credit Scheme (the "**PIC Scheme**") cash payout, which is administered by the Inland Revenue Authority of Singapore and the cash payout conversion rate is 60% for qualifying expenditure incurred before 1 August 2016 and 40% for qualifying expenditure incurred on or after 1 August 2016. The PIC scheme is to encourage companies to undertake improvements in productivity and innovation. After the year of assessment 2018, qualifying expenditure incurred will not be eligible for the cash payout. During the Track Record Period, our Group recognised government grant under the PIC Scheme amounted to approximately S$13,354, S$0.1 million, nil and nil, respectively;

(ii) Wage Credit Scheme (the "**WCS**"), which is administered by the Inland Revenue Authority of Singapore and the government will co-fund 40% and 20% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000 and below in the year of assessments 2013 to 2015 and the year of assessments 2016 and 2017, respectively. During the Track Record Period, our Group recognised government grant under WCS amounted to approximately S$26,242, S$53,817, S$30,555 and S$22,075, respectively;

(iii) Special Employment Credit Scheme (the "**SEC Scheme**"), which is administered by the MOM and 8% of the employee's monthly wages will be provided to employers who hire Singaporean employees aged above 50 and earning up to S$4,000 a month. According to the Singapore Government Budget 2016, the SEC Scheme will be extended to the year of 2019 to continue providing a wage-offset to employers. During the Track Record Period, our Group recognised government grant under SEC Scheme amounted to approximately S$19,292, S$50,126, S$51,082 and S$27,928, respectively; and

(iv) Temporary Employment Credit (the "**TEC**") payout, which is administered by the MOM and provide employer 0.5% of wages for Singaporean and Singapore permanent resident for the year 2015 and 2017, and 1% of wages for Singaporean and Singapore permanent resident for the year 2016. The TEC payments will be made based on the CPF contributions paid to eligible employees from January 2015 to December 2017. During the Track Record Period, our Group recognised government grant under TEC amounted to nil, approximately S$8,200, S$20,585 and S$12,862, respectively.

During the Track Record Period, our income generated from provision of consultancy service, training and projects support services represents the consultancy service and training provided by our Group to Customer E, which is one of our customers in construction machinery rental services, to operate and maintain our construction machineries during the period we rented our machineries to Customer E.

Other gains and losses

Our other gains and losses comprised (i) gain or loss arising on disposal of property, plant and equipment; (ii) loss on fair value change of investment properties; (iii) impairment on investment in an investee and (iv) gain from disposal of investment in an investee. We recorded other losses of S$299, other gain of approximately S$0.3 million, other losses of approximately S$0.5 million and S$0.1 million for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively.

The table below sets forth a breakdown of our other gains and losses for the periods indicated.

	For the year ended 31 December			For the four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
(Loss) gain arising on disposal of property, plant and equipment	(298)	291,405	(258,420)	10,863	(82,688)
Loss on fair value change of investment properties	–	–	(210,000)	–	(20,000)
Impairment on investment in an investee	(1)	–	–	–	–
Gain from disposal of investment in an investee	–	1	–	–	–
Total	(299)	291,406	(468,420)	10,863	(102,688)

Administrative expenses

Administrative expenses comprised mainly the staff costs, depreciation expenses, Director's remuneration, legal and professional fees, rental expenses, repair and maintenance expenses and other miscellaneous administrative expenses. Our administrative expenses for the three years ended 31 December 2016 and the four months ended 30 April 2017 were approximately S$4.7 million, S$5.1 million, S$8.2 million and S$3.5 million, respectively.

The table below sets forth a breakdown of administrative expenses incurred by us for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
Staff costs	625,251	814,976	1,723,362	471,704	549,684
Depreciation	668,734	662,852	1,463,467	286,887	777,347
Director's remuneration	689,440	692,272	997,720	325,080	422,900
Legal and professional fees	462,287	461,636	713,841	142,882	213,631
Insurance	257,131	270,075	454,983	140,254	246,067
Disposal fee	1,520	22,186	397,916	29,055	1,775
Rental expenses	689,680	776,313	343,523	86,386	209,440
Repair and maintenance	528,881	610,608	1,061,378	442,373	500,790
Bank charges	165,448	187,040	197,442	39,941	59,699
Training expenses	98,059	91,956	99,734	50,712	115,923
Traveling and entertainment	121,530	89,378	89,377	35,195	89,443
Utilities	13,253	16,182	86,122	43,486	45,527
Telephone and telefax	63,770	57,020	81,678	28,263	53,122
License fee	22,278	30,800	71,272	16,998	31,790
Courier and freight	123,299	119,693	8,758	3,766	5,186
Other miscellaneous expenses	115,969	159,845	404,802	231,918	154,974
Total	4,746,530	5,062,832	8,195,375	2,374,900	3,477,298

(i) Staff costs represented salaries and bonus for staff (other than those directly involved in the provision of our services), Central Provident Fund contributions and other staff benefits;

(ii) Depreciation represented depreciation of property, plant and equipment not directly used in our projects;

(iii) Director's remuneration represented directors' remuneration and fees;

(iv) Legal and professional fees represented expenses incurred for audit services and legal and other professional advisory services;

(v) Insurance represented costs in relation to maintaining insurance policies for our Group's employees who work at our office;

(vi) Disposal fee represented expenses in relation to the disposal of soil, refuse and wastage;

(vii) Rental expenses represented expenses in relation to the rental of properties for use as our foreign workers' dormitory;

(viii) Repair and maintenance expenses included the cost for repair and maintenance (other than those directly involved in the provision of our services);

(ix) Bank charges represented costs in relation to bank facilities fees, charges for bank guarantees and bank confirmations;

(x) Training expenses represented fees paid to provide training to our employees in relation to quality, environmental, health and safety, and courses required by BCA and MOM;

(xi) Travelling and entertainment expenses represented costs in relation to the travelling of our Directors and employees for business purpose, inclusive of foods and beverages incurred but not directly related in our construction projects;

(xii) Utilities included water and electricity bills for our office;

(xiii) Telephone and telefax represented telephone bills and telefax bills for our office;

(xiv) License fee represented costs paid in relation to all our necessary licenses which are required to carry out our principal business activities in Singapore. For further details in relation to our licenses, please refer to "Business – Major qualifications, licenses and certifications" in this prospectus;

(xv) Courier and freight represented transportation costs primarily related to our transportation and courier fees for the delivery of small parts of machineries and general parcels; and

(xvi) Other miscellaneous expenses included printing and stationery expenses, administrative charges, recruitment expenses, medical expenses and office upkeep expenses.

Finance costs

Finance costs comprised interest on borrowings and interest on finance leases. Our finance costs amounted to approximately S$0.7 million, S$0.7 million, S$1.0 million and S$0.5 million for the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively.

Income tax expense

Since our operation is based in Singapore, our Group is subject to Singapore corporate income tax in accordance with the tax regulations of Singapore. Income tax expense of our Group amounted to approximately S$0.5 million, S$1.0 million, S$1.1 million and S$0.3 million for each of the three years ended 31 December 2016 and the four months ended 30 April 2017, respectively.

The statutory corporate tax rate in Singapore was 17.0% throughout the Track Record Period. The taxation for the Track Record Period can be reconciled to the profit before taxation as follows:

	For the year ended 31 December			For the four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
Profit before taxation	3,277,086	6,639,593	8,115,548	1,384,811	1,201,636
Tax at applicable tax rate of 17%	557,105	1,128,731	1,379,643	235,418	204,278
Tax effect of expenses not deductible for tax purpose	205,099	164,219	77,957	1,348	196,330
Tax effect of income not taxable for tax purpose	(23,708)	(69,718)	(9,590)	(2,600)	(47,038)
Effect of tax concessions and partial tax exemption *(Note 1, 2 & 3)*	(188,095)	(170,018)	(209,516)	(106,923)	(49,873)
Overprovision in prior years	(7,267)	–	(123,620)	–	–
Tax rebate *(Note 4)*	(30,000)	(20,000)	(50,000)	(31,162)	(20,000)
Taxation for the year/period	513,134	1,033,214	1,064,874	96,081	283,697

Note:

(1) Included the amounts are additional 300% tax deduction/allowance for qualified capital expenditures and operating expenses under the Productivity and Innovation Credit Scheme in Singapore for year of assessment 2015 to 2018.

(2) Tax concessions represents the permanent difference arising from the cash payout of the Productivity and Innovation Credit Scheme in Singapore for year of assessment 2015 to 2018.

(3) Partial tax exemption represents the tax exemption scheme for all companies in Singapore to enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$290,000 of normal chargeable income, which the maximum exemption to be enjoyed by companies is S$152,500. The following table sets forth the partial tax exemption for companies:

Chargeable income	**% exempted from tax**	**Amount exempted from tax**
First S$10,000	@ 75%	S$7,500
Next S$290,000	@ 50%	S$145,000
Total S$300,000		S$152,500

(4) Tax rebate represents Corporate Income Tax Rebate (the "**CIT Rebate**") for year of assessments 2013 to 2018 to help all companies deal with rising business costs. The Minister for Finance of Singapore has announced in the Budget 2017 that the CIT Rebate for year assessment 2017 will be raised from S$20,000 to S$25,000 to help companies cope with the economic uncertainty and continue restructuring, and the rebate percentage will be remained unchanged at 50% of the corporate tax payable. In addition, the CIT Rebate will be extended to year of assessment 2018 at a reduced rate of 20% of the corporate tax payable subject to a cap of S$10,000. The following table sets forth the CIT Rebate percentage and cap:

Year of assessment	**CIT Rebate**	**Capped at**
2018	20%	S$10,000
2017	50%	S$25,000
2016	50%	S$20,000
2013 to 2015	30%	S$30,000

During the Track Record Period, our effective tax rates (calculated as income tax expense for the year divided by profit before taxation) were as follows:

	For the year ended 31 December			**For the four months ended 30 April**	
	2014	**2015**	**2016**	**2016**	**2017**
				(Unaudited)	
Effective tax rate	15.7%	15.6%	13.1%	6.9%	23.6%

Our effective tax rate was lower than the statutory tax rate for the three years ended 31 December 2016 mainly due to the tax rebate and effect of tax concessions and partial tax exemption. Our effective tax rate for the four months ended 30 April 2017 was approximately 23.6%, which was higher than the statutory tax rate. It was mainly due to the tax effect of the non-deductible listing expenses of approximately S$0.8 million incurred in the four months ended 30 April 2017 in relation to the Listing.

For the year ended 31 December 2014 and 2015, our tax effect of expenses not deductible for tax purpose amounted to approximately S$0.2 million and S$0.2 million, respectively. Such amounts mainly represented our fines and penalties, depreciation of our properties located at No. 28 Sin Ming Lane, license fees, donations, and training expenses claim under the PIC Scheme.

For the year ended 31 December 2016, we recorded approximately S$0.1 million overprovision of tax in prior years. Such overprovision was mainly related to project costs incurred in the year ended 31 December 2015 were inadvertently taken as non-deductible expenses in tax calculation for the year of 2015 which by nature such expenditures are deductible for tax filing purpose.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four months ended 30 April 2017 compared with four months ended 30 April 2016

Revenue

Our revenue increased by approximately S$10.7 million (or approximately 95.6%) from approximately S$11.2 million for the four months ended 30 April 2016 to approximately S$21.9 million for the four months ended 30 April 2017, which was principally due to the combined effect of the following:

(i) Increase in revenue from construction ancillary services of approximately S$5.3 million

Revenue generated from construction ancillary services amounted to approximately S$9.4 million and S$14.7 million for the four months ended 30 April 2016 and 2017, respectively, representing an increase of approximately S$5.3 million. Such increase was mainly due to an increase in revenue of approximately S$5.6 million contributed by construction ancillary services customers who are Singapore statutory boards as a result of the increase in road maintenance works for the four months ended 30 April 2017.

(ii) Increase in revenue from road construction services of approximately S$5.2 million

Revenue generated from road construction works amounted to approximately S$1.8 million and S$7.0 million for the four months ended 30 April 2016 and 2017, respectively, representing an increase of approximately S$5.2 million. During the four months ended 30 April 2017, two projects commenced in October 2016, namely Project C40 and Project C41, from our Customer A and Customer G which are Singapore statutory boards with awarded contract sum of approximately S$5.6 million and recognised revenue of approximately S$0.2 million and S$2.1 million for the year ended 31 December 2016 and the four months ended 30 April 2017, respectively. Furthermore, our Project C36, which we commenced the relevant road construction works in March 2016, were in full swing during the period ended 30 April 2017. We derived an aggregate revenue of approximately S$0.5 million from aforesaid project for the four months ended 30 April 2016, comparing with an aggregate revenue of approximately S$3.6 million for the four months ended 30 April 2017. Further details of the aforesaid projects are set out in the section headed "Business – Our projects and contracts" in this prospectus.

Cost of services

Our costs of services increased by approximately 120.6% from approximately S$7.4 million for the four months ended 30 April 2016 to approximately S$16.2 million for the four months ended 30 April 2017. Such increase was mainly attributable to the following:

(i) Our material costs increased from approximately S$3.3 million for the four months ended 30 April 2016 to approximately S$7.3 million for the four months ended 30 April 2017 mainly due to the increase in road construction works revenue for the four months ended 30 April 2017 as compared to the four months ended 30 April 2016;

(ii) Our staff costs increased from approximately S$2.7 million for the four months ended 30 April 2016 to approximately S$3.9 million for the four months ended 30 April 2017, which mainly due to the increase in our number of site workers in order for us to undertake more road construction projects from our Customer A and Customer G, for our projects, namely Project C40 and Project C41, which had commenced works in October 2016 and were in full swing for the period ended 30 April 2017; and

(iii) Our subcontracting costs increased from approximately S$0.8 million for the four months ended 30 April 2016 to approximately S$3.2 million for the four months ended 30 April 2017, which primarily due to the increase in our engagement of subcontractors for road construction works along with the increase in our revenue for the four months ended 30 April 2017 as compared to the four months ended 30 April 2016.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately 47.6% from approximately S$3.8 million for the four months ended 30 April 2016 to approximately S$5.7 million for the four months ended 30 April 2017. Our overall gross profit margin decreased from approximately 34.3% for the four months ended 30 April 2016 to approximately 25.9% for the four months ended 30 April 2017 mainly due to the net effect of (i) our gross profit margin of construction ancillary services decreased from approximately 37.9% for the four months ended 30 April 2016 to approximately 27.6% for the four months ended 30 April 2017. Such decrease was mainly due to the more-than-proportionate increase in our costs of services as compared with our increase in revenue. The more-than-proportionate increase in our costs of services as compared with our increase in revenue was mainly due to the increase in the material costs and staff costs for the provision of construction ancillary services during the four months ended 30 April 2017; and (ii) partially offset by the increase in our gross profit margin of road construction services from approximately 15.4% for the four months ended 30 April 2016 to approximately 21.5% for the four months ended 30 April 2017 mainly due to our ongoing project, namely Project C35, which commenced in March 2016, were in full swing during the period ended 30 April 2017 and generated approximately S$1.1 million gross profit and approximately 30.9% of gross profit margin.

Other income and expenses

Our other income and expenses increased by approximately 100.0% from approximately S$0.2 million for the four months ended 30 April 2016 to approximately S$0.4 million for the four months ended 30 April 2017, which was principally due to the increase in our income derived from consultancy services, training and projects support services of approximately S$0.3 million.

Administrative expenses

Our administrative expenses increased by approximately 45.8% from approximately S$2.4 million for the four months ended 30 April 2016 to approximately S$3.5 million for the four months ended 30 April 2017. Such increase was mainly due to the increase in our staff costs of approximately S$0.2 million, which was mainly attributable to the increase in our number of staff and general salary increments, and an increase in our depreciation expenses of approximately S$0.5 million for the four months ended 30 April 2017.

Other gains and losses

Our other gains and losses decreased from other gains of S$10,863 for the four months ended 30 April 2016 to other losses of approximately S$0.1 million for the four months ended 30 April 2017, which was principally due to (i) the loss arising on disposal of our machineries of S$82,688; and (ii) loss arising on the fair value change of our investment properties of S$20,000.

Finance costs

Our finance costs increased by approximately 66.7% from approximately S$0.3 million for the four months ended 30 April 2016 to approximately S$0.5 million for the four months ended 30 April 2017, which was principally due to an increase in our borrowings.

Income tax expense

Our income tax expense increased by approximately 195.3% from S$96,081 for the four months ended 30 April 2016 to approximately S$0.3 million for the four months ended 30 April 2017, while our effective income tax rate increased from approximately 6.9% for the four months ended 30 April 2016 to approximately 23.9% for the four months ended 30 April 2017. The increase in our income tax expense and effective income tax rate was mainly attributed to the increase in expenses not deductible for tax purpose of approximately S$0.8 million in relation to the Listing.

Profit and other comprehensive income for the period

Our profit and other comprehensive income for the period decreased by approximately 15.4% from approximately S$1.3 million for the four months ended 30 April 2016 to approximately S$1.1 million for the four months ended 30 April 2017. This was mainly due to the Listing expenses incurred of approximately S$0.8 million for the four months period ended 30 April 2017 compared to nil for the four months period ended 30 April 2016.

Profit margin

Our profit margin decreased from approximately 11.5% for the four months ended 30 April 2016 to approximately 5.2% for the four months ended 30 April 2017. This was mainly due to the Listing expenses incurred of approximately S$0.8 million for the four months period ended 30 April 2017 compared to nil for the four months period ended 30 April 2016.

Year ended 31 December 2016 compared to year ended 31 December 2015

Revenue

Our revenue increased by approximately S$6.8 million (or approximately 15.3%) from approximately S$44.6 million for the year ended 31 December 2015 to approximately S$51.5 million for the year ended 31 December 2016, which was principally due to the combined effect of the following:

(i) Increase in revenue from construction ancillary services of approximately S$16.4 million

Revenue generated from construction ancillary services amounted to approximately S$22.5 million and S$38.9 million for the year ended 31 December 2015 and 2016, respectively, representing an increase of approximately S$16.4 million. Such increase was mainly due to an increase in revenue of approximately S$24.8 million contributed by new construction ancillary services contracts awarded by our Customer A and Customer G, Singapore statutory boards.

(ii) Decrease in revenue from road construction services of approximately S$5.8 million

Revenue generated from road construction works amounted to approximately S$18.3 million and S$12.5 million for the year ended 31 December 2015 and 2016, respectively, representing a decrease of approximately S$5.8 million. During the year ended 31 December 2015, we have completed seven road construction projects, which recognised approximately S$14.2 million for the year ended 31 December 2015 as to compared to nil for the year ended 31 December 2016. Furthermore, we have commenced four new projects, namely Project C36 Project C39, Project C40 and Project C41, which recognized approximately

S$12.8 million for the year ended 31 December 2016. Further details of the aforesaid projects are set out in the section headed "Business – Our projects and contracts" in this prospectus.

Cost of services

Our costs of services slightly increased by approximately S$1.1 million (or approximately 3.3%) from approximately S$33.0 million for the year ended 31 December 2015 to approximately S$34.1 million for the year ended 31 December 2016. This was principally due to our staff costs increased from approximately S$9.8 million for the year ended 31 December 2015 to approximately S$10.4 million for the year ended 31 December 2016, representing approximately 15.6% increase in our staff costs. Such increase was mainly due to the salary increment and increase in number of site workers in order for us to commence our new road construction projects awarded from Singapore statutory board.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately 50.0% from approximately S$11.6 million for the year ended 31 December 2015 to approximately S$17.4 million for the year ended 31 December 2016. Our overall gross profit margin improved from 26.0% for the year ended 31 December 2015 to 33.8% for the year ended 31 December 2016 mainly due to the net effect of the followings:

(i) increase in our gross profit margin of construction ancillary services from approximately 12.7% for the year ended 31 December 2015 to approximately 36.8% for the year ended 31 December 2016. Such increase was mainly due to the less-than-proportionate increase in our costs of services as compared with our increase in revenue and thus resulted in higher gross profit margin. The less-than-proportionate increase in our costs of services as compared with our increase in revenue was mainly due to the followings:

   (a) our Group applied new material, in particular, all weather thermoplastic, which is unique, dual-optic elements that maximize both dry and wet reflective, for our construction ancillary services contracts awarded by our Customer A which generated relatively high gross profit margin than normal thermoplastic during the year ended 31 December 2016; and

   (b) we have commenced two new construction ancillary services contracts by Customer A during the year ended 31 December 2016 which had relatively high gross profit margin as discussed above.

(ii) decrease in our gross profit margin of road construction services from approximately 32.4% for the year ended 31 December 2015 to approximately 24.4% for the year ended 31 December 2016. Such decrease was mainly due to our project, Project C39, which generated gross profit of approximately S$0.9 million, representing approximately 29.9% of our gross profit generated from road construction services, and had gross profit margin of approximately 17.9% for the year ended 31 December 2016. Such relatively low gross profit margin of our Project C39 was mainly attributable to the competitive tender price we made in Project C39 which allow as to have a more secured chance of success for the tender.

Other income and expenses

Our other income and expenses decreased by approximately 50.0% from approximately S$0.6 million for the year ended 31 December 2015 to approximately S$0.3 million for the year ended 31 December 2016, which was principally due to (i) the decrease in the government grant by approximately S$0.1 million; and (ii) decrease in the sales of miscellaneous parts of approximately S$0.2 million.

Administrative expenses

Our administrative expenses increased by approximately 60.8% from approximately S$5.1 million for the year ended 31 December 2015 to approximately S$8.2 million for the year ended 31 December 2016. The increase was mainly due to the increase in our staff costs of approximately S$1.5 million, which was mainly attributable to the increase in staff number to cope with our business expansion.

Other gains and losses

Our other gains and losses decreased from other gains of approximately S$0.3 million for the year ended 31 December 2015 to other losses of approximately S$0.5 million for the year ended 31 December 2016, which was principally due to (i) the loss arising on the disposal of machineries of approximately S$0.3 million; and (ii) loss on fair value change in our investment properties of approximately S$0.2 million.

Finance costs

Our finance costs increased by approximately 42.9% from approximately S$0.7 million for the year ended 31 December 2015 to approximately S$1.0 million for the year ended 31 December 2016, which was principally due to the increase on our borrowings.

Income tax expense

Our income tax expense increased by approximately 10.0% from approximately S$1.0 million for the year ended 31 December 2015 to approximately S$1.1 million for the year ended 31 December 2016. The increase was primarily attributed to the increase in taxable profits.

Our effective income tax rate decreased from approximately 15.6% for the year ended 31 December 2015 to approximately 13.1% for the year ended 31 December 2016. The decrease in our effective income tax rate was mainly attributed to the overprovision in prior years.

Profit and other comprehensive income for the year

Our profit and other comprehensive income for the year increased by approximately 21.7% from approximately S$6.0 million for the year ended 31 December 2015 to approximately S$7.3 million for the year ended 31 December 2016. This was mainly due to the aforesaid and in particular the increase in our revenue during the year.

Profit margin

Our profit margin increased from approximately 13.5% for the year ended 31 December 2015 to approximately 14.2% for the year ended 31 December 2016. This was mainly due to the increase in our gross profit as discussed above.

Year ended 31 December 2015 compared to year ended 31 December 2014

Revenue

Our revenue increased by approximately 4.4% from approximately S$42.7 million for the year ended 31 December 2014 to approximately S$44.6 million for the year ended 31 December 2015. Such increase was primarily due to (i) the increase in revenue generated from provision of leasing of construction machineries by approximately S$2.1 million for the year ended 31 December 2015; (ii) increase in construction ancillary services revenue by approximately S$0.3 million as a result of combined effect of 13 new construction ancillary services contracts which commenced and recognised revenue of approximately S$4.6 million for the year ended 31 December 2015, and completion of nine construction ancillary services contracts which generated approximately S$0.7 million and S$1.8 million for the year ended 31 December 2014 and 2015, respectively.

Cost of services

Our costs of services decreased by approximately 3.2% from approximately S$34.1 million for the year ended 31 December 2014 to approximately S$33.0 million for the year ended 31 December 2015 despite an increase in the revenue. This was principally due to the net effect of increase in our subcontracting fee of approximately S$1.1 million and decrease in our material costs by approximately S$3.4 million. The costs of services mainly include subcontracting costs, materials costs and staff costs. The proportion of each of these costs in each project may vary from project to project, and some of these costs are, to a certain extent, inter-related to each other. This is because if we engage subcontractors for certain works, we may require our subcontractors to arrange for and bear the costs of the relevant material costs necessary for carrying out the subcontracted works. As such, the relevant materials costs would normally be factored in the fees charged by subcontractors and thus reflected in our subcontracting costs.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately S$3.0 million (or approximately 34.9%) from approximately S$8.6 million for the year ended 31 December 2014 to approximately S$11.6 million for the year ended 31 December 2015. Our overall gross profit margin improved from approximately 20.1% for the year ended 31 December 2014 to approximately 26.0% for the year ended 31 December 2015. Such increase in the gross profit and gross profit margin was mainly due to the net effect of the followings:

(i) increase in our road construction services which gross profit increased from approximately S$1.7 million for the year ended 31 December 2014 to approximately S$5.9 million for the year ended 31 December 2015, while our gross profit margin improved from approximately 9.1% for the year ended 31 December 2014 to approximately 32.4% as a result of our projects, namely Project C1, Project C6 and Project C7, with relatively higher gross profit that, in aggregate, contributed approximately S$5.1 million gross profit which represents approximately 44.0% of the gross profit for the year ended 31 December 2015. The increase in gross profit was mainly attributable to:

    (a) Project C1, accounted for approximately 33.3% of our total gross profit for the year ended 31 December 2015 and had relatively high gross profit margin of approximately 44.4% mainly due to (i) the high usage of asphalt premix at the last stage of the project during the year ended 31 December 2015; and (ii) the price of asphalt premix dropped by approximately 23.2% during the year ended 31 December 2015. According to the Ipsos Report, the price of asphalt premix decreased from approximately S$108.4 per tonne for the year ended 31 December 2014 to approximately S$83.2 per tonne for the year ended 31 December 2015. For further details regarding to the price of asphalt premix, please refer to "Industry overview – Cost of raw material prices in Singapore" in this prospectus;

(b) Project C6, accounted for approximately 5.0% of our total gross profit for the year ended 31 December 2015 and had relatively high gross profit margin of approximately 28.1% mainly due to the price of asphalt premix dropped by approximately 23.2% during the year ended 31 December 2015 as discussed above; and

(c) Project C7, accounted for approximately 5.5% of our total gross profit for the year ended 31 December 2015 and had relatively high gross profit margin of approximately 31.7% mainly due to (i) the completion of this project earlier than planned which allowed us to save our labour costs as we are familiar with Customer A specifications required due to our past and current projects with Customer A; and (ii) the price of asphalt premix dropped by approximately 23.2% during the year ended 31 December 2015 as discussed above; and

(ii) decrease in our construction ancillary services which gross profit decreased from approximately S$5.9 million for the year ended 31 December 2014 to approximately S$2.8 million for the year ended 31 December 2015, while our gross profit margin decreased from approximately 26.5% for the year ended 31 December 2014 to approximately 12.7% for the year ended 31 December 2015. Such decrease was mainly due to the surge in our staff costs and subcontracting costs as a result of the surge in more construction ancillary service contracts were awarded to us by government statutory boards, which increased from 12 contracts for the year ended 31 December 2014 to 23 contracts for the year ended 31 December 2015, while the standard requirement of our contracts awarded by government statutory boards had strictly prohibited us to deploy the same workers into different contracts. Therefore, we were required to recruit adequate number of workers and subcontractors to support the increase in our number of construction ancillary services contracts.

Other income and expenses

Our other income and expenses increased by approximately 500.0% from approximately S$0.1 million for the year ended 31 December 2014 to approximately S$0.6 million for the year ended 31 December 2015, which was principally due to the increase in our sales of miscellaneous parts and government grants by approximately S$0.4 million, from S$67,624 for the year ended 31 December 2014 to approximately S$0.5 million for the year ended 31 December 2015.

Administrative expenses

Our administrative expenses increased by approximately S$0.4 million from approximately S$4.7 million for the year ended 31 December 2014 to approximately S$5.1 million for the year ended 31 December 2015. Such increase was primarily attributable to the increase in our staff costs by approximately S$0.2 million, from approximately S$0.6 million for the year ended 31 December 2014 to approximately S$0.8 million for the year ended 31 December 2015, as a result of the increase in number of staff and general salary increment.

Other gains and losses

Our other gains and losses increased from other losses of S$299 for the year ended 31 December 2014 to other gains of approximately S$0.3 million for the year ended 31 December 2015, which was principally due to our loss arising on disposal of machineries of S$298 for the year ended 31 December 2014 to the gain arising on disposal of machineries of approximately S$0.3 million for the year ended 31 December 2015.

Finance costs

Our finance costs increased by approximately 5.5% from S$709,942 for the year ended 31 December 2014 to S$748,953 for the year ended 31 December 2015, which was principally due to the increase in our obligations under finance lease.

Income tax expense

Our income tax expense increased by approximately 101.4% from approximately S$0.5 million for the year ended 31 December 2014 to approximately S$1.0 million for the year ended 31 December 2015. Such increase was primarily attributed to the increase in our taxable profits by approximately 102.6%. Our effective income tax rate maintained stable at approximately 15.7% for the year ended 31 December 2014 and approximately 15.6% for the year ended 31 December 2015.

Profit and other comprehensive income for the year

Our profit and other comprehensive income for the year increased by approximately 114.3% from approximately S$2.8 million for the year ended 31 December 2014 to approximately S$6.0 million for the year ended 31 December 2015. This was mainly due to the increase in gross profit by approximately S$3.0 million as discussed above.

Profit margin

Our profit margin also increased from approximately 6.5% for the year ended 31 December 2014 to approximately 13.5% for the year ended 31 December 2015 mainly due to reasons as discussed above.

RETAINED PROFITS

Our Group recorded retained profits throughout the Track Record Period in our consolidated statements of changes in equity:

	As at				
	1 January 2014	31 December 2014	31 December 2015	31 December 2016	30 April 2017
	S$	*S$*	*S$*	*S$*	*S$*
Retained profits	534,334	2,698,286	6,804,665	11,701,339	12,119,278

As at 1 January 2014, 31 December 2014, 2015 and 2016 and 30 April 2017, our Group recorded retained profits of approximately S$0.5 million, S$2.7 million, S$6.8 million, S$11.7 million and S$12.1 million respectively. The relatively low retained profits of approximately S$0.5 million as at 1 January 2014 was mainly due to the combined effects of (i) prior to the year ended 31 December 2012, our scale of business was a few times smaller than the current level; (ii) we had declared and paid dividends of S$0.8 million during the year ended 31 December 2013, which reduced the retained profits of our profitable subsidiaries; and (iii) our Group participated in a project, i.e. Project C2, that we and our customer failed to reach an agreement on rate for carrying out the variation orders leading to a loss of approximately S$2.6 million recognised for the two years ended 31 December 2013.

Our Group then experienced expansion and growth mainly due to the upgrade in our BCA license in civil engineering grading. Our Group's BCA license in civil engineering upgraded from grade C1 to grade B2 during the year ended 31 December 2012 and further upgraded to grade B1 during the year ended 31 December 2015, which our tendering limit in public project increased from S$4.0 million to S$13.0 million and further up to S$40.0 million. Since then, our Group started to take up more public projects with higher contract sum during the year ended 31 December 2014 and throughout the Track Record Period. In order to take up more sizable projects, our direct workers increased from 283 workers as at 31 December 2013 to 397 workers as at 31 December 2014. As such, our retained profits increased throughout the Track Record Period due to our profitable operations of our Group. For further details regarding our profitable operations, please refer to the paragraph headed "Period to period comparison of results of operation" in this section.

LIQUIDITY AND CAPITAL RESOURCES

Our source of funds for our operations mainly comes from cash generated from our operation and borrowings. Our primary uses of cash are for payment to suppliers, subcontractors and working capital needs. Upon the Listing, our source of funds will be a combination of internal generated funds, borrowings and net proceeds from the Global Offering.

As at 31 July 2017, being the most recent practicable date for the purpose of the disclosure of our liquidity position, we had bank balances and cash of approximately S$1.5 million.

Net current assets

The following table sets forth a breakdown of our Group's current assets and liabilities as at 31 December 2014, 31 December 2015, 31 December 2016, 30 April 2017 and 31 August 2017:

	As at 31 December			As at 30 April	As at 31 August
	2014	2015	2016	2017	2017
	S$	*S$*	*S$*	*S$*	*S$*
					(Unaudited)
Current assets					
Trade receivables	14,841,298	19,465,822	33,307,414	35,676,967	35,498,366
Other receivables, deposits and prepayments	301,276	658,920	996,115	1,823,944	719,360
Amounts due from customers for construction work	4,635,172	4,011,566	2,928,462	5,172,459	9,909,509
Amounts due from directors	33,508	472,769	22,834	245,524	–
Bank balances and cash	1,529,989	1,180,596	395,514	249,559	930,963
	21,341,243	25,789,673	37,650,339	43,168,453	47,058,198
Current liabilities					
Amount due to a director	79,187	1,682	42,196	356,152	–
Trade and other payables	9,063,845	9,164,868	9,604,379	12,555,106	13,105,953
Obligations under finance leases	1,743,173	2,288,742	3,186,694	3,176,285	3,198,262
Income tax payable	381,022	1,331,551	1,874,647	1,118,189	977,131
Borrowings	9,397,738	8,659,776	14,985,869	17,029,364	19,981,964
	20,664,965	21,446,619	29,693,785	34,235,096	37,263,310
Net current assets	676,278	4,343,054	7,956,554	8,933,357	9,794,888

Our Group recorded an increase in net current assets position by approximately S$3.7 million as at 31 December 2015 as compared to the previous year. This was mainly attributable to the increase in our trade receivables and other receivables, deposits and prepayments of approximately S$5.0 million generated from our profitable operations, partially offset by an increase in our obligations under finance leases of approximately S$0.5 million. As at 31 December 2016, our Group's net current assets position increased to approximately S$8.0 million mainly due to the increase in our trade receivables and other receivables, deposits and prepayments of approximately S$14.2 million generated from our profitable operations, partially offset by an increase in our borrowings of approximately S$6.3 million.

As at 30 April 2017, our Group's net current assets position further increased to approximately S$8.9 million primarily due to the increase in our trade and other receivables of approximately S$3.2 million.

As at 31 August 2017, our Group's net current assets position increased to approximately S$9.8 million primarily due to the increase in our trade receivables.

For further discussions on the fluctuations of the components of our current assets and current liabilities mentioned above, please refer to the paragraph headed "Discussion on selected balance sheet items" below.

Cash flows

The following table is a condensed summary of our combined statements of cash flows for the periods indicated:

	For the year ended 31 December			For the four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
Net cash (used in)/from operating activities	(896,728)	4,725,086	(784,311)	(2,488,824)	(457,650)
Net cash from/(used in) investing activities	1,359,803	(1,827,978)	(6,435,061)	(667,195)	(690,080)
Net cash from/(used in) financing activities	456,268	(3,246,501)	6,434,290	2,513,155	1,001,775
Net increase/(decrease) in cash and cash equivalents	919,343	(349,393)	(785,082)	(624,864)	(145,955)
Cash and cash equivalents at the beginning of the year/period	610,646	1,529,989	1,180,596	1,180,596	395,514
Cash and cash equivalents at the end of the year/period, represented by bank balances and cash	1,529,989	1,180,596	395,514	555,732	249,559

Net cash outflow from operating activities for the year ended 31 December 2014, 2016 and the four months period ended 30 April 2017

We experienced net operating cash outflows of approximately S$0.9 million, S$0.8 million and S$0.5 million for the year ended 31 December 2014, 31 December 2016 and the four months ended 30 April 2017, respectively. Whilst we were able to generate positive operating cash flow before working capital changes of approximately S$5.5 million, S$12.4 million and S$3.0 million for the same periods, this was offset by net working capital outflow of approximately S$6.3 million, S$13.2 million and S$3.5 million, respectively. Our net working capital outflow during the year ended 31 December 2014, 31 December 2016 and the four months ended 30 April 2017 was mainly attributable to the increase in trade receivables of approximately S$11.2 million, S$13.8 million and S$2.4 million as a result of our business growth throughout the Track Record Period which led to the increase in our trade receivables. For further details in relation to the trade receivables, please refer to "Discussion on selected balance sheet items – Trade receivables analysis" in this section.

Operating activities

Our cash inflow generated from operating activities is primarily derived from our road construction works and lease of construction machineries, whereas our cash outflow for operating activities mainly related to purchases of materials, staff costs, subcontracting fee and administrative expenses. Our cash flows generated from operating activities is affected by a number of factors, which include the progress of our construction works and the settlement of trade receivables by our customers and trade payables by our Group.

The following table sets forth a reconciliation of our profit before taxation to net cash generated from operations:

	For the year ended 31 December			For the four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
Operating activities					
Profit before taxation	3,277,086	6,639,593	8,115,548	1,384,811	1,201,636
Adjustments for:					
Depreciation of property, plant and equipment	1,515,197	1,854,111	2,828,212	715,290	1,254,057
Finance costs	709,942	748,953	954,944	290,029	467,797
Loss (gain) on disposal of property, plant and equipment, net	298	(291,405)	258,420	(10,863)	82,668
Impairment on investment in an investee	1	–	–	–	–
Gain from disposal of an investee	–	(1)	–	–	–
Loss on fair value changes of investment properties	–	–	210,000	–	20,000
Operating cash flow before movement in working capital	5,502,524	8,951,251	12,367,124	2,379,267	3,026,158
Movements in working capital:					
Increase in trade receivables	(11,232,557)	(3,999,724)	(13,841,592)	(5,152,332)	(2,369,553)
Decrease (increase) in other receivables, deposits and prepayments	1,834,605	(357,644)	(337,195)	1,306,782	(827,829)
Increase (decrease) in trade and other payables	1,196,966	(523,777)	439,511	(1,567,092)	2,950,727
Decrease (increase) in amounts due from customers for construction work	1,854,801	623,606	1,083,104	849,979	(2,243,997)
Cash (used in) generated from operations	(843,661)	4,693,712	(289,048)	(2,183,396)	535,506
Income taxes (paid) refunded	(53,067)	31,374	(495,263)	(305,428)	(993,156)
Net cash (used in) from operating activities	(896,728)	4,725,086	(784,311)	(2,488,824)	(457,650)

For the four months ended 30 April 2017, our net cash used in operating activities amounted to approximately S$0.5 million, while our cash inflow from operating activities after adjusting for non-cash items but before movements in working capital was amounted to approximately S$3.0 million. The difference of approximately S$3.5 million was mainly due to (i) increase in our trade receivables of approximately S$2.4 million, which was mainly attributable to the trade receivables from Customer A; (ii) increase in trade and other payables of approximately S$3.0 million; and (iii) increase in amounts due from customers for construction work of approximately S$2.2 million in connection to our projects, namely Project C36 and Project C39.

For the four months ended 30 April 2016, our net cash used in operating activities of approximately S$2.5 million, while our cash inflow from operating activities after adjusting for non-cash items but before movements in working capital was amounted to approximately S$2.4 million. The difference was mainly due to (i) increase in our trade receivables of approximately S$5.2 million; and (ii) decrease in trade and other payables of approximately S$1.6 million.

For the year ended 31 December 2016, our net cash used in operating activities of approximately S$0.8 million, while our cash inflow from operating activities after adjusting for non-cash items but before movements in working capital was amounted to approximately S$12.4 million. The difference was mainly due to increase in trade receivables of approximately S$13.8 million, which was mainly attributable to the trade receivables from Customer H.

For the year ended 31 December 2015, our net cash from operating activities of approximately S$4.7 million, while our cash inflow from operating activities after adjusting for non-cash items but before movements in working capital was amounted to approximately S$9.0 million. The difference was mainly due to increase in our trade receivables and other receivables, deposits and prepayments of approximately S$4.4 million.

For the year ended 31 December 2014, our net cash used in operating activities of approximately S$0.9 million while our cash inflow from operating activities after adjusting for non-cash items but before movements in working capital was amounted to approximately S$5.5 million. The difference was mainly due to increase in trade receivables of approximately S$11.2 million, which was mainly attributable to the trade receivables from Customer A.

Investing activities

Our cash generated from investing activities are primarily from repayment from director and proceeds generated from disposal of property, plant and equipment. Our cash used in investing activities is primarily for the advance to directors and purchase of property, plant and equipment.

	For the year ended 31 December			For the four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
Investing activities					
Advances to directors	(792,305)	(1,924,143)	(1,727,505)	(1,067,858)	(250,010)
Repayments from directors	2,437,713	1,484,882	2,177,440	1,127,561	27,320
Purchase of property, plant and equipment	(310,605)	(1,419,846)	(7,168,517)	(576,398)	(471,572)
Proceeds from disposal of property, plant and equipment	25,000	431,128	283,521	256,500	174,182
Deposits paid for acquisition of a property	–	(400,000)	–	(407,000)	–
Proceed from disposal of an investee	–	1	–	–	–
Placement of pledged bank deposit	–	–	–	–	(170,000)
Net cash from (used in) investing activities	1,359,803	(1,827,978)	(6,435,061)	(667,195)	(690,080)

For the four months ended 30 April 2017, our net cash used in investing activities amounted to approximately S$0.7 million which was mainly related to the purchase of property, plant and equipment of approximately S$0.5 million and placement of our pledged bank deposit of approximately S$0.2 million.

For the four months ended 30 April 2016, our net cash used in investing activities amounted to approximately S$0.7 million which was mainly due to (i) the advances to directors of approximately S$1.1 million; (ii) the purchase of property, plant and equipment of approximately S$0.6 million; (iii) deposits paid for acquisition of a property of approximately S$0.4 million; and (iv) partially net off by the repayment to our Directors of approximately S$1.1 million.

For the year ended 31 December 2016, our net cash used in investing activities amounted to approximately S$6.4 million which was mainly due to (i) the advances to directors of approximately S$1.7 million, and (ii) the purchase of property, plant and equipment of approximately S$7.2 million.

For the year ended 31 December 2015, our net cash used in investing activities amounted to approximately S$1.8 million which was mainly due to the (i) the advances to directors of approximately S$1.9 million; and (ii) purchase of property, plant and equipment of approximately S$1.4 million.

For the year ended 31 December 2014, our net cash from investing activities amounted to approximately S$1.4 million which was mainly due to the repayments from directors of approximately S$2.4 million.

Financing activities

Our cash inflow from financing activities was primarily generated from the loan from directors, the new borrowing raised, bank overdraft, and proceeds from issue of shares. During the Track Record Period, our cash used in financing activities primarily consisted of repayment of loan from directors, repayment of bank loans, and finance lease as well as dividends paid. Our cash generated from and used in financial activities during the Track Record Period included the following:

	For the year ended 31 December			For the four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(Unaudited)	
Financing activities					
Loan from directors	2,303,206	3,766,985	1,972,434	1,177,547	555,959
Repayment of loan from directors	(2,224,019)	(3,844,490)	(1,931,920)	(129,515)	(242,003)
Proceeds from new borrowings raised	2,914,061	48,826,755	48,207,545	15,202,115	19,239,409
Repayment of borrowings	(188,849)	(48,962,121)	(41,454,065)	(13,165,560)	(17,568,005)
Increase (decrease) in bank overdraft	849,251	(77,083)	3,841,963	724,024	(173,698)
Repayment of finance leases	(1,887,440)	(2,207,594)	(3,092,723)	(1,005,427)	(1,342,090)
Interests paid	(709,942)	(748,953)	(954,944)	(290,029)	(467,797)
Dividends paid	(600,000)	(1,500,000)	(2,154,000)	–	–
Proceeds from issue of shares	–	1,500,000	2,000,000	–	1,000,000
Net cash from (used in) financing activities	456,268	(3,246,501)	6,434,290	2,513,155	1,001,775

For the four months ended 30 April 2017, our net cash from financing activities amounted to approximately S$1.0 million, which mainly consisted of (i) the new borrowings raised of approximately S$19.2 million; and (ii) approximately S$17.6 million for repayment of principal and interest for bank loans.

For the four months ended 30 April 2016, our net cash from financing activities of approximately S$2.5 million, which mainly consisted of (i) new borrowings of approximately S$15.2 million; and (ii) approximately S$13.2 million for repayment of principal and interest for our borrowings.

For the year ended 31 December 2016, we recorded net cash from financing activities of approximately S$6.4 million, which mainly consisted of (i) the new borrowing of approximately S$48.0 million; and (ii) approximately S$41.5 million for repayment of principal and interest for our borrowings.

For the year ended 31 December 2015, we recorded net cash used in financing activities of approximately S$3.2 million, which mainly consisted of (i) the new borrowing of approximately S$48.8 million; and (ii) approximately S$49.0 million for repayment of principal and interest for borrowings.

For the year ended 31 December 2014, we recorded net cash from financing activities approximately of S$0.5 million which mainly consisted of (i) the new borrowing from directors of approximately S$2.3 million; (ii) the repayment of loan from directors of approximately S$2.2 million; (iii) the new borrowing of approximately S$2.9 million; and (iv) the repayment of finance leases of approximately S$1.9 million.

SUFFICIENCY OF WORKING CAPITAL

Our Directors are of the opinion that, taking into consideration the internal resources and credit facilities presently available to our Group, cash generated from our operations, and the estimated net proceeds to be received by us from the Global Offering, our Group have sufficient working capital for our present requirements, that is, for at least the next 12 months commencing from the date of this prospectus.

INDEBTEDNESS

During the Track Record Period, we entered into separate loans agreement with various Singapore financial institution in accordance to which we were granted separate loan facilities which carried variable interest rates. As at 31 August 2017, the unrestricted and unutilised banking facilities were approximately S$6.5 million. During the Track Record Period, banking facilities of our Group entered into generally include the following key covenants which require the relevant borrower subsidiary to (i) maintain at certain minimum tangible net worth and/or certain loan-to-value ratio; (ii) follow the specific purpose for which the loans to be used; (iii) obtain prior written consent for any change in shareholding or in the composition of the board of directors; (iv) undertake no amendment or alteration to any of the provisions in the borrower's Memorandum and Articles of Association; (v) undertake no substantial alteration to the nature of the borrower's business; (vi) obtain prior written consent for any credit facilities from any other financial institutions; and (vii) restrict the relevant borrower subsidiary from carrying restructuring, reconstruction, amalgamation, reorganisation, merger, consolidation, takeover or any scheme of compromise or arrangement.

Our Directors do not expect that such covenants would materially restrict our overall ability to undertake additional debt or equity financing necessary to carry out our current business plans. For risks associated with restrictive covenants, please see "Risk factors – Risks relating to our business – We are subject to certain restrictive covenants and risks normally associated with borrowings which may limit or otherwise materially and adversely affect our business, results of operations and financial condition".

The table below sets out the indebtedness of our Group as at the respective dates indicated. As at 31 August 2017, being the latest practicable date for this indebtedness statement, save as disclosed in this paragraph headed "Indebtedness", we do not have any debt securities issued and outstanding or agreed to be issued, term loans, borrowings or other similar indebtedness, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, other material contingent liabilities or guarantees. Our Directors confirmed that we had neither experienced any difficulties in obtaining or repaying, nor breached any major covenant or restriction of our bank loans or other bank facilities during the Track Record Period. As at the Latest Practicable Date, there are no material covenants related to our outstanding debts that would materially limit our ability to undertake additional debt or equity financing. Our Directors confirmed that there has not been any material change in our indebtedness or contingent liabilities since 31 August 2017 and up to the date of this prospectus. Our Directors confirmed that as at the Latest Practicable Date, we did not have any immediate plan for additional material external debt financing.

	As at 31 December			As at 30 April	As at 31 August
	2014	**2015**	**2016**	**2017**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
					(Unaudited)
Non-current					
Borrowings	1,230,234	1,755,747	6,025,097	5,479,308	5,859,179
Obligations under finance leases	3,106,047	3,602,758	5,436,776	5,207,305	5,564,153
	4,336,281	5,358,505	11,461,873	10,686,613	11,423,332
Current					
Borrowings	9,397,738	8,659,776	14,985,869	17,029,364	19,981,964
Obligations under finance leases	1,743,173	2,288,742	3,186,694	3,176,285	3,198,262
Amount due to a director	79,187	1,682	42,196	356,152	–
	11,220,098	10,950,200	18,214,759	20,561,801	23,180,226
	15,556,379	16,308,705	29,676,632	31,248,414	34,603,558

Borrowings

During the Track Record Period, our Group raises borrowings to finance the purchases of construction materials, and to fulfil working capital requirements. We repaid our borrowings through our internally generated funds. For the sufficiency of working capital, please refer to the paragraph headed "Sufficiency of working capital" in this section. The following table set out our secured borrowings as at the respective dates indicated:

	As at 31 December			As at 30 April	As at 31 August
	2014	2015	2016	2017	2017
	S$	*S$*	*S$*	*S$*	*S$*
					(Unaudited)
Bank factoring (secured and guaranteed)	2,809,917	1,649,825	1,010,900	1,686,372	1,953,865
Trade financing (secured and guaranteed)	4,889,329	5,655,942	7,813,773	9,327,911	12,053,272
Other loans (secured and guaranteed)	1,910,937	2,169,050	7,403,624	6,885,418	7,329,459
Bank overdrafts (secured and guaranteed)	1,017,789	940,706	4,782,669	4,608,971	4,504,547
Total borrowings	10,627,972	10,415,523	21,010,966	22,508,672	25,841,143

As at 31 December 2014, 2015, 2016 and 30 April 2017, our Group's fixed rate borrowings carried interest at rates ranging from 4.00% to 6.02%, 4.00% to 7.50%, 7.50% to 8.50%, and 7.50% to 8.50% per annum, respectively, while our variable rate borrowings carried interest at rates ranging at 0.5% to 3.50% above the bank's prevailing prime lending rate or prevailing three-month Singapore Interbank Offered Rate (the "**SIBOR**") plus 1.20% and 3.00%, 0.5% to 3.50% above the bank's prevailing prime lending rate or prevailing three-month SIBOR plus 1.20% and 3.00%, 0% to 3.50% above the bank's prevailing prime lending rate or prevailing three-month SIBOR plus 1.20% and 4.00%, and 0% to 3.50% above the bank's prevailing prime lending rate or prevailing three-month SIBOR plus 1.20% and 4.00%, respectively.

Our bank overdrafts is secured by the legal mortgages of our Group's buildings on leasehold land and personal guarantees by our Directors, Mr. Tan and Ms. Tan. Furthermore, our secured bank factoring and secured trade financing were secured by fixed charges against our Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts and personal guarantees of Mr. Tan and Ms. Tan. Our factoring arrangements are repayable within 90 days upon the issuance of fund disbursement, while our trade financing loans are repayable with 45 days to 150 days upon the issuance of fund disbursement. Our other loans is secured by fixed and floating charges against our Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts, personal guarantees of Mr. Tan and Ms. Tan, and the legal mortgage over the leasehold property at 26 Sin Ming Lane #08-116, Singapore. The aforesaid personal guarantees by our Directors will be released and/or the underlying borrowings will be repaid upon the Listing.

The total outstanding bank borrowings as at 31 December 2014, 2015 and 2016, 30 April 2017 and 31 August 2017 was approximately S$10.6 million, S$10.4 million, S$21.0 million, S$22.5 million and S$25.8 million, respectively. Set out below is the maturity profile of our borrowings as at the respective dates indicated:

	As at 31 December			As at 30 April	As at 31 August
	2014	2015	2016	2017	2017
	S$	*S$*	*S$*	*S$*	*S$*
					(Unaudited)
On demand or within one year	9,397,738	8,659,776	14,985,869	17,029,364	19,981,964
More than one year, but not exceeding two years	136,543	291,287	1,242,323	1,282,194	1,690,512
More than two years, but not exceeding five years	127,320	236,849	3,630,383	3,084,478	3,086,853
More than five years	966,371	1,227,611	1,152,391	1,112,636	1,081,814
	10,627,972	10,415,523	21,010,966	22,508,672	25,841,143

Our Group's unutilised banking facilities as at 31 August 2017 amounted to approximately S$6.5 million.

During the Track Record Period, our principal operating subsidiaries, Samco and Double-Trans, obtained banking facilities from financial institutions in Singapore, and some of the banking facilities were subject to financial covenants. During the Track Record Period, our Group obtained nine banking facilities with financial covenants. These banking facilities with financial covenants are summarized as follows:

For Samco:

Financial covenants	As at 31 December 2014	2015	2016	As at 30 April 2017
Minimum tangible net worth of S$2.0 million throughout the facilities	S$2.9 million	S$3.3 million	S$5.0 million	N.A. *(Note 1)*

For Double-Trans:

Financial covenants	As at 31 December 2014	2015	2016	As at 30 April 2017
Maintain the minimum tangible net worth of not less than S$9.0 million	N.A. *(Note 1)*	N.A. *(Note 1)*	S$14.9 million	S$17.0 million
Sum of term loan owing to the multinational banking and financial services corporation headquartered in Marina Bay, Singapore shall not exceed 80% of the market value of the property located at 26 Sin Ming Lane #08-116 Singapore 573971 (market value as at 31 December 2016: S$860,000)	N.A. *(Note 1)*	N.A. *(Note 1)*	S$0.6 million	S$0.6 million
Maximum gearing ratio of 3 times	N.A. *(Note 1)*	N.A. *(Note 1)*	N.A. *(Note 1)*	1.4 times
Adjusted leverage *(Note 2)* ratio of not more than 4 times	2.3 times	1.3 times	N.A. *(Note 1)*	N.A. *(Note 1)*

Notes:

(1) The banking facilities were not entered during the year/period.

(2) Adjusted leverage is defined as the total liabilities less non-trade amount owing to directors/shareholders/related parties.

Our Directors have taken all necessary steps to ensure the ongoing compliance with financial covenants under the banking facilities. Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, our Group had not breached any of the above financial covenants for all our existing bank facilities, and our subsidiaries, Samco and Double-Trans, have sufficient financial buffer to avoid reaching the applicable financial covenants threshold.

For details, please refer to note 24 of the Accountant's Report set out in Appendix I to this prospectus.

Obligations under finance leases

As at 31 December 2014, 2015 and 2016, 30 April 2017 and 31 August 2017, our total obligations under finance leases amounted to approximately S$4.8 million, S$5.9 million, S$8.6 million, S$8.4 million and S$8.8 million, respectively. Please refer to note 23 to the Accountants' Report set out in Appendix I to this prospectus for details of the present value of minimum lease payments in respect of our obligations under finance leases as at 31 December 2014, 2015 and 2016 and 30 April 2017.

Obligations under finance leases relate to our purchase of motor vehicles, plant and machinery and equipment by way of finance lease arrangement. Interest rates underlying all obligations under finance leases were fixed at the respective contract dates and ranged from 1.33% to 4.50%, 1.33% to 4.50%, 1.33% to 4.68%, 1.33% to 4.68% and 1.33% to 4.68% per annum as at 31 December 2014, 2015 and 2016, 30 April 2017 and 31 August 2017, respectively.

The obligations under finance leases are unguaranteed but secured by lessor's charges over leased assets with aggregate carrying values of approximately S$5.9 million, S$7.7 million, S$11.5 million, S$10.6 million and S$10.9 million as at 31 December 2014, 2015 and 2016, 30 April 2017 and 31 August 2017, respectively.

Amount due to a director

As at 31 December 2014, 2015 and 2016, 30 April 2017 and 31 August 2017, we had amount due to a director (being Ms. Tan) of S$79,187, S$1,682, S$42,196, approximately S$0.4 million and nil, respectively, which is non-trade related, unsecured, non-interest bearing and without a fixed repayment term. Such amount was fully settled in July 2017.

Contingent liabilities

Except as disclosed in the paragraphs headed "Borrowings", "Obligations under finance leases" and "Amount due to a director", we do not have other material outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities outstanding as at 31 August 2017 being the date of indebtedness statement.

COMMITMENTS

Operating lease arrangement

The Group as lessee

Our Group leased land, staff dormitories, warehouse, office premise and heavy machineries under operating leases. The following table sets forth our future minimum rental payables as of the dates indicated:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Within one year	427,406	60,000	189,014	161,374
After one year but within five years	70,000	10,000	363,202	338,150
More than five years	–	–	309,971	281,792
	497,406	70,000	862,187	781,316

The leases had tenures ranging from one to ten years and no contingent rent provision included in the contracts.

The Group as lessor

Our Group leased out office premises and machineries under operating leases. The following table sets forth our future minimum rental receivables as of the dates indicated:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Within one year	3,230,537	3,937,230	110,160	87,980
After one year but within five years	4,533,264	2,053,981	11,290	–
	7,763,801	5,991,211	121,450	87,980

The minimum rental receivables under non-cancellable leases as at the end of reporting period were within one year.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Our Group did not have any material off-balance sheet commitments and arrangements.

ASSETS AND LIABILITIES

The table below sets out selected information for our assets and liabilities as at the dates indicated:

	As at 31 December			As at 30 April	As at 31 August
	2014	2015	2016	2017	2017
	S$	*S$*	*S$*	*S$*	*S$*
					(Unaudited)
Non-current assets					
Property, plant and equipment	10,783,114	13,879,251	21,674,805	22,001,758	22,357,798
Investment property	–	–	2,320,000	2,300,000	2,300,000
Deposit for acquisition of a property	–	400,000	–	–	–
Bank deposit	–	–	–	170,000	170,000
	10,783,114	14,279,251	23,994,805	24,471,758	24,827,798
Current assets					
Trade receivables	14,841,298	19,465,822	33,307,414	35,676,967	35,498,366
Other receivables, deposits and prepayments	301,276	658,920	996,115	1,823,944	719,360
Amounts due from customers for construction work	4,635,172	4,011,566	2,928,462	5,172,459	9,909,509
Amounts due from directors	33,508	472,769	22,834	245,524	–
Bank balances and cash	1,529,989	1,180,596	395,514	249,559	930,963
	21,341,243	25,789,673	37,650,339	43,168,453	47,058,198
Current liabilities					
Amount due to a director	79,187	1,682	42,196	356,152	–
Trade and other payables	9,063,845	9,164,868	9,604,379	12,555,106	13,105,953
Obligations under finance leases	1,743,173	2,288,742	3,186,694	3,176,285	3,198,262
Income tax payable	381,022	1,331,551	1,874,647	1,118,189	977,131
Borrowings	9,397,738	8,659,776	14,985,869	17,029,364	19,981,964
	20,664,965	21,446,619	29,693,785	34,235,096	37,263,310
Net current assets	676,278	4,343,054	7,956,554	8,933,357	9,794,888
Non-current liabilities					
Obligations under finance leases	3,106,047	3,602,758	5,436,776	5,207,305	5,564,153
Borrowings	1,230,234	1,755,747	6,025,097	5,479,308	5,859,179
Deferred tax liabilities	424,825	538,884	616,824	708,716	708,716
	4,761,106	5,897,389	12,078,697	11,395,329	12,132,048
Net assets	6,698,286	12,724,916	19,872,662	22,009,786	22,490,638

DISCUSSION ON SELECTED BALANCE SHEET ITEMS

Trade receivables analysis

Our trade receivable as at 31 December 2014, 2015, 2016 and 30 April 2017 were approximately S$14.8 million, S$19.5 million, S$33.3 million and S$35.7 million respectively, of which a breakdown is set out below:

	As at 31 December			As at 30 April
	2014	**2015**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*
Trade receivables	7,144,096	5,642,721	9,198,571	7,199,082
Unbilled revenue	6,357,607	12,184,077	23,190,323	27,663,368
Retention receivables	1,339,595	1,639,024	918,520	814,517
Total	14,841,298	19,465,822	33,307,414	35,676,967

Trade receivables

The average credit terms that we granted to customers is approximately 30 days from the invoice date for trade receivables. The trade receivables decreased by approximately 21.7% from approximately S$9.2 million as at 31 December 2016 to approximately S$7.2 million as at 30 April 2017. Such decrease was primarily due to the settlement received from our Customer H.

The trade receivables increased by approximately 64.3% from approximately S$5.6 million as at 31 December 2015 to approximately S$9.2 million as at 31 December 2016. Such increase was mainly due to (i) our business growth; and (ii) the fluctuation of the amount settled by different customers to us as at the respective reporting dates due to the different settlement practice of different customers.

Despite the increase in our revenue for the year ended 31 December 2015, our trade receivables decreased by approximately 21.0% from approximately S$7.1 million as at 31 December 2014 to approximately S$5.6 million as at 31 December 2015. Such decrease was mainly due to the smaller amount of works performed in December 2015 compared with 2014 resulting in a lower amount of billing.

Ageing analysis and subsequent settlement

The following table sets out the ageing analysis of our trade receivables, based on the invoice date, as at the dates indicated:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Less than 30 days	4,291,906	1,276,054	5,845,106	2,882,973
31 days to 60 days	856,697	875,239	392,502	329,490
61 days to 90 days	534,562	427,400	142,988	1,230,364
More than 90 days	1,460,931	3,064,028	2,817,975	2,756,255
	7,144,096	5,642,721	9,198,571	7,199,082

The following table sets out the ageing analysis of trade receivables which were past due but not impaired, as at the dates indicated:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Neither past due nor impaired	4,291,906	1,276,054	5,845,106	2,882,973
Less than 30 days	856,697	875,239	392,502	329,490
31 days to 60 days	534,562	427,400	142,988	1,230,364
More than 60 days	1,460,931	3,064,028	2,817,975	2,756,255
	7,144,096	5,642,721	9,198,571	7,199,082

Approximately 76.1%, 78.4%, 83.4% and 87.4% of our revenue for each of the three years ended 31 December 2016 and the four months ended 30 April 2017 was generated from Singapore statutory board which carries little or no risk of default in the opinion of our Directors. Our Directors consider that the credit risk faced by us is mainly in relation to the collectability of receivables from private customers. Our average credit terms offered to customers is approximately 30 days.

As at 31 December 2014, 2015, 2016 and 30 April 2017, the trade receivable that were past due but not impaired were approximately S$2.9 million, S$4.4 million, S$3.4 million and S$4.3 million, respectively, representing approximately 39.9%, 77.4%, 36.5% and 60.0% of our total trade receivable. As at 31 December 2015, the proportion of overdue trade receivables increased mainly due to our Supplier A, who was also one of our customers, that overdue balances increased from approximately S$0.3 million for the year ended 31 December 2014 to approximately S$3.6 million for the year ended 31 December 2015, representing approximately 75.0% of our overdue balance. Such increase was primarily due to requesting delay in payment as they have yet to be paid by the main contractor. All of the outstanding of approximately S$3.6 million have been settled during the year ended 31 December 2016.

Based on past experience, our Group's management are of opinion that the 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, and hence no provision for impairment is necessary. Our management closely monitors the recoverability of overdue trade receivable on a regular basis and provides for impairment for these trade receivables when there are indications that the balances may not be recoverable. For each of the three years ended 31 December 2016 and the four months ended 30 April 2017, we did not recognise any impairment of trade receivable.

Average trade receivables turnover days

The table below sets out the average trade receivables turnover days as at the dates indicated:

	For the year ended 31 December			For the four months ended 30 April
	2014	**2015**	**2016**	**2017**
Average trade receivables turnover days *(Note)*	48.5	52.3	52.6	44.9

Note: Average trade receivables turnover days is calculated based on the average balance of trade receivables divided by revenue for the relevant year/period and multiplied by 365 days for the year ended 31 December 2014, 2015 and 2016, or by 120 days for the four months ended 30 April 2017. Average balance of trade receivables is calculated as the sum of trade receivables (excluding unbilled revenue and retention receivables) at the beginning of the year/period plus trade receivables (excluding unbilled revenue and retention receivables) at the end of the year/period and divided by two.

Our average trade receivables turnover days remained stable at approximately 48.5 days, 52.3 days, 52.6 days and 44.9 days for the three years ended 31 December 2016 and for the four months ended 30 April 2017. The increasing trend in our average trade receivable turnover days from approximately 48.5 days for the year ended 31 December 2014 to approximately 52.6 days for the year ended 31 December 2016 was mainly due to our Supplier A which requesting delay in payment as they have yet to be paid by the main contractor as discussed above. As at 23 October 2017, approximately S$6.5 million, or approximately 90.2% of our trade receivable outstanding as at 30 April 2017 had been subsequently settled.

Unbilled revenue

Unbilled revenue relates to maintenance service rendered and yet to invoice the customer as at the end of reporting period. Such amounts include the accrued revenue from construction ancillary services for work performed but not yet billed to our customers as at the respective year/ period end dates. In practice, after performing our works, it takes approximately two months to six months for obtaining approval of our payment claims from our customers. After obtaining the approval, we normally issue invoices to our customers immediately. We recorded unbilled revenue of approximately S$6.4 million, S$12.2 million, S$23.2 million and S$27.7 million as at 31 December 2014, 2015, 2016 and as at 30 April 2017, respectively. During the Track Record Period, our unbilled revenue for construction ancillary services as the percentage of the revenue from construction ancillary services representing approximately 28.8%, 54.2%, 59.6% and 62.8%, respectively. Such increase was mainly due to the increase in our revenue generated from construction ancillary services as discussed below.

Our unbilled revenue increased by approximately S$5.8 million (or approximately 90.6%) from approximately S$6.4 million for the year ended 31 December 2014 to approximately S$12.2 million for the year ended 31 December 2015. Such increase in our unbilled revenue was mainly due to the number of contracts with unbilled revenue increased from eight contracts for the year ended 31 December 2014 to 19 contracts for the year ended 31 December 2015. In addition, we completed work orders of term contracts C8 and C9, which are term contracts awarded from Customer A. At the end of year 2015, we submitted the payment claims to Customer A and pending for their approval. Therefore, we recognised approximately S$4.0 million and S$4.2 million unbilled revenue for term contracts C8 and C9 as at the year ended 31 December 2015, respectively.

For the year ended 31 December 2016, our unbilled revenue increased by approximately S$11.0 million (or approximately 90.2%) from approximately S$12.2 million for the year ended 31 December 2015 to approximately S$23.2 million for the year ended 31 December 2016. Such increase in our unbilled revenue was mainly due to the combined effect of (i) our term contracts C42 and C43 which are term contracts awarded by Customer A and commenced during the year ended 31 December 2016 and recognised approximately S$8.8 million and S$6.9 million unbilled revenue as at year ended 31 December 2016, respectively, as compared to nil for the year ended 31 December 2015; and (ii) decrease in unbilled revenue of our term contracts C8 and C9 from approximately S$4.0 million and S$4.2 million as at year ended 31 December 2015, compared to approximately S$3.3 million and S$2.4 million as at year ended 31 December 2016, respectively.

For the four months ended 30 April 2017, our unbilled revenue increased by approximately S$4.5 million (or approximately 19.4%) from approximately S$23.2 million for the year ended 31 December 2016 to approximately S$27.7 million for the four months ended 30 April 2017. Such increase in our unbilled revenue was mainly due to (i) the increase in our two new construction ancillary services contracts awarded from Customer G which recorded approximately S$2.6 million unbilled revenue for the four months period ended 30 April 2017 compared to nil for the year ended 31 December 2016; and (ii) the increase in our unbilled revenue for term contract C43 from approximately S$6.9 million for the year ended 31 December 2016 to approximately S$8.6 million for the four months period ended 30 April 2017.

Out of the amount of approximately S$27.7 million unbilled revenue as at 30 April 2017, approximately S$12.2 million had been subsequently billed up to 23 October 2017, out of which approximately S$11.2 million had been subsequently settled by the relevant customers up to 23 October 2017.

Retention receivables

Some of our road construction works contain requirements on retention sums, typically up to 10.0% of the value of works certified, and is subject to a maximum of 5% of the contract sum. Normally, upon substantial completion of our construction works, 50% of the retention sum shall be released to us and the balance of 50% upon expiry of the defect liability period. We recorded retention receivables of approximately S$1.3 million, S$1.6 million, S$0.9 million and S$0.8 million as at 31 December 2014, 2015, 2016 and as at 30 April 2017, respectively. The fluctuation of our retention receivables as at 31 December 2014, 2015 and 2016 and 30 April 2017 was mainly due to the different duration and different size of road construction works we had undertaken during the Track Record Period. As the release of retention money varies from contract to contract, which may be subject to completion of the contract works, our Directors consider that it is common that these balances vary from period to period. When determining whether or not it is necessary to make impairment on retention money receivables, our Directors would consider individual customers on a case-by-case basis, and will take into account the factors including, but not limited to, the customers' credit history, reputation and financial condition. During the Track Record Period, our Group did not experience material difficulty in collecting the retentions receivable from customers and accordingly did not make any impairment in this regard.

Amounts due from customers for construction work

Our revenue from road construction services is recognised based on the stage of completion of the construction contracts. The stage of completion is established by reference to contract works certified by the customers. Generally, for projects recognised under construction contracts, we apply for progress billing to reflect our works performed every month, and our customers issue a payment certificate certifying the portion of works completed after inspection. As it takes time for the payment certificates to be issued, there is normally a timing difference between the completion of site works, the issuance of payment certificates and the billing of the construction projects.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billings, the surplus is treated as an amount due from customers for construction work. When progress billings exceed contract costs incurred to date plus recognised profit less recognised losses, the surplus is treated as an amount due to customers for construction works.

The following table sets out the details of our amounts due from/(to) customers for construction work as at the dates indicated:

	As at 31 December			As at 30 April
	2014	**2015**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*
Contract costs incurred plus recognised profits (less recognised losses to date)	42,569,022	55,573,985	16,591,411	23,630,926
Less: progress billings	(37,933,850)	(51,562,419)	(13,662,949)	(18,458,467)
	4,635,172	4,011,566	2,928,462	5,172,459
Analysed for reporting purpose as:				
Amounts due from customers for construction work	4,635,172	4,011,566	2,928,462	5,172,459
Amounts due to customers for construction work	–	–	–	–
	4,635,172	4,011,566	2,928,462	5,172,459

Our revenue from the provision of road construction services is recognised based on the stage of completion of the relevant projects. Amounts due from customers for construction work arise when contract costs incurred to date plus recognised profits less recognised losses exceed progress billings for ongoing construction contracts. It refers to construction work-in-progress which exceeds progress billings as at the respective year end dates. In practice, amounts due from customers for construction work arise when the works were performed by our Group but not yet certified and approved for billing by customers as at the respective year end dates.

During the Track Record Period, our amounts due from customers for contract work were approximately S$4.6 million, S$4.0 million, S$2.9 million and S$5.2 million as at 31 December 2014, 2015 and 2016 and 30 April 2017, respectively. The amounts due from customers for contract work decreased from approximately S$4.0 million as at 31 December 2015 to approximately S$2.9 million as at 31 December 2016, which was primarily due to the net effect of (i) approximately S$2.9 million amounts due from customers for contract work as at 31 December 2015 for our five projects certified by our customers during the year ended 31 December 2016; and (ii) approximately S$2.7 million performed for four projects, namely Project C36, Project C39, Project C40 and Project C41 but yet to be certified. The amounts due from customers for contract work increased from approximately S$2.9 million as at 31 December 2016 to approximately S$5.2 million as at 30 April 2017, which was primarily due to the contract works performed for our Project C36 for road construction of Yishun Street 42, Street 43, Street 44 and Widening of Yishun Avenue 6 but yet to be certified, which amounted to approximately S$3.3 million.

Of the amount of approximately S$5.2 million amounts due from customers for construction work as at 30 April 2017, approximately S$4.3 million had been subsequently billed and settled up to 23 October 2017.

Of the amounts of approximately S$5.2 million amounts due from customers for construction work as at 30 April 2017, approximately S$0.9 million had not yet been subsequently billed nor settled by our customers up to 23 October 2017.

Amounts due from directors

Amounts due from directors, Mr. Tan and Ms. Tan, which are non-trade in nature, unsecured, non-interest bearing and without a fix repayment term. The outstanding amounts due from directors during the three years ended 31 December 2016 and the four months ended 30 April 2017 were S$33,508, approximately S$0.5 million, S$22,834 and approximately S$0.2 million, respectively. The amounts outstanding as at 30 April 2017 were fully settled in July 2017.

Trade and other payables

The following table sets out the summary of our Group's trade and other payables as at the dates indicated:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Trade payables	6,754,821	7,066,313	6,626,618	8,213,748
Accrued operating expenses	553,743	258,716	262,227	1,543,503
Other payables				
GST payables	433,986	292,320	469,246	255,469
Payroll payable	1,035,324	974,223	1,472,858	1,259,452
Advance payments received from customer	269,212	513,212	485,734	–
Accrued listing expenses	–	–	–	848,874
Others	16,759	60,084	287,696	434,060
	9,063,845	9,164,868	9,604,379	12,555,106

Trade payables

Our trade payables mainly comprised payables to subcontractors and suppliers. Our trade payables increased by approximately S$1.6 million (or approximately 24.0%) from approximately S$6.6 million as at 31 December 2016 to approximately S$8.2 million as at 30 April 2017, which was primarily due to the increase in our purchase of asphalt premix from Supplier B.

Our trade payables decreased from approximately S$7.1 million as at 31 December 2015 to approximately S$6.6 million as at 31 December 2016, which was primarily due to the decrease in our subcontracting costs along with the decrease in our road construction services revenue for the year ended 31 December 2016, resulting in less payables to subcontractors.

Our trade payables increased from approximately S$6.8 million as at 31 December 2014 to approximately S$7.1 million as at 31 December 2015, which was primarily due to the increase in our subcontracting costs along with the increase in our construction ancillary service revenue for the year ended 31 December 2015, resulting in more payables to subcontractors.

The following table sets out the ageing analysis of trade payables, based on the invoice date, as at the dates indicated:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Within 90 days	5,309,115	3,473,204	3,665,968	3,910,765
91 days to 180 days	1,167,400	1,506,807	1,951,181	1,840,796
Over 180 days	278,306	2,086,302	1,009,469	2,462,187
	6,754,821	7,066,313	6,626,618	8,213,748

Up to 23 October 2017, approximately S$7.2 million, or approximately 87.2% of our trade payables as at 30 April 2017 has been settled.

Average trade payables turnover days analysis

The credit period on purchases from suppliers and subcontractors was between 30 to 120 days or payable upon delivery. The following table sets out the average trade payables turnover days for the years/period indicated:

	For the year ended 31 December			For the four months ended 30 April
	2014	2015	2016	2017
Average trade payables turnover days *(Note)*	95.8	114.3	112.1	75.4

Note: Average trade payables turnover days is calculated based on the average trade payables divided by cost of services (excluding staff costs directly involved in projects and depreciation expenses) for the relevant year multiplied by 365 days for the year ended 31 December 2014, 2015 and 2016, or by 120 days for the four months ended 30 April 2017. Average trade payable is calculated as the sum of trade payable at the beginning of the year/period and trade payable at the end of the year/period and divided by two.

Our trade payables turnover days increased from approximately 95.8 days as at 31 December 2014 to approximately 114.3 days as at 31 December 2015, and maintained at approximately 112.1 days as at 31 December 2016. It then decreased to approximately 75.4 days as at 30 April 2017. Such fluctuations were mainly due to different credit periods offered by different suppliers.

Other payables and accruals

Other payables and accruals (including accrued operating expenses, GST payables, payroll payable, advance payments received from customer, accrued listing expenses and others, in aggregate) increased from approximately S$3.0 million as at 31 December 2016 to approximately S$4.3 million as at 30 April 2017. Such increase was mainly due to the increase in accrued listing expenses.

Other payables and accruals increased from approximately S$2.1 million as at 31 December 2015 to approximately S$3.0 million as at 31 December 2016. Such increase was mainly due to the increase in payroll payable as a result of the salary increment.

Other payables and accruals decreased from approximately S$2.3 million as at 31 December 2014 to approximately S$2.1 million as at 31 December 2015. The decrease was mainly due to decrease in GST payables as a result of the quarterly payment of GST.

MAJOR FINANCIAL RATIOS

The table below sets forth our major financial ratios as at the dates indicated:

	As at/for the year ended 31 December			As at/for the four months ended 30 April
	2014	2015	2016	2017
Net profit margin *(Note 1)*	6.5%	13.5%	14.2%	5.2%
Current ratio *(times)* *(Note 2)*	1.0	1.2	1.3	1.3
Quick ratio *(times)* *(Note 3)*	1.0	1.2	1.3	1.3
Gearing ratio *(Note 4)*	232.2%	128.2%	149.3%	142.0%
Debt to equity ratio *(Note 5)*	209.4%	118.9%	147.3%	140.8%
Interest coverage *(times)* *(Note 6)*	5.6	9.9	9.5	3.6
Return on assets *(Note 7)*	8.6%	15.0%	11.8%	N/A *(Note 9)*
Return on equity *(Note 8)*	41.3%	47.4%	36.7%	N/A *(Note 9)*

Notes:

1. Net profit margin is calculated as our profit and other comprehensive income for the year/period divided by revenue for the relevant year/period multiplied by 100%.

2. Current ratio is calculated by dividing current assets by current liabilities.

3. Quick ratio is calculated by dividing current assets less inventories by current liabilities

4. Gearing ratio is calculated by dividing total borrowings by total equity multiplied by 100%. Total borrowings represent the sum of borrowings, obligations under finance leases and amount due to a director.

5. Debt to equity ratio is calculated by dividing net debt by total equity multiplied by 100%. Net debt is defined as total borrowings net of cash and cash equivalents.

6. Interest coverage is calculated by dividing profit before interest and tax by interest.

7. Return on assets is calculated by dividing profit and other comprehensive income for the year by the closing balance of total assets.

8. Return on equity is calculated by dividing profit and other comprehensive income for the year by the closing balance of total equity.

9. Return on assets and return on equity are calculated on a full year basis.

Net profit margin

Our net profit margin decreased from approximately 11.5% for the four months ended 30 April 2016 to approximately 5.2% for the four months ended 30 April 2017, which was primarily attributable to the Listing expenses incurred of approximately S$0.8 million for the four months period ended 30 April 2017 compared to nil for the four months period ended 2016. Our net profit margin increased from approximately 13.5% for the year ended 31 December 2015 to approximately 14.2% for the year ended 31 December 2016, which was primarily attributable to the increase in our gross profit resulting from our Group applied new material for our construction ancillary services contracts awarded by Customer A which generated relatively high gross profit margin as discussed above, please refer to the paragraph headed "Period to period comparison of results of operations" in this section. Our net profit margin increased from approximately 6.5% for the year ended 31 December 2014 to approximately 13.5% for the year ended 31 December 2015, which was primarily attributable to the increase in our gross profit, resulting from the increase of gross profit in our road construction services for the year ended 31 December 2015.

Current ratio

Our current ratio remained relatively stable at approximately 1.3 as at 30 April 2017, as compared with approximately 1.3 as at 31 December 2016. Our current ratio increased from approximately 1.2 for the year ended 31 December 2015 to approximately 1.3 for the year ended 31 December 2016, which was primarily attributable to the increase in our trade receivables during the year ended 31 December 2016. Our current ratio increased from approximately 1.0 for the year ended 31 December 2014 to approximately 1.2 for the year ended 31 December 2015, which was primarily attributable to the increase in trade receivables and amounts due from directors during the year ended 31 December 2015.

Quick ratio

During the Track Record Period, we did not hold any inventories, accordingly, our quick ratio was the same as our current ratio.

Gearing ratio

Our gearing ratio remained relatively stable at approximately 142.0% as at 30 April 2017, as compared with approximately 149.3% as at 31 December 2016. Our gearing ratio increased from approximately 128.2% for the year ended 31 December 2015 to approximately 149.3% for the year ended 31 December 2016, which was primarily attributable to the increase in our borrowings during the year ended 31 December 2016. Our gearing ratio decreased from approximately 232.2% for the year ended 31 December 2014 to approximately 128.2% for the year ended 31 December 2015, which was primarily attributable to the increase in our equity as a result of our profitable operation during the year ended 31 December 2015, coupled with our relatively stable total borrowings.

Debt to equity ratio

Our debt to equity ratio remained relatively stable at approximately 140.8% as at 30 April 2017, as compared with approximately 147.3% as at 31 December 2016. Our debt to equity ratio increased from approximately 118.9% for the year ended 31 December 2015 to approximately 147.3% for the year ended 31 December 2016, which was primarily attributable to the increase in our borrowings and the decrease in our bank balances and cash during the year ended 31 December 2016. Our debt to equity ratio decreased from approximately 209.4% for the year ended 31 December 2014 to approximately 118.9% for the year ended 31 December 2015, which was primarily attributable to the increase in our equity as a result of Double-Trans issued 1,500,000 ordinary shares for cash consideration of S$1,500,000 to the shareholders during the year ended 31 December 2015.

Interest coverage

Our interest coverage decreased from approximately 9.5 times for the year ended 31 December 2016 to approximately 3.6 times for the four months ended 30 April 2017. The decrease was mainly due to the decrease in profit before taxation due to the Listing expenses incurred for the four months period ended 30 April 2017. Our interest coverage ratio increased from 5.6 times for the year ended 31 December 2014 to approximately 9.9 times for the year ended 31 December 2015, which was primarily due to the increase in profit before taxation for the year ended 31 December 2015, coupled with our relatively stable finance costs.

Return on assets

Our return on assets ratio decreased from approximately 15.0% for the year ended 31 December 2015 to approximately 11.8% for the year ended 31 December 2016, which was primarily due to a relatively higher increase in total assets during the year ended 31 December 2016 as a result of the increase in investment in property, plant and equipment and trade receivables. Our return on assets ratio increased from approximately 8.6% for the year ended 31 December 2014 to approximately 15.0% for the year ended 31 December 2015, which was primarily due to the increase in profit for the year ended 31 December 2015.

Return on equity

Our return on equity ratio decreased from approximately 47.4% for the year ended 31 December 2015 to approximately 36.7% for the year ended 31 December 2016, which was primarily due to a relatively higher increase in our equity during the year ended 31 December 2016 resulting from the increase in share capital. Our return on equity ratio increased from approximately 41.3% for the year ended 31 December 2014 to approximately 47.4% for the year ended 31 December 2015, which was primarily due to a relatively higher increase in profit for the year ended 31 December 2015.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set out in note 20 and note 29 of the Accountants' Report set out in Appendix I to this prospectus, our Directors believe that such transaction are conducted on normal commercial terms, and such terms were no less favourable to our Group than terms available to Independent Third Parties, and were fair and reasonable and in the interests of our Shareholders as a whole.

PROPERTY VALUATION

Roma Appraisals Limited, an independent property valuer, has valued (i) the property owned and own-occupied by our Group located at No. 4 Sungei Kadut Street 2, Singapore, being our office building, warehouse and dormitory; and (ii) three of our properties held by our Group for investment purpose in Singapore located at No. 26 Sin Ming Lane #08-116, Singapore 573971, No. 28 Sin Ming Lane #07-133, Singapore 573972, and No. 28 Sing Ming Lane #07-134, Singapore 573972, which rented to the independent third parties, as of 30 September 2017 and is of the opinion that the value of such properties as of such date was S$9,070,000. The full text of the letter and the valuation certificate issued by Roma Appraisals Limited are set out in Appendix III to this prospectus.

The statement below shows the reconciliation of aggregate amounts of our properties as at 30 April 2017 as set forth in "Appendix I – Accountants' Report" to this Prospectus with the valuation of our properties as at 30 September 2017 as set forth in "Appendix III – Property Valuation Report" to this Prospectus.

	S$
Net book value of properties as at 30 April 2017 as set out in the Accountants' Report in Appendix I to this Prospectus	9,100,000
Net valuation loss	(30,000)
Valuation of properties as at 30 September 2017 as set out in the property valuation report in Appendix III to this Prospectus	9,070,000

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

Please refer to the section headed "Unaudited pro forma financial information" in Appendix II to this prospectus for details.

DISTRIBUTABLE RESERVES

Our Company was incorporated in the Cayman Islands and has not carried out any business since the date of its incorporation, save for investment holding and the transactions related to the Reorganisation. Accordingly, our Company has no reserve available for distribution to the Shareholders as at the Latest Practicable Date.

DIVIDENDS

Dividends may be paid out by ways of cash or by other means we consider appropriate. For each of the three years ended 31 December 2016 and four months ended 30 April 2017, Samco declared dividends of S$600,000, S$1,500,000, S$1,000,000 and S$500,000, respectively, while Double-Trans declared dividends of S$1,154,000 during the year ended 31 December 2016. All the dividends declared during the three years ended 31 December 2016 had been fully settled during the year ended 31 December 2016. For the dividend declared by Samco during the four months ended 30 April 2017 of S$500,000, it was subsequently offset with amounts receivable from the Controlling Shareholders in relation to share capital contribution during the four months 30 April 2017. Samco declared and paid a dividend of S$1,000,000 in June 2017. Payment of any future dividends will be made at the discretion of our Board and will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors consider relevant.

The declaration, payment and amount of any future dividends will be subject to our constitutional documents comprising the memorandum and articles of association including, where necessary, the approval of our Shareholders. Investors should note that historical dividend distributions are not indicative of our future dividend distribution policy.

LISTING EXPENSES

Our estimated expenses in relation to the Listing, including underwriting commissions, are approximately S$4.6 million. Out of the amount of approximately S$4.6 million, approximately S$1.7 million is directly attributable to the issue of Shares to the public and will be accounted for as a deduction from equity upon completion of the Global Offering. The remaining estimated listing expenses of approximately S$2.9 million, was or will be charged to profit or loss, of which approximately S$0.8 million have already been recorded in the combined statements of profit or loss and other comprehensive income during the Track Record Period, and approximately S$2.1 million is expected to be charged to the combined statements of profit or loss and other comprehensive income for the year ending 31 December 2017. This calculation is based on the Offer Price of HK$0.48 per Share (being the mid-point of the Offer Price range stated in this prospectus) and the assumption that 250,000,000 Shares are to be offered under the Global Offering and is subject to the adjustment based on the actual amount incurred or to be incurred.

FINANCIAL RISK MANAGEMENT

Our Group is exposed to certain financial risks including interest rate risk, foreign currency risk, credit risk and liquidity risk in the ordinary course of our business. For further details of our financial risk management, please refer to note 31 in the Accountant's Report in Appendix I to this prospectus.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

While our business model remain largely unchanged, our cost structure and financial condition are expected to be materially and adversely affected subsequent to the Track Record Period and up to the Latest Practicable Date. As at 30 April 2017, we had a total of four road construction services projects and 16 construction ancillary services term contracts on hand in Singapore. Out of the 16 construction ancillary services term contracts on hand, the two largest term contracts were awarded by a Singapore statutory board with contract period until January 2019. After the Track Record Period and up to the Latest Practicable Date, (i) we were awarded six projects/contracts with original contract sum of approximately S$12.8 million, S$10.0 million, S$7.7 million, S$1.8 million, S$1.8 million and S$0.7 million by Customer A, Supplier B, Customer I, Customer I, Customer G and Supplier H, respectively; and (ii) we have completed two projects both with an original contract sum of approximately S$2.0 million. As such, as at the Latest Practicable Date, we have a total of six road construction services projects and 16 construction ancillary services term contracts on hand, with an aggregate original contract sum of approximately S$40.8 million and S$84.8 million respectively. The expected revenue to be recognised after the Track Record Period until 31 December 2017 and for the two years ended 31 December 2019 for those road construction services projects would be approximately S$10.9 million, S$10.0 million and S$53,000 respectively, while that for those construction ancillary services term contracts would be approximately S$26.1 million, S$15.4 million and S$7.7 million respectively.

After the Track Record Period and up to the Latest Practicable Date, we had also submitted 10 tenders and 16 quotations, with an aggregate original contract sums of approximately S$38.1 million and S$244.2 million, respectively. As at the Latest Practicable Date, including the tenders and quotations submitted during the Track Record Period and up to the Latest Practicable Date, we have in total four tenders and 12 quotations pending result, with an aggregate original contract sums of approximately S$24.7 million and S$238.8 million respectively. Among those, tenders/quotations with an aggregate original contract sums of approximately S$12.3 million were private sector works and tenders/quotations with an aggregate original contract sums of approximately S$251.3 million were public sector works, while tenders/quotations with an aggregate original contract sums of approximately S$24.7 million were main contractor projects and tenders/quotations with an aggregate original contract sums of approximately S$238.8 million were subcontractor projects.

There was no material adverse change in the general economic and market conditions in Singapore or the industry in which we operate that had affected or would affect our business operations or financial condition materially and adversely. Due to (i) the full-year depreciation expense of the leasehold building acquired during the year ended 31 December 2016 charged to the year ending 31 December 2017, (ii) the increase of staff cost for hiring more management personnel to cope with our Group's growth, (iii) the higher rental expense incurred from hiring more foreign workers, and (iv) the non-recurring Listing expenses, our Directors believe that our net profit, gross and net profit margins for the year ending 31 December 2017 are expected to be materially and adversely affected by the factors mentioned above. However, our Directors believe that our Group's profitability will improve in the future since our Group will be able to undertake additional road works projects on top of our present scale of operation by obtaining additional funding through this Listing. For details, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

Our Directors confirm that, save as the listing expenses, there has been no material adverse change in the financial or trading position or prospects of our Company or our subsidiaries since 30 April 2017 (being the date to which the latest audited financial statements of our Group were made up) and up to the date of this prospectus.

TAXATION

We are incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law. There is no taxation on income under the Cayman Islands laws as at the Latest Practicable Date. For our subsidiaries incorporated in the BVI, they are exempt from all provisions of the BVI Income Tax Ordinance. For our subsidiaries incorporated in Singapore, Singapore income tax is calculated at the rate of 17% on the estimated assessable profit for the Track Record Period.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, save as disclosed above, as at the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

Please refer to the sections headed "Business – Business strategies" in this prospectus for a detailed description of our business strategies.

REASONS FOR LISTING

Having considered (i) our steady business growth during the Track Record Period; (ii) our competitive strengths stated in the section headed "Business – Competitive strengths" and (iii) the forecasted growth of the civil engineering and road works industry in Singapore as stated in the Ipsos Report, our Directors believe that our Group can undertake additional road works projects on top of our present scale of operation and our current projects on hand. Our Directors believe that this can be done mainly by the listing of the Shares on the Main Board.

Our Directors believe that a public listing status in Hong Kong will enhance our corporate profile and recognition, assisting us in reinforcing our Group awareness and image, increasing our competitiveness in road works industry. We trust that a public listing status on the Main Board in Hong Kong could attract potential customers who are looking to establish business relationship with a company that has a well-established internal control system. According to the Ipsos Report, there are more than 200 other civil engineering/road works contractors in Singapore. To distinguish our Group from other road works contractors, we trust that pursuing the Listing in Hong Kong is in the interest of our Group as it will enable us to enjoy several competitive advantages, including but not limited to transparent financial disclosures, further enhanced internal control and regulatory supervision. As such, our Directors believe that a public listing status in Hong Kong will generate reassurance among our Group's existing customers, suppliers and subcontractors whilst enhancing our Group's competitiveness.

Our Directors had considered and evaluated different listing venues including Hong Kong and Singapore and have concluded that Hong Kong is the suitable venue to pursue a listing. Our Directors consider that Hong Kong is an international financial center and the stock market in Hong Kong is well established and highly recognised internationally. Notwithstanding that our Group's business is primarily based in Singapore, our Directors believe that a listing on the Stock Exchange will allow us to have greater exposure to international financial market and investment community, which may open up a new channel of financing.

Our Directors further 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 40.9% while the turnover ratio of stocks traded in the Singapore stock market was 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$18.9 billion) and HK$66.9 billion (S$11.9 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$6.1 billion (S$1.1 billion) and HK$6.1 billion (S$1.1 billion) for each of the two years ended 31 December 2016 respectively.

Also, in line with our business objectives, we intend to further enhance our machinery, acquire new property, strengthen our manpower and upgrade our information technology system, due to the following reasons:

(i) *Our Group requires additional machinery for our projects on hand*

Our Directors believe that in view of undertaking additional road works projects on top of our present scale of operation, there is a need to acquire additional machinery. It is necessary for our Group to have a fleet of machinery that is readily available to satisfy the demand of our customers from time to time and to avoid delay in work schedule in the event of unexpected obstacles;

(ii) *Our Directors consider that it is prudent not to rely on leases of properties to cater for business growth*

Our Directors believe that to cater for business growth, additional ancillary office, dormitory places, production site for preparing asphalt premix and storage site for our new fleet of machinery are required. It is prudent not to rely on leases of properties because unexpected variations such as fluctuating in leasing cost can be avoided;

(iii) *Our Directors consider to strengthen our manpower*

It is imperative for our Group to expand our workforce at both office and worksite levels to undertake more road works projects. The listing will help raise staff confidence, improving our ability to recruit, motivate and retain key management personnel to effectively capture business opportunities; and

(iv) *Our Directors consider to invest in information technology in our Group*

Our Directors believe that enhancing our information technology systems, including the purchase of new hardware and software, to facilitate our Group's operation from the projects tendering and award process to the actual execution of projects is important to our Group to allow us to ensure efficiency, accuracy and consistency in our business process.

To achieve these, our Directors consider that additional funding on top of the Group's available financial resources as at the Latest Practicable Date shall be required, taking into account the following factors:

(i) During the Track Record Period, our Group has been financing its acquisition of machineries through finance leases. Such form of debt financing has incurred interest expenses and increased gearing ratio of our Group. Our gearing ratio were approximately 232.2%, 128.2%, 149.3% and 142.0% as at 31 December 2014, 2015 and 2016 and as at 30 April 2017, respectively. Hence, our Directors believe that it is necessary for our Group to (a) maintain a disciplined financial strategy without exposing our Group to aggressive gearing in order to achieve sustainable growth in the long run; and (b) maintain a cash level sufficient to support our Group's existing operations;

(ii) Our Group's financial performance and liquidity may be negatively affected if market uncertainty suddenly arose e.g. rise in interest rate in the United States and any sudden unexpected deterioration in the prevailing market conditions in the Singapore construction industry leading to imposition of additional requirement to regular repayment of interest and principal to our Group regardless of the performance of the business of our Group;

(iii) If we raise additional funds by incurring debt financing, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. If we fail to service such debt obligations or are unable to comply with any of these covenants, we could be in default under such debt obligations and our liquidity and financial condition could be materially and adversely affected;

(iv) Being part of a group of private companies, our Directors consider that our Company, without a listing status, would be difficult to obtain debt financing without guarantees or other collateral to be provided by our Controlling Shareholders. It is anticipated that additional bank borrowings to our Group would require our Controlling Shareholders to provide additional guarantees and/or fixed assets as collateral if our Company were not listed. This is supported by the fact that the lending bank was willing to release the guarantees provided by our Controlling Shareholders, subject to, among other things, our Company being successfully listed on the Stock Exchange. Furthermore, the continuous reliance on our Controlling Shareholders for provision of personal guarantee and other form of financial assistance is a hindrance to our Group's future development and to our Group in achieving financial independence;

(v) The regular financial reporting requirement under the Listing Rules can enable the bank to evaluate and monitor our Group's financial position more effectively and therefore is expected to smoothen the approval process for any future additional bank borrowings. The better accessibility to banking facilities allow us more flexibility in management of the cashflow of our business that can be affected by factors including those set out in the section headed "Risk factors" in this prospectus; and

(vi) Our Directors consider that our customers, suppliers and subcontractors will give preference to company who has little debt burden, and hence at a lower risk of defaulting and becoming financially vulnerable.

In addition, our Directors consider that it would not be feasible to finance our planned acquisition of property and additional machineries solely with debt financing and our internal resources (not including the expected net proceeds from the Listing). This is mainly because we could only be able to fully utilise the newly acquired property and machineries for enhancing our service capacity if they are accommodated by an associated expansion in our manpower and information technology system. Therefore, our Directors consider that our present plans to (i) acquire a property for (a) our ancillary office; (b) dormitory for our foreign workers; (c) workshop to prepare asphalt premix for our own usage; and (d) maintenance and storage of our construction machineries, (ii) purchase additional machineries, (iii) strengthen our manpower and (iv) upgrade our information technology systems are mutually complementary, and represent an integral initiative to enhance our capacity to undertake additional road works projects on top of our present scale of operation and our current projects on hand. Our Directors estimated that the implementation of our entire expansion plan would require over HK$100 million and may not be fully financed by debt financing and our internal resources (not including the expected net proceeds from the Listing) without creating materially adverse impacts on our financial position and liquidity.

USE OF PROCEEDS

The aggregate net proceeds the Global Offering (after deducting underwriting fees and estimated expenses in connection with the Global Offering, assuming the Over-allotment Option is not exercised and assuming an Offer Price of HK$0.48 per Share (being the midpoint of the indicative Offer Price range of HK$0.40 to HK$0.56 per Share) will be approximately HK$94.5 million. Our Directors intend to apply the net proceeds from the Global Offering as follows:

- approximately HK$63.7 million, representing approximately 67.4% of the net proceeds will be used to acquire a property of approximately 100,000 sq.ft., among which approximately 10.1%, 4.8%, 31.6% and 53.5% will be used for (i) our ancillary office; (ii) dormitory for our foreign workers; (iii) workshop to prepare asphalt premix for our own usage; and (iv) our machinery warehouse (26.0% will be used for maintenance and accessway of our construction machineries and 74.0% will be used for storage of our construction machineries), respectively, at the end of 2017 (subject to the Listing Date). The total purchase price for the property and the associated renovation costs is expected to be approximately HK$75.9 million and approximately HK$1.1 million (i.e. approximately 1.5% of the property cost), respectively. Out of approximately HK$75.9 million, approximately HK$63.7 million will be financed by the net proceeds from the Global Offering, and the remaining will be financed by our internal resources and/or banking facilities. Further, in order to support our business growth and future development, the targeted property is ideally located in an industrial area of Singapore and preferably at the coastal area away from the main residential areas and commercial districts. Our Directors are of the view that our current headquarter and leased properties are insufficient to accommodate our existing and additional machinery and manpower and thus we have the business need and it is commercially justifiable to acquire new premise to accommodate our expansion plan, primarily based on the following reasons:

  (i) Due to the nature of road ancillary services contract, we cannot store our machineries in respective road sites. As at the Latest Practicable Date, we maintained over 120 construction machineries in our machinery fleet. Our current headquarter and the four leased properties can store up to approximately 45 and 60 units of machineries respectively and they were currently fully occupied while the rest of our machineries were kept under the general management of the respective work sites. Considering that (a) a significant portion of our projects/contracts on hand were road ancillary services contracts, (b) the proposed expansion of our machinery fleet, (c) we do not intend to continue to lease property for storing machineries in order to reduce our reliance on leasing property from third parties, and (d) it is more efficient for us to gather our construction machineries from scattered places to one warehouse for better management and maintenance, our Directors are of the view that the new premise which can provide up to approximately 120 parking spaces for both of our current and additional machineries, which are either occupied or idle, is beneficial to our expansion plan and overall business operation;

(ii) Our current headquarter does not have designated and sufficient space for repair and maintenance of our construction machineries, and a specific proportion of the new property are intended to be allocated for repair and maintenance of our construction machineries in order to reduce our reliance on third party repair companies;

(iii) Out of our 454 foreign workers as at the Latest Practicable Date, 352 foreign workers which were non-Malaysian work permit holders required the use of dormitory provided by us, while our current headquarter and the three leased properties which were used for dormitory purpose can only provide accommodation to up to 230 and 122 foreign workers respectively. Considering that we need to expand our manpower to accommodate our expansion plan and we do not intend to continue to lease accommodation for foreign workers in order to reduce our reliance on leasing property from third parties, we need the new premise which can provide accommodation to up to 250 foreign workers, among which 122 dormitory places are intended to be allocated to our current foreign workers who currently housed at our leased properties and 51 dormitory places are intended to be allocated to additional foreign workers under our expansion plan, and the rest are estimated to be filled up by our additional workers for our future development until the year ending 31 December 2021;

(iv) Our current headquarter does not provide enough space for us to set up area to prepare asphalt premix for our own usage. As such, we did not prepare asphalt premix and only purchased asphalt premix from external suppliers during the Track Record Period. However, providing that Mr. Tan, our executive Director, and Mr. Toh Kok Weng Benjamin, our senior management, have considerable relevant working experience in the production of asphalt premix, our Directors consider that we have the expertise to prepare asphalt premix for our own usage and the new property can provide enough space for us to set up relevant production areas. After the establishment of our new property and the installation of the relevant machineries of approximately S$0.6 million which we intend to purchase using our internal resources considering that such machineries will be acquired at a later stage, we expect 98,000 tonnes of asphalt premix can be produced per year and we estimate that the overall net cost saving will be approximately 11.5% when comparing each tonne of asphalt premix to be purchased (assuming the price of asphalt premix was S$66.6 per tonne which was based on the most recent information according to the Ipsos Report); and

(v) Due to size and location, our Directors consider that our three owned properties apart from our current headquarter are not suitable for our expansion plan and thus they will continue to be used for investment purpose by renting to third parties.

In addition, the ancillary office will provide extra office space that enables our Group to cater to the expansion of our management and administration team and our enhanced fixed assets base would facilitate our negotiation with banks for financing as we possess property collateral for loans of larger loan amount and/or at lower interest rate. Further, when assessing the option of acquiring property, we have taken into account, among others, (i) the estimated annual depreciation expense of the newly acquired property, being approximately HK$4.2 million assuming that it is to be purchased at a total cost of approximately HK$75.9 million with expected renovation costs of approximately HK$1.1 million and to be depreciated over a lease term of 18 years on a straight-line method, will be lower than the prevailing annual market rentals of property with similar size being approximately HK$5.4 million; (ii) the savings of administrative costs that would incur in negotiating lease terms for the renewal of rental agreement or relocating to a new property if the tenancy agreement were not to be renewed; (iii) the expansion of the current headquarters may not be feasible as space next to our headquarters may not be vacant or available for lease; (iv) our management resources and attention that would have been consumed for renewals of tenancy in respect of our headquarters; (v) our Group may subject to fluctuations in rental expenses and/or render us vulnerable to termination of the relevant lease which would have a direct impact on our operation and business performance; and (vi) the fact that our Group's expansion plan will not then be restricted by any lease terms of our property and our strategic decisions could be implemented more efficiently. The planned allocations of this portion of the net proceeds are as follow:

For the 6 months ending	**Stage in purchase of the property**	**Amount**
		HK$ million
December 2017	Deposit	2.2
June 2018	Completion of the acquisition	61.5

As at the Latest Practicable Date, our Directors confirmed that no targeted properties had been identified and no formal acquisition agreement was being entered into.

- approximately HK$12.9 million, representing approximately 13.7% of the net proceeds will be used to purchase and enhance machinery. Our capacity to carry out road works services for our customers depends on the availability of our machinery. Our Directors believe that our investment in machinery has placed us in a position to cater for road works services of different scales and complexity to meet the expected growing demand of road works in Singapore in the foreseeable future. According to the Ipsos Report, the estimated revenue for the civil engineering sectors are expected to be higher in 2017, with the value of contracts awarded reaching approximately S$13.2 billion. In addition, the Singapore government has also announced to bring forward S$700 million worth of public sector infrastructure projects to start in 2017 and through 2018. Therefore, considering the high utilisation rate of our current machineries, we intend to acquire additional machinery. They include tandam rollers, soil compactors, 30 tons excavators, 20 tons excavators and compact crushers. To further enhance our competitiveness among major contractors, we consider that it is significant to expand our fleet of machinery to strengthen our execution effectiveness and efficiency considering their operating condition and the cost effectiveness of such replacement. As such, we also intend to enhance our fleet of machinery by replacing our aged machinery including one tandem roller, two excavators and one milling machine. The planned allocations of this portion of the net proceeds among machinery are as follows:

For the 6 months ending	**Types of machinery**	**Number of units**	**Amount** *(HK$ million)*
December 2017	Tandam roller	1	0.6
	Soil compactor	1	0.5
	30 tons excavator	1	1.1
	20 tons excavator	2	1.5
	Milling machine	1	3.5
	Subtotal	6	7.2
June 2018	Tandam roller	1	0.6
	Soil compactor	1	0.5
	30 tons excavator	1	1.1
	20 tons excavator	2	1.5
	Subtotal	5	3.7
December 2018	Compact crusher	1	2.0
	Total	**12**	**12.9**

- approximately HK$7.0 million, representing approximately 7.4% of the net proceeds will be used to increase our manpower in the future to achieve market expansion and competing for more projects. Having considered (i) our business growth during the Track Record Period; (ii) our competitive strengths mentioned above; (iii) the expected increase in demand in the industry in Singapore as stated in the Ipsos Report and; (iv) the number and value of tenders/quotations we have submitted as at the Latest Practicable Date, our Directors believe that in order to capture such business opportunity, we intent to lift our scale of operation by expanding our manpower. Our Directors also intend to reduce our reliance on our subcontractors for better quality and cost control. The following table sets out a breakdown of additional staff that we plan to employ by functions and the planned allocations of net proceeds:

For the 6 months ending	**Additional staff to be employed by functions**	**Number of additional staff to be employed during the period**	**Amount allocated for the period for recruiting and remaining the additional staff** *(HK$ million)*
December 2017	Project manager	1	1.4
	Project executives	2	
	Site managers	2	
	Quality control	1	
	Quantity surveyor	1	
	Skilled workers (foreign worker)	24	
	Safety coordinator (foreign worker)	1	
	Subtotal	32	
June 2018	Project manager	1	2.8
	Project executives	2	
	Site managers	1	
	Quality control	1	
	Quantity surveyor	1	
	Skilled workers (foreign worker)	24	
	Safety coordinator (foreign worker)	2	
	Subtotal	32	
December 2018			2.8
	Total	**64**	**7.0**

As the availability of foreign workers to the construction industry is regulated by the MOM, our Directors, together with our human resources department, will continue to assess our available human resources and determine whether additional workers, both local and foreign, are required to cope with the Expansion Plans. In determining the recruitment of local and foreign workers, we generally consider (i) the outstanding numbers of foreign workers that we could recruit; (ii) the estimated costs to be incurred by using local workers and foreign worker; and (iii) the relevant rules and regulation from time to time. Based on our Directors' expectation, the ratio of local worker and foreign workers as part of the Expansion Plans would be largely the same as our current ratio, i.e. no more than one local worker to seven or less foreign workers. Hence, our Directors believe unless we fail to pass the increase in cost of local and foreign workers to our customers, the intention of hiring local or foreign workers would not have any material impact on our Group's profitability.

- approximately HK$1.7 million, representing approximately 1.8% of the net proceeds will be used during the period for the six months ending 31 December 2017 for upgrading our information technology systems, such as acquiring both hardware and software for our Group to improve our efficiency, accuracy and consistency in our business process;

- the remaining balance of approximately HK$9.2 million, representing approximately 9.7% of the net proceeds will be used as working capital.

In the event that the Offer Price is set at the low-end of the proposed Offer Price range, the net proceeds of the Global Offering will decrease by approximately HK$19.3 million when compared to the net proceeds receivable by our Group with the Offer Price being determined at the mid-point of the range as stated in this prospectus. Under such circumstances, our Group intends to (i) reduce its allocation of the net proceeds to acquire a property for storage of construction machinery by approximately HK$16.7 million; and (ii) reduce its allocation of the net proceeds to be used as working capital by approximately HK$2.6 million.

In the event that the Offer Price is set at the high-end of the proposed Offer Price range, our Group will receive additional net proceeds of the Global Offering of approximately HK$19.3 million when compared to the net proceeds receivable by our Group with the Offer Price being determined at the mid-point of the range as stated in this prospectus. Under such circumstances, our Group intends to increase its allocation of the net proceed in the same proportions as the Offer Price being determined at the mid-point of the range as stated in this prospectus.

HONG KONG UNDERWRITERS

China-Hong Kong Link Securities Company Limited

Dakin Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on Monday, 30 October 2017. Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 25,000,000 Hong Kong Offer Shares (subject to adjustment) for subscription by way of Hong Kong Public Offering at the Offer Price on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares in issue, the Offer Shares (including any Shares which in issue and may be issued or may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option and any options that may be granted under the Share Option Scheme), and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions of the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional in accordance with its terms and not having been terminated in accordance with its terms or otherwise.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscriptions for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. The Joint Global Coordinators (for themselves and on behalf of the other Hong Kong Underwriters) shall have the absolute right by notice in writing to our Company to terminate the obligations of the Hong Kong Underwriting Agreement with immediate effect at any time prior to 8:00 a.m. on the Listing Date (the "**Termination Time**") if any of the following events shall occur prior to the Termination Time:

(a) there develops, occurs, exists or comes into force:

(i) any change or development involving a prospective change or development, or any event or series of events resulting or likely to result in or representing a change or development, or any prospective change or development in, local, national, regional or international financial, political, military, industrial, legal, economic, currency market, credit, fiscal or regulatory or market matters or conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, credit 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 Hong Kong dollar or the Singapore dollar against any foreign currencies) in or affecting Hong Kong, the PRC, the Cayman Islands, the BVI, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore or any other jurisdiction relevant to any member of the Group (collectively, the "**Relevant Jurisdictions**", each a "**Relevant Jurisdiction**"); or

(ii) any new law or regulation or any change or development involving a prospective change in any existing law or regulation, or any change or development involving a prospective change 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 in the nature of *force majeure* (including, without limitation, acts of government, labour disputes, strikes, lock-outs, fire, explosion, flooding, earthquake, civil commotion, riots, public disorder, declaration of a national or international emergency, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, pandemic, outbreak of disease (including without limitation Severe Acute Respiratory Syndromes (SARS), Middle East Respiratory Syndromes (MERS), H5N1, H1N1, swine or avian influenza or such related/mutated forms)), economic sanctions, in or affecting any Relevant Jurisdiction; 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 Relevant Jurisdiction; or

(v) (A) any moratorium, suspension, restriction or limitation on trading in securities generally on the Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the American Stock Exchange, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange and the Shenzhen Stock Exchange, or (B) a general moratorium on commercial banking activities in any Relevant Jurisdiction declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services procedures or matters in or affecting any Relevant Jurisdiction; or

(vi) any change or development or event involving a prospective change in taxation or exchange controls (or the implementation of exchange controls), currency exchange rates or foreign investment regulations in any Relevant Jurisdiction; or

(vii) any imposition of economic sanction or withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdiction; or

(viii) any change or development or event involving a prospective change in our Group's assets, liabilities, profit, losses, performance, condition, business, financial, earnings, trading position or prospects; or

(ix) the commencement by any judicial, regulatory, governmental or political body or organisation of any action, claim or proceedings against any Director or an announcement by any judicial, regulatory, governmental or political body or organisation that it intends to take any such action; or

(x) save as disclosed in this prospectus, a demand by any tax authority for payment for any tax liability for any member of our Group; 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 our Company vacating his office; or

(xiii) an authority or a political body or organisation in a jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or

(xiv) save as disclosed in this prospectus, a contravention by any member of our Group of the Listing Rules or any applicable laws or regulations in the Cayman Islands, Singapore, Hong Kong and the BVI; or

(xv) an order or petition is presented for the winding up or liquidation of our Company or any of our subsidiaries, or our Company or any of our subsidiaries make any compromise or arrangement with our creditors or enter into a scheme of arrangement or any resolution is passed for the winding-up of our Company or any of our subsidiaries or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any of our subsidiaries or anything analogous thereto occurs in respect of our Company or any of our subsidiaries; or

(xvi) a demand by any creditor for repayment or payment of any of our Company's indebtedness or those of any of our subsidiaries or in respect of which our Company or any of our subsidiaries is liable to its stated maturity; or

(xvii) any loss or damage sustained by our Company or any of our subsidiaries as a result of a breach of our respective obligations or non-compliance with the applicable laws and regulations (however caused and whether or not the subject of any insurance or claim against any person); or

(xviii) any litigation or claim being threatened or instigated against our Company or any of our subsidiaries or the covenantors as defined in the Hong Kong Underwriting Agreement (the "**Covenantors**"); or

(xix) a prohibition on our Company for whatever reason from allotting or selling the Hong Kong Offer Shares (including our Shares to be issued pursuant to the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering; or

(xx) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of our Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law or regulation; or

(xxi) other than with the approval of the Joint Global Coordinators, the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of our Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xxii) any event which give rise or would give rise to liability on the part of our Company pursuant to the indemnity provisions in the Hong Kong Underwriting Agreement; or

(xxiii) any change or prospective change in, or a materialisation of, any of the risks set out in the section headed "Risk factors" in this prospectus,

and which, individually or in aggregate, in the sole opinion of the Joint Global Coordinators (for themselves and on behalf of the other Hong Kong Underwriters),

(A) has or may have or will have or is likely to have a materially adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, shareholders' equity, profits, losses, trading position, results of operations, prospects, position or condition, financial or otherwise, or performance of our Company or our subsidiaries as a whole; or

(B) has or may have or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Placing; or

(C) makes, may make or will or is likely to make it impracticable or inadvisable or in expedient for any part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to proceed or to be performed or implemented as envisaged or to market the Global Offering; or

(D) makes or may make or will or is likely to make it inadvisable or inexpedient to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus; or

(b) there has come to the notice of the Joint Global Coordinators or any of the Hong Kong Underwriters after the date of the Hong Kong Underwriting Agreement:

(i) that any statement contained in this prospectus, the formal notice or any announcements in the agreed form issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has or may become untrue or incorrect or misleading in a material respect, or that any forecast, expression of opinion, intention or expectation contained therein is not fair and honest and based on reasonable assumptions with reference to the facts and circumstances then subsisting; or

(ii) that any matter has arisen or has been discovered which, had it arisen or been discovered immediately before the date of this prospectus which would or might constitute a material omission from this prospectus or the Application Forms and/or in any notices or announcements issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or

(iii) that any of the warranties given by our Company or the Covenantors as set out in the Hong Kong Underwriting Agreement or the International Underwriting Agreement is (or would when repeated be) untrue, inaccurate or misleading or having been breached; or

(iv) that any matter, event, act or omission which gives or is likely to give rise to any liability of our Company or the Covenantors out of or in connection with any breach, inaccuracy and/or incorrectness of the warranties as set out in the Hong Kong Underwriting Agreement and/or pursuant to the indemnities given by our Company, the Covenantors or any of them under the Hong Kong Underwriting Agreement; or

(v) that any breach of any of the obligations or undertakings of any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than the Hong Kong Underwriters or the International Underwriters); or

(vi) that any adverse change or prospective adverse change in the condition, business, assets and liabilities, properties, profits, losses, results of operations, financial, general affairs, shareholders' equity, management, trading position, prospects, position or condition, financial or otherwise, or performance of our Company and/or our subsidiaries as a whole, whether or not arising in the ordinary course of business, as determined by the Joint Global Coordinators in their sole and absolute discretion; or

(vii) that our Company withdraws this prospectus and/or the Application Forms; or

(viii) that approval by the Listing Committee of the listing of, and permission to deal in, our Shares in issue and may be issued (including any additional Shares that may be allotted or issued pursuant to the exercise of the Over-allotment Option and options that may be granted under the Share Option Scheme) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the date of approval of the Listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(ix) that any of the experts described under "E. Other information – 7. Qualifications of experts" in Appendix V to this prospectus, has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, summaries of valuations and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears.

Undertakings by our Company to the Stock Exchange pursuant to Rule 10.08 of the Listing Rules

We have undertaken to the Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the Listing Date), except in the circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertakings by our Company pursuant to the Hong Kong Underwriting Agreement

We have undertaken to the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and the Hong Kong Underwriters, *inter alia*, pursuant to the Hong Kong Underwriting Agreement, that we will not, and will procure that our subsidiaries will not, without the prior written consent of the Joint Global Coordinators (for themselves and on behalf of the other Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing from the date of the Hong Kong Underwriting Agreement and ending on the expiry of the six months after the Listing Date (the "**First Six-Month Period**"), (i) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase, any of the share capital, debt capital or any securities of our Company or any of our subsidiaries or any interest therein or any voting right or any right attaching thereto (including, but not limited to, any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or any interest therein) save as pursuant to the repurchase mandate granted by our Shareholders, details of which are set out in Appendix V to this prospectus; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein or any voting right or any other right attaching thereto; or (iii) enter into any transaction with the same economic effect as any foregoing transaction described in (i) and (ii) above; or (iv) agree or contract to, or publicly announce any intention to enter into, any foregoing transaction described in (i), (ii) and (iii) above; whether any of the foregoing transactions described in (i), (ii) and (iii) above is to be settled by delivery of shares capital or such other securities, in cash or otherwise, provided that the foregoing restrictions shall not apply to the issue of Shares by our Company pursuant to the Global Offering (including upon the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme), and our Company has further agreed that, in the event of an issue or disposal of any Shares or any interest therein or any voting right or any other right attaching thereto during the six-month period immediately following the First Six-Month Period, we will take all reasonable steps to ensure that such issue or disposal will not create a disorderly or false market in the securities of our Company.

Undertakings by our Controlling Shareholders to the Stock Exchange and our Company

Pursuant to Rule 10.07(1) of the Listing Rules, our Controlling Shareholders, Jian Sheng, Mr. Tan and Ms. Tan have jointly as a group and severally undertaken to the Stock Exchange and our Company that except pursuant to the Global Offering (including the exercise of the Over-allotment Option) or the stock borrowing arrangement, it/he/she will not at any time:

(a) during the period commencing on the date by reference to which disclosure of their shareholdings is made in this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-Month Lock-up Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of the securities of our Company in respect of which it/he/she is shown by this prospectus to be the beneficial owners; and

(b) during the six-month period commencing on the date on which the First Six-Month Lock-up Period expires, (the "**Second Six-Month Lock-up Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of the securities of our Company in respect of which it/he/she is shown by this prospectus to be the beneficial owners if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they, as a group of Controlling Shareholders would then cease to be a group of Controlling Shareholders.

Note (2) to Rule 10.07 of the Listing Rules provides that the rule does not prevent our Controlling Shareholders from using the Shares owned by it/him/her as security (including a charge or a pledge) in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Undertakings by our Controlling Shareholders to our Company

In addition to the undertaking pursuant to Rule 10.07(1) of the Listing Rules, our Controlling Shareholders, Jian Sheng, Mr. Tan and Ms. Tan, have jointly as a group and severally further undertaken to our Company on a voluntary basis that it/he/she will not at any time:

(a) during the Second Six-Month Lock-up Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of the securities of our Company in respect of which it/he/she is shown by this prospectus to be the beneficial owners; and

(b) during the one-year period commencing on the date on which the Second Six-Month Lock-up Period expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of the securities of our Company in respect of which it/he/she is shown by this prospectus to be the beneficial owners if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they, as a group of Controlling Shareholders would then cease to be a group of our Controlling Shareholders,

provided that the restriction shall not prevent our Controlling Shareholders from using the Shares owned by it/him/her as security (including a charge or a pledge) in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Any waiver of the above voluntary undertaking in addition to the requirement under Rule 10.07(1) of the Listing Rules shall be subject to approval of independent Shareholders.

Each of our Controlling Shareholders has further undertaken to us and the Stock Exchange that it/he/she will, within a period of 24 months from the Listing Date, immediately inform us and the Stock Exchange of:

(a) any pledges or charges of any of our Shares or securities of our Company beneficially owned by it/him/her in favour of any authorised institution as permitted under the Listing Rules, and the number of such Shares or securities of our Company so pledged or charged; and

(b) any indication received by it/him/her, either verbal or written, from any pledgee or chargee of any of our Shares or other securities of our Company pledged or charged that any of such Shares or other share capital will be sold, transferred or disposed of.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by any of our Controlling Shareholders and disclose such matters in accordance with the publication requirements under the Listing Rules as soon as possible after being so informed by such Controlling Shareholders.

Undertakings by our Controlling Shareholders pursuant to the Hong Kong Underwriting Agreement

Each of our Controlling Shareholders has jointly and severally undertaken to the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, the Hong Kong Underwriters and our Company pursuant to the Hong Kong Underwriting Agreement, that except pursuant to the Global Offering (including the exercise of the Over-allotment Option) or the stock borrowing arrangement, it/he/she will not, without the prior written consent of the Joint Global Coordinators (acting for themselves and on behalf of the other Hong Kong Underwriters) and unless in compliance with the Listing Rules (i) at any time during the period commencing from the date of the Hong Kong Underwriting Agreement and ending on the expiry of the first anniversary after the Listing Date (the "**First Anniversary Period**"), offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase 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 of the share capital, debt capital or other securities of our Company or any interest therein held by it/him/her or any voting right or any other right attaching thereto (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital or other securities of our Company or any interest therein) whether currently held or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein or any voting right or any other right attaching thereto, whether any of the foregoing transactions is to be settled by delivery of share capital or other such securities, in cash or otherwise or offer or to agree to do any of the foregoing or announce any intention to do so, provided that the restriction shall not apply to the lending of Shares pursuant to the Stock Borrowing Agreement or any pledge or charge of Shares by our Controlling Shareholders in favour of an authorised institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan; or (ii) at any time during the one-year period immediately following the First Anniversary Period enter into any of the transactions described in (i) above if, immediately following such transaction, it/he/she would cease to be the controlling shareholder (as defined in the Listing Rules) of our Company provided that the restriction shall not apply to any pledge or charge of Shares by our Controlling Shareholders in favour of an authorised institution as defined in the Banking Ordnance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan; and (iii) in the event of a disposal by it/him/her of any share capital or any interest therein or any voting right or any other right attaching thereto during the period referred to in (ii) above, it/he/she will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market for our Shares or other securities of our Company.

International Placing

International Underwriting Agreement

In connection with the International Placing, our Company expects to enter into the International Underwriting Agreement with, among others, our Controlling Shareholders and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares or procure purchasers for the International Placing Shares. The International Underwriting Agreement is expected to provide that it may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. It is expected that pursuant to the International Underwriting Agreement, our Company will give undertakings similar to as those given pursuant to the Hong Kong Underwriting Agreement as described in the paragraphs headed "– Underwriting arrangements and expenses – Hong Kong Public Offering – Undertakings by our Company to the Stock Exchange pursuant to Rule 10.08 of the Listing Rules" and "– Underwriting arrangements and expenses – Hong Kong Public Offering – Undertakings by our Company pursuant to the Hong Kong Underwriting Agreement" in this section.

Under the International Underwriting Agreement, our Company expects to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters at any time from the Listing Date up to (and including) the date which is the 30th day after the last date for the lodging of Application Forms under the Hong Kong Public Offering, to require our Company to allot and issue up to an aggregate of 37,500,000 additional Shares, representing in aggregate not more than 15.0% of the number of Offer Shares initially available under the Global Offering. These additional Shares will be issued or sold at the Offer Price and used to cover over-allocation, if any, in the International Placing.

It is expected that each of our Controlling Shareholders will undertake to the International Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of the Shares held by them in our Company for a period similar to such undertakings given by it pursuant to the Hong Kong Underwriting Agreement, which is described in the paragraphs headed "– Underwriting arrangements and expenses – Hong Kong Public Offering – Undertakings by our Controlling Shareholders to the Stock Exchange", "– Underwriting arrangements and expenses – Hong Kong Public Offering – Undertakings by our Controlling Shareholders to the Company" and "– Underwriting arrangements and expenses – Hong Kong Public Offering – Undertakings by our Controlling Shareholders pursuant to the Hong Kong Underwriting Agreement" in this section.

Underwriting Commission and Expenses

The Hong Kong Underwriters will receive a commission of 3% of the aggregate Offer Price of all the Offer Shares (including any Shares to be allotted and issued pursuant to the Over-allotment Option), out of which they will pay any sub-underwriting commission. The commission payable to the International Underwriters and the Hong Kong Underwriters, the Stock Exchange listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Global Offering are currently estimated to be about HK$25.5 million in aggregate (based on an Offer Price of HK$0.48 per Share, being the mid-point of the stated range of the Offer Price between HK$0.40 and HK$0.56 per Share, and on the assumption that the Over-allotment Option is not exercised) is to be borne by our Company. For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, we will pay an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the Joint Global Coordinators and the relevant International Underwriters (but not the Hong Kong Underwriters).

INDEMNITY

Our Company, our Controlling Shareholders and the executive Directors have agreed to indemnify the Hong Kong Underwriters against certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

SOLE SPONSOR INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable set out in Rule 3A.07 of the Listing Rules.

UNDERWRITERS' INTERESTS IN OUR COMPANY

The Joint Global Coordinators and other Underwriters will receive an underwriting commission. Particulars of these underwriting commission and expenses are set out in the paragraph headed "– Underwriting arrangements and expenses – International Placing – Underwriting commission and expenses" in this section for further information.

Our Company have appointed Dakin Capital Limited as its compliance adviser pursuant to Rule 3A.l9 of the Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 3A.46 of the Listing Rules in respect of its financial results for the first financial year commencing after such Listing Date, or until the agreement is terminated, whichever is earlier.

Save as disclosed in this prospectus and other than pursuant to the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

MINIMUM PUBLIC FLOAT

Our Directors and the Joint Global Coordinators will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Global Offering.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Placing (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilising process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to our Shares, those activities could include acting as agent for buyers and sellers of our Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in our Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including our Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of our Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in our Shares, in baskets of securities or indices including our Shares, in units of funds that may purchase our Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having our Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in our Shares in most cases.

All such activities may occur both during and after the end of the stabilising period described in the section headed "Structure and conditions of the Global Offering" in this prospectus. Such activities may affect the market price or value of our Shares, the liquidity or trading volume in our Shares and the volatility of the price of our Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilising Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilising or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Dakin Capital is the Sole Sponsor. Dakin Securities Limited is the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers.

The Global Offering consists of (subject to adjustment and the Over-allotment Option):

- the Hong Kong Public Offering of 25,000,000 Shares (subject to adjustment as mentioned below) in Hong Kong as described under the paragraph headed "– The Hong Kong Public Offering" in this section below; and

- the International Placing of 225,000,000 Shares (subject to adjustment and the Over-allotment Option as mentioned below), as described under the paragraph headed "– The International Placing" in this section below.

Up to 37,500,000 additional Shares may be offered pursuant to the exercise of the Over-allotment Option as set forth in the paragraph headed "Over-allotment Option" in this section.

Investors may apply for the Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the Offer Shares under the International Placing, but may not do both. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Placing will involve selective marketing of the Offer Shares to institutional and professional investors and other investors. The International Underwriters are soliciting from prospective investors indications of interest in acquiring the Offer Shares in the International Placing. Prospective investors will be required to specify the number of Offer Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Placing respectively may be subject to adjustment as described in the paragraph headed "Pricing and allocation" in this section.

PRICING AND ALLOCATION

Offer Price

The Offer Price will be not more than HK$0.56 per Offer Share and is expected to be not less than HK$0.40 per Offer Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as explained below.

Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

Price payable on application

Applicants under the Hong Kong Public Offering must pay, on application, the maximum indicative Offer Price of HK$0.56 per Hong Kong Offer Share plus 1% brokerage, a 0.0027% SFC transaction levy and a 0.005% Stock Exchange trading fee, amounting to a total of HK$2,828.22 for one board lot of 5,000 Shares. Each Application Form includes a table showing the exact amount payable on certain numbers of Offer Shares. If the Offer Price as finally determined in the manner described below, is less than HK$0.56, appropriate refund payments (including the brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants without interest. For further details, please refer to the section headed "How to apply for the Hong Kong Offer Shares – 13. Refund of application monies" in this prospectus.

Determining the Offer Price

The International Underwriters are soliciting from prospective investors indications of interest in acquiring our Shares in the International Placing. Prospective investors will be required to specify the number of Offer Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or about the Price Determination Date.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or about Tuesday, 7 November 2017 and in any event, no later than Friday, 10 November 2017.

If, for any reason, our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price at or before Friday, 10 November 2017, the Global Offering will not proceed and will lapse.

Reduction in Offer Price range and/or number of Offer Shares

If, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, the Joint Global Coordinators (for themselves and on behalf of the Underwriters) consider it appropriate and together with the consent of our Company, the indicative Offer Price range and/or the number of Hong Kong Offer Shares may be reduced below that stated in this prospectus at any time prior to the Price Determination Date.

In such a case, our Company will, as soon as practicable following the decision to make any such reduction, and in any event not later than the Price Determination Date, cause to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.shuangyunholdings.com**, an announcement of such change on or before the Price Determination Date and will issue a supplemental prospectus updating investors of the change in the indicative Offer Price; extend the period under which the Hong Kong Public Offering was open for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions; and give potential investors who had applied for the Shares the right to withdraw their applications under the Hong Kong Public Offering. In such event, details of the arrangement will be announced by our Company as soon as practicable. Prospective investors of the Offer Shares should be aware that the Offer Price to be determined on the Price Determination Date may be, but is currently not expected to be, lower than the indicative Offer Price range stated in this prospectus. In the absence of the publication of any such notice the Offer Price shall under no circumstances be set outside the Offer Price range indicated in this prospectus.

Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price range and/or number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

Allocation

The Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators.

Allocation of the Offer Shares pursuant to the International Placing will be determined by the Joint Global Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy furthermore, and/or hold or sell Shares after Listing. Such allocation may be made to professional, institutional and corporate investors and is intended to result in a distribution of our Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and our Shareholders as a whole.

Allocation of our Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

Announcement of final Offer Price and basis of allocations

The applicable final Offer Price, the level of indications of interest in the International Placing, the level of applications under the Hong Kong Public Offering and the basis of allocations of the Hong Kong Offer Shares are expected to be announced on Tuesday, 14 November 2017 on the website of our Company at **www.shuangyunholdings.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

Results of allocations in the Hong Kong Public Offering, including the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants (where applicable) and the number of Hong Kong Offer Shares successfully applied for under **WHITE** and **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC or by applying online through the **White Form eIPO** Service Provider under the **White Form eIPO** service, will be made available through a variety of channels as described in the section headed "How to apply for the Hong Kong Offer Shares – 11. Publication of results" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares pursuant to the Hong Kong Public Offering will be conditional upon, among other things:

- the Listing Committee granting listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering (including the exercise of the Over-allotment Option, and any Shares which may be issued pursuant to the exercise of options which may be granted under the Share Option Scheme);
- the Offer Price having been duly agreed on or around the Price Determination Date;
- the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

- the obligations of the Underwriters under each of the International Underwriting Agreement and the Hong Kong Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in such 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.

The consummation of each of the Hong Kong Public Offering and the International Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived, prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. In such event, all application monies will be returned without interest on the terms set out in the section headed "How to apply for the Hong Kong Offer Shares – 13. Refund of application monies" in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the Receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Tuesday, 14 November 2017 but will only become valid certificates of title at 8:00 a.m. on Wednesday, 15 November 2017, provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offering – Grounds for termination" in this prospectus has not been exercised.

THE HONG KONG PUBIC OFFERING

Number of Shares initially offered

Our Company is initially offering 25,000,000 Shares at the Offer Price, representing 10% of the 250,000,000 Shares initially available under the Global Offering, for subscription by the public in Hong Kong. Subject to adjustment as mentioned below, the number of Shares offered under the Hong Kong Public Offering will represent 2.50% of the total issued share capital of our Company immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional 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 Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "Structure and conditions of the Global Offering" in this section.

Allocation

For allocation purposes only, the Hong Kong Offer Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account any adjustment in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Placing) will be divided equally into two pools (subject to adjustment of odd lot size). Pool A will comprise 12,500,000 Hong Kong Offer Shares and Pool B will comprise 12,500,000 Hong Kong Offer Shares, both of which are available on a equitable basis to successful applicants. All valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage, the SFC transaction levy and the Stock Exchange trading fee) of HK$5,000,000 or below will fall into Pool A and all valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage, the SFC transaction levy and the Stock Exchange trading fee) of over HK$5,000,000 and up to the total value of Pool B will fall into Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one pool (but not both pools) are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools and may only apply for Hong Kong Offer Shares in either Pool A or Pool B. In addition, multiple or suspected multiple applications within either pool or between pools will be rejected.

No application will be accepted from applicants for more than 12,500,000 Hong Kong Offer Shares (being 50% of the initial number of Hong Kong Offer Shares).

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing is subject to adjustment. If the number of Offer Shares validly applied for in the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 75,000,000, 100,000,000 and 125,000,000 Shares, respectively, representing 30% (in the case of (i)), 40% (in the case of (ii)) and 50% (in the case of (iii)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). In such cases, the number of Offer Shares allocated in the International Placing will be correspondingly reduced, in such manner as the Joint Global Coordinators deems appropriate, and such additional Offer Shares will be allocated to Pool A and Pool B equally.

If the Hong Kong Offer Shares are not fully subscribed, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Placing, in such proportions as the Joint Global Coordinators deems appropriate. In addition, the Joint Global Coordinators may reallocate International Placing Shares from the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators.

Applications

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Placing, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Global Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for Offer Shares under the Hong Kong Public Offering.

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person for whose benefit he 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 Offer Shares under the International Placing, and such applicant's application is liable to be rejected if the said undertaking or confirmation is breached or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Placing. References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL PLACING

Number of Offer Shares offered

The number of the Offer Shares to be initially offered for subscription by our Company under the International Placing will be 225,000,000 Shares, representing 90% of the Offer Shares under the Global Offering. The International Placing is subject to the Hong Kong Public Offering becoming unconditional.

Allocation

Pursuant to the International Placing, the International Underwriters will conditionally place our Shares with institutional and professional investors and other investors expected to have a sizeable demand for the International Placing Shares. Allocation of the International Placing Shares pursuant to the International 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, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its International Placing Shares after Listing. Such allocation is intended to result in a distribution of the International Placing Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and our Shareholders as a whole.

OVER-ALLOTMENT OPTION

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters), under the International Underwriting Agreement. Under the Over-allotment Option, which will be exercisable at any time for up to 30 days after the last day for lodging of applications under the Hong Kong Public Offering, we may be required to issue at the Offer Price and otherwise on the same terms and conditions as the Shares that are subject to the Global Offering up to an aggregate of 37,500,000 additional Shares, representing 15.0% of the total number of Shares initially available under the Global Offering. If the Over-allotment Option is exercised in full, the additional Shares made available under the Over-allotment Option will represent 2.73% of the total Shares in issue immediately after completion of the Global Offering and the exercise in full of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.shuangyunholdings.com**.

STOCK BORROWING AGREEMENT

The Stabilising Manager, or any person acting for it may choose to borrow Shares from Jian Sheng under the Stock Borrowing Agreement, or acquire Shares from other sources, including the exercise of the Over-allotment Option. The Stock Borrowing Agreement will not be subject to the restrictions of Rule 10.07(l)(a) of the Listing Rules provided that the requirements set forth in Rule 10.07(3) of the Listing Rules are to be complied with as follows:

- such stock borrowing arrangement with Jian Sheng will only be effected by the Stabilising Manager or any person acting for it for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Placing;

- the maximum number of Shares borrowed from Jian Sheng under the Stock Borrowing Agreement will be limited to the maximum number of Shares which may be issued upon exercise of the Over-allotment Option;
- the same number of Shares so borrowed must be returned to Jian Sheng or its nominees on or before the third business day following the earlier of (i) the last day on which the Over-allotment Option may be exercised, (ii) the date on which the Over-allotment Option is exercised in full and the relevant over-allocation shares have been allocated, and (iii) such earlier time as the parties may from this to time agree in writing;
- the stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws, listing rules and regulatory requirements; and
- no payment will be made to Jian Sheng by the Stabilising Manager or its authorised agents in relation to such stock borrowing arrangement.

STABILISATION AND OVER-ALLOTMENT

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise the underwriters may bid for, or purchase, the new securities in the secondary market during a specified period of time to retard and, if possible, prevent any decline in the market price of the securities below the offer price in Hong Kong, activity aimed at reducing the market price is prohibited and the price at which stabilisation is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilising Manager, or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect any other transactions with a view to stabilising or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. Any market purchases of Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilising Manager or any person acting for it to conduct any such stabilising activity, which if commenced, will be done at the absolute discretion of the Stabilising Manager and may be discontinued at any time. Any such stabilising activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of Offer Shares that may be over-allocated will not exceed the number of Offer Shares that may be sold under the Over-allotment Option, namely, 37,500,000 Shares, which is 15% of the Offer Shares initially available under the Global Offering.

Stabilising action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) includes: (i) over-allocation for the purpose of preventing or minimising any reduction in the market price of our Shares; (ii) selling or agreeing to sell the Offer Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of the Offer Shares; (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the Offer Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) purchasing, or agreeing to purchase, any of the Offer Shares for the sole purpose of preventing or minimising any reduction in the market price of our Shares; (v) selling or agreeing to sell any Offer Shares in order to liquidate any position held as a result of those purchases; and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v).

Specifically, prospective applicants for and investors in our Shares should note that:

- the Stabilising Manager, or any person acting for it, may, in connection with the stabilising action, maintain a long position in the Shares;

- there is no certainty regarding the extent to which and the time period for which the Stabilising Manager, or any person acting for it, will maintain such a position;

- liquidation of any such long position by the Stabilising Manager may have an adverse impact on the market price of our Shares;

- no stabilising action can be taken to support the price of our Shares for longer than the stabilising period which will begin on the Listing Date following announcement of the Offer Price, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilising action may be taken, demand for our Shares, and therefore the price of our Shares, could fall;

- the price of our Shares cannot be assured to stay at or above the Offer Price either during or after the stabilising period by taking of any stabilising action; and

- stabilising bids may be made or transactions effected in the course of the stabilising action at any price at or below the Offer Price, which means that stabilising bids may be made or transactions elected at a price below the price paid by applicants for, or investors in our Shares.

Our Company will ensure or procure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) will be made within seven days of the expiration of the stabilising period.

In connection with the Global Offering, the Stabilising Manager may over-allocate up to and not more than an aggregate of 37,500,000 additional Shares and cover such over-allocations by exercising the Over-allotment Option, or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means. In particular, for the purpose of settlement of over-allocations in connection with the International Placing, the Stabilising Manager may borrow up to 37,500,000 Shares from Jian Sheng, equivalent to the maximum number of Shares to be issued on the full exercise of the Over-allotment Option, under the Stock Borrowing Agreement.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling our Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, our Shares and our Company complies 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 date of commencement of dealings in our 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 Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, 15 November 2017, it is expected that dealings in our Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, 15 November 2017. The Shares will be traded in board lots of 5,000 Shares. The stock code of the Shares will be 1706.

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Placing Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Global Coordinators, **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any our subsidiaries;
- a Director or chief executive officer of our Company and/or any of our subsidiaries;
- an associate (as defined in the Listing Rules) of any of the above;
- a connected person (as defined in the Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Global Offering; and
- have been allocated or have applied for any International Placing Shares or otherwise participate in the International Placing.

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through **www.eipo.com.hk**.

For Hong Kong 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, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

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 Tuesday, 31 October 2017 until 12:00 noon on Friday, 3 November 2017 from:

(i) the following address of the Hong Kong Underwriters:

- China-Hong Kong Link Securities Company Limited, at 19/F, 80 Gloucester Road, Wanchai, Hong Kong
- Dakin Securities Limited, at Room 2701, Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty, Hong Kong

(ii) any of the following branches of DBS Bank (Hong Kong) Limited:

	Branch name	Address
Hong Kong Island	North Point Branch	G/F, 391 King's Road, North Point
Kowloon	Amoy Plaza Branch	Shops G193-195, Amoy Plaza, 77 Ngau Tau Kok Road, Ngau Tau Kok
	Canton Road – DBS Treasures Centre	G/F, Hanley House, 68 Canton Road, Tsimshatsui
New Territories	Tuen Mun Town Plaza – SME Banking Centre	Shop 23, G/F, Tuen Mun Town Plaza (II), 3 Tuen Lung Street, Tuen Mun

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 31 October 2017 until 12:00 noon on Friday, 3 November 2017 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Ting Hong Nominees Limited – Shuang Yun 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:

- Tuesday, 31 October 2017 – 9:00 a.m. to 5:00 p.m.
- Wednesday, 1 November 2017– 9:00 a.m. to 5:00 p.m.
- Thursday, 2 November 2017– 9:00 a.m. to 5:00 p.m.
- Friday, 3 November 2017– 9:00 a.m. to 12:00 noon

The Application Lists will be open from 11:45 a.m. to 12:00 noon on Friday, 3 November 2017 the last application day or such later time as described in the paragraph headed "– 10. Effect of bad weather on the opening of the application lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through **White Form eIPO** service, among other things, you:

(i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Joint Global Coordinators (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 Hong Kong 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 (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the 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 Global Offering in this prospectus;

(vi) agree that none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering 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 Offer Shares under the International Placing nor participated in the International Placing;

(viii) agree to disclose to our Company, our Hong Kong Share Registrar, the Receiving bank, the Sole Sponsor, the Joint Global Coordinators, 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 Global Coordinators, 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 (a) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (b) you and any person for whose benefit you are applying for the Hong Kong 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 Hong Kong 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 the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have fulfilled the criteria mentioned in "Personal collection" section in the Prospectus 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 and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** service 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 (a) 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 (b) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in the paragraph headed "2. Who can apply" in this section may apply through the **White Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

Time for Submitting Applications under the White Form eIPO

You may submit your application to **White Form eIPO** service at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Tuesday, 31 October 2017 until 11:30 a.m. on Friday, 3 November 2017 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, 3 November 2017 or such later time under the paragraph headed "10. Effect of bad weather on the opening of the application lists" in this section.

No Multiple Applications

If you apply by means of **White Form eIPO** service, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Environmental Protection

The obvious advantage of **White Form eIPO** is to save the use of papers via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK$2 per each "Shuang Yun Holdings Limited" **White Form eIPO** application submitted via **www.eipo.com.hk** to support the funding of "Source of Dong Jiang – Hong Kong Forest" project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong 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 Hong Kong 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 Global Coordinators and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong 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 Hong Kong 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 Hong Kong 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 International 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, our Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong 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 Hong Kong 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 Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, the Receiving bank, the Joint Global Coordinators, the Underwriters and/or its 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 Hong Kong 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 Hong Kong Public Offering 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 Hong Kong 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 (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Articles of Association; 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 Hong Kong Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 5,000 Hong Kong Offer Shares. Instructions for more than 5,000 Hong Kong 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 Hong Kong 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:

- Tuesday, 31 October 2017 – 9:00 a.m. to 8:30 p.m.(1)
- Wednesday, 1 November 2017 – 8:00 a.m. to 8:30 p.m.(1)
- Thursday, 2 November 2017 – 8:00 a.m. to 8:30 p.m.(1)
- Friday, 3 November 2017 – 8:00 a.m.(1) to 12:00 noon

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, 31 October 2017 until 12:00 noon on Friday, 3 November 2017 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Friday, 3 November 2017, the last application day or such later time as described in the paragraph headed "10. 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 Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong 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 Hong Kong 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, our Hong Kong Share Registrar, the Receiving bank, the Joint Global Coordinators, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Joint Bookrunners, the Sole Sponsor, the Joint Global Coordinators, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through **White Form eIPO** service will be allotted any Hong Kong 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 Friday, 3 November 2017.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **White Form eIPO** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company, then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange. "Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through **White Form eIPO** service in respect of a minimum of 5,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 5,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, please refer to the section headed "Structure and conditions of the Global Offering – Pricing and allocation" in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The Application Lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 3 November 2017. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the Application Lists do not open and close on Friday, 3 November 2017 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected timetable" in this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, 14 November 2017 our Company's website at **www.shuangyunholdings.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering 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.shuangyunholdings.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 8:00 a.m. on Tuesday, 14 November 2017;

- from the designated results of allocations website at **www.iporesults.com.hk** with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Tuesday, 14 November 2017 to 12:00 midnight on Monday, 20 November 2017;

- by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Tuesday, 14 November 2017 to Friday, 17 November 2017;

- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, 14 November 2017 to Thursday, 16 November 2017 at all the Receiving bank's designated 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 Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure and conditions of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the Application Lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

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:

Our Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list our 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) Hong Kong Offer Shares and International Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Global Coordinators 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 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK$0.56 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure of the Global Offering – Conditions of the Global Offering" 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 or before Tuesday, 14 November 2017.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (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 our 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 Hong Kong 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 Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Tuesday, 14 November 2017. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, 15 November 2017 provided that the Global Offering 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 Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, 14 November 2017 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on or before Tuesday, 14 November 2017, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above for collection your refund cheque(s). If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Tuesday, 14 November 2017, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Tuesday, 14 November 2017, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS Investor Participant)*

  For Hong Kong Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS participant.

- *If you apply as a CCASS Investor Participant*

  Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering 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 Tuesday, 14 November 2017 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the White Form eIPO service

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, 14 November 2017, or such other date as notified by our Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, 14 November 2017 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong 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 Tuesday, 14 November 2017, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our 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 Hong Kong Public Offering in the manner specified in the paragraph headed "– 11. Publication of results" in this section on Tuesday, 14 November 2017. You should check the announcement published by our Company and report any discrepancies to HKSCC before Tuesday, 14 November 2017 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong 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 Hong Kong 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 Tuesday, 14 November 2017. Immediately following the credit of the Hong Kong 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 Hong Kong 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 Tuesday, 14 November 2017.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our Shares and we comply 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 date of commencement of dealings in our Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the 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 our Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-71 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 SHUANG YUN HOLDINGS LIMITED AND DAKIN CAPITAL LIMITED

Introduction

We report on the historical financial information of Shuang Yun Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages I-5 to I-71 which comprises the combined statements of financial position as at 31 December 2014, 2015, 2016 and 30 April 2017, and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the three years ended 31 December 2016 and the four months ended 30 April 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-5 to I-71 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 31 October 2017 (the "**Prospectus**") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility 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 misstatement, 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 assessments, the reporting accountants consider internal control relevant to the entity'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 the entity'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 purposes of the accountants' report, a true and fair view of the Group's combined financial position as at 31 December 2014, 2015, 2016 and 30 April 2017, and of the Group's combined financial performance and combined 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.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the four months ended 30 April 2016 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, 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 Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

The Historical Financial Information is stated after making such adjustments to the Underlying Financial Statements as defined on page I-5 as were considered necessary.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about dividends 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 statements 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
31 October 2017

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 Double-Trans Pte. Ltd. ("**Double-Trans**") and Samco Civil Engineering Pte. Ltd. ("**Samco**") for the Track Record Period, which were prepared in accordance with the accounting policies conform with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("**IASB**"). The financial statements of Double-Trans and Samco were audited by Deloitte & Touche LLP Singapore, a firm of Public Accountants and Chartered Accountants registered in Singapore, in accordance with the International Standards on Auditing issued by 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 31 December			Four months ended 30 April	
	NOTES	**2014**	**2015**	**2016**	**2016**	**2017**
		S$	*S$*	*S$*	*S$*	*S$*
					(unaudited)	
Revenue	*6*	42,738,909	44,632,963	51,469,726	11,202,880	21,909,695
Cost of services		(34,141,515)	(33,045,917)	(34,080,060)	(7,364,324)	(16,243,603)
Gross profit		8,597,394	11,587,046	17,389,666	3,838,556	5,666,092
Other income and expenses	*7*	136,463	572,926	344,621	200,321	412,843
Administrative expenses		(4,746,530)	(5,062,832)	(8,195,375)	(2,374,900)	(3,477,298)
Other gains and losses	*8*	(299)	291,406	(468,420)	10,863	(102,668)
Listing expenses		–	–	–	–	(829,536)
Finance costs	*9*	(709,942)	(748,953)	(954,944)	(290,029)	(467,797)
Profit before taxation	*10*	3,277,086	6,639,593	8,115,548	1,384,811	1,201,636
Income tax expense	*11*	(513,134)	(1,033,214)	(1,064,874)	(96,081)	(283,697)
Profit for the year/period		2,763,952	5,606,379	7,050,674	1,288,730	917,939
Other comprehensive income						
Item that will not be reclassified to profit or loss:						
Gain on revaluation of properties, net of related income tax		–	420,251	251,072	–	219,185
Profit and other comprehensive income for the year/period		2,763,952	6,026,630	7,301,746	1,288,730	1,137,124

COMBINED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at 31 December 2014 S$	2015 S$	2016 S$	As at 30 April 2017 S$
Non-current assets					
Property, plant and equipment	*15*	10,783,114	13,879,251	21,674,805	22,001,758
Investment property	*16*	–	–	2,320,000	2,300,000
Deposit for acquisition of a property		–	400,000	–	–
Bank deposit	*21*	–	–	–	170,000
		10,783,114	14,279,251	23,994,805	24,471,758
Current assets					
Trade receivables	*17*	14,841,298	19,465,822	33,307,414	35,676,967
Other receivables, deposits and prepayments	*18*	301,276	658,920	996,115	1,823,944
Amounts due from customers for construction work	*19*	4,635,172	4,011,566	2,928,462	5,172,459
Amounts due from directors	*20a*	33,508	472,769	22,834	245,524
Bank balances and cash	*21*	1,529,989	1,180,596	395,514	249,559
		21,341,243	25,789,673	37,650,339	43,168,453
Current liabilities					
Amount due to a director	*20b*	79,187	1,682	42,196	356,152
Trade and other payables	*22*	9,063,845	9,164,868	9,604,379	12,555,106
Obligations under finance leases	*23*	1,743,173	2,288,742	3,186,694	3,176,285
Income tax payable		381,022	1,331,551	1,874,647	1,118,189
Borrowings	*24*	9,397,738	8,659,776	14,985,869	17,029,364
		20,664,965	21,446,619	29,693,785	34,235,096
Net current assets		676,278	4,343,054	7,956,554	8,933,357
Non-current liabilities					
Obligations under finance leases	*23*	3,106,047	3,602,758	5,436,776	5,207,305
Borrowings	*24*	1,230,234	1,755,747	6,025,097	5,479,308
Deferred tax liabilities	*25*	424,825	538,884	616,824	708,716
		4,761,106	5,897,389	12,078,697	11,395,329
Net assets		6,698,286	12,724,916	19,872,662	22,009,786
Capital and reserves					
Share capital	*26*	4,000,000	5,500,000	7,500,000	9,000,000
Reserves		2,698,286	7,224,916	12,372,662	13,009,786
Equity attributable to owners of the Company		6,698,286	12,724,916	19,872,662	22,009,786

COMBINED STATEMENTS OF CHANGES IN EQUITY

		Reserves		
	Share capital	Revaluation reserves	Accumulated profits	Total
	S$	*S$*	*S$*	*S$*
At 1 January 2014	4,000,000	–	534,334	4,534,334
Profit for the year	–	–	2,763,952	2,763,952
Profit and other comprehensive income for the year	–	–	2,763,952	2,763,952
Dividends *(Note 13)*	–	–	(600,000)	(600,000)
At 31 December 2014	4,000,000	–	2,698,286	6,698,286
Profit for the year	–	–	5,606,379	5,606,379
Gain on revaluation of properties, net of related income tax	–	420,251	–	420,251
Profit and other comprehensive income for the year	–	420,251	5,606,379	6,026,630
Shares issuance *(Note 26)*	1,500,000	–	–	1,500,000
Dividends *(Note 13)*	–	–	(1,500,000)	(1,500,000)
At 31 December 2015	5,500,000	420,251	6,804,665	12,724,916
Profit for the year	–	–	7,050,674	7,050,674
Gain on revaluation of properties, net of related income tax	–	251,072	–	251,072
Profit and other comprehensive income for the year	–	251,072	7,050,674	7,301,746
Shares issuance *(Note 26)*	2,000,000	–	–	2,000,000
Dividends *(Note 13)*	–	–	(2,154,000)	(2,154,000)
At 31 December 2016	7,500,000	671,323	11,701,339	19,872,662
Profit for the period	–	–	917,939	917,939
Gain on revaluation of properties, net of related income tax	–	219,185	–	219,185

		Reserves		
	Share capital	**Revaluation reserves**	**Accumulated profits**	**Total**
	S$	*S$*	*S$*	*S$*
Profit and other comprehensive income for the period	–	219,185	917,939	1,137,124
Shares issuance *(Note 26)*	1,500,000	–	–	1,500,000
Dividends *(Note 13)*	–	–	(500,000)	(500,000)
At 30 April 2017	9,000,000	890,508	12,119,278	22,009,786
For the four months ended 30 April 2016 (unaudited)				
At 1 January 2016	5,500,000	420,251	6,804,665	12,724,916
Profit and other comprehensive income for the period	–	–	1,288,730	1,288,730
At 30 April 2016	5,500,000	420,251	8,093,395	14,013,646

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Operating activities					
Profit before taxation	3,277,086	6,639,593	8,115,548	1,384,811	1,201,636
Adjustments for:					
Depreciation of property, plant and equipment	1,515,197	1,854,111	2,828,212	715,290	1,254,057
Finance costs	709,942	748,953	954,944	290,029	467,797
Loss (gain) on disposal of property, plant and equipment, net	298	(291,405)	258,420	(10,863)	82,668
Impairment on investment in an investee	1	–	–	–	–
Gain from disposal of an investee	–	(1)	–	–	–
Loss on fair value changes of investment properties	–	–	210,000	–	20,000
Operating cash flow before movement in working capital	5,502,524	8,951,251	12,367,124	2,379,267	3,026,158
Movements in working capital:					
Increase in trade receivables	(11,232,557)	(3,999,724)	(13,841,592)	(5,152,332)	(2,369,553)
Decrease (increase) in other receivables, deposits and prepayments	1,834,605	(357,644)	(337,195)	1,306,782	(827,829)
Increase (decrease) in trade and other payables	1,196,966	(523,777)	439,511	(1,567,092)	2,950,727
Decrease (increase) in amounts due from construction work	1,854,801	623,606	1,083,104	849,979	(2,243,997)
Cash (used in) generated from operations	(843,661)	4,693,712	(289,048)	(2,183,396)	535,506
Income tax (paid) refunded	(53,067)	31,374	(495,263)	(305,428)	(993,156)
Net cash (used in) from operating activities	(896,728)	4,725,086	(784,311)	(2,488,824)	(457,650)
Investing activities					
Advances to directors	(792,305)	(1,924,143)	(1,727,505)	(1,067,858)	(250,010)
Repayments from directors	2,437,713	1,484,882	2,177,440	1,127,561	27,320
Purchase of property, plant and equipment	(310,605)	(1,419,846)	(7,168,517)	(576,398)	(471,572)
Proceeds from disposal of property, plant and equipment	25,000	431,128	283,521	256,500	174,182
Deposits paid for acquisition of a property	–	(400,000)	–	(407,000)	–
Proceed from disposal of an investee	–	1	–	–	–
Placement of pledged bank deposit	–	–	–	–	(170,000)
Net cash from (used in) investing activities	1,359,803	(1,827,978)	(6,435,061)	(667,195)	(690,080)

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Financing activities					
Loan from directors	2,303,206	3,766,985	1,972,434	1,177,547	555,959
Repayment of loan from directors	(2,224,019)	(3,844,490)	(1,931,920)	(129,515)	(242,003)
Proceeds from new borrowings raised	2,914,061	48,826,755	48,207,545	15,202,115	19,239,409
Repayment of borrowings	(188,849)	(48,962,121)	(41,454,065)	(13,165,560)	(17,568,005)
Increase (decrease) in bank overdraft	849,251	(77,083)	3,841,963	724,024	(173,698)
Repayment of finance leases	(1,887,440)	(2,207,594)	(3,092,723)	(1,005,427)	(1,342,090)
Interests paid	(709,942)	(748,953)	(954,944)	(290,029)	(467,797)
Dividends paid	(600,000)	(1,500,000)	(2,154,000)	–	–
Proceeds from issue of shares	–	1,500,000	2,000,000	–	1,000,000
Net cash from (used in) financing activities	456,268	(3,246,501)	6,434,290	2,513,155	1,001,775
Net increase (decrease) in cash and cash equivalents	919,343	(349,393)	(785,082)	(624,864)	(145,955)
Cash and cash equivalents at beginning of the year/period	610,646	1,529,989	1,180,596	1,180,596	395,514
Cash and cash equivalents at end of the year/period, represented by bank balances and cash	1,529,989	1,180,596	395,514	555,732	249,559

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 June 2017. The registered office of the Company is Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands. The principal place of business is at No. 4, Sungei Kadut Street 2, Singapore.

The Company is an investment holding company and the principal activities of its operating subsidiaries are provision of road construction services (including new road construction, road widening, and construction of road-related facilities), construction ancillary services (including road maintenance works), and lease of construction machineries.

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 the 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 (the "**Reorganisation**") (details are set out below).

Prior to the Reorganisation, the operating subsidiaries of the Group including those group companies incorporated in Singapore set out in Note 32, were controlled by Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong, who are sibling (together referred to the "Controlling Shareholders"). In preparing for the initial listing of the shares of the Company on the Main Board of the Stock Exchange, the companies comprising the Group underwent a group reorganisation as described below:

(i) Jian Sheng Holdings Limited ("Jian Sheng", a company is not forming part of the Group) was incorporated in the British Virgin Islands ("**BVI**") on 15 June 2017 with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each. 8 shares and 2 shares were allotted and issued to Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong at a consideration of US$1.00 each respectively on the same day.

(ii) The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 June 2017 with an authorised share capital of HK$380,000 divided into 3,800,000 shares of HK$0.10 each. The entire issued share capital of the Company, one fully paid share at par, was allotted and issued to an initial subscriber. The initial subscriber transferred the Company to Jian Sheng by transferring one fully paid share to Jian Sheng at par value on the same day.

(iii) Shuang Yun (BVI) Limited ("**Shuang Yun (BVI)**") was incorporated in the BVI on 21 June 2017 with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each. One share was allotted and issued to the Company at a consideration of US$1.00 on the same day.

(iv) On 19 October 2017, pursuant to the terms of a share swap agreement entered between Mr. Tan Chai Ling, Ms. Alynda Tan Hue Hong, Jian Sheng and Shuang Yun (BVI):

– Mr. Tan Chai Ling, Ms. Alynda Tan Hue Hong agreed to transfer 7,360,000 shares and 1,840,000 shares, respectively, in Double-Trans to Shuang Yun (BVI); Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong agreed to transfer 1,200,000 shares and 300,000 shares, respectively, in Samco to Shuang Yun (BVI); and

– in consideration of above transfers, Jian Sheng issued and allotted 80 shares in Jian Sheng to Mr. Tan Chai Ling and 20 shares in Jian Sheng to Ms. Alynda Tan Hue Hong.

After completion of the above share transfers, Double-Trans and Samco became the indirect wholly-owned subsidiaries of the Company.

The Group, comprising the Company, resulting from the Reorganisation has always been under the common control of the Controlling Shareholders throughout the Track Record Period or from the respective date of incorporation to 30 April 2017, where there is a shorter period, or where it was incorporated after 30 April 2017, since its date of incorporation, regardless of the actual dates when they formally and legally became subsidiaries of the Company. Therefore, the Group is regarded as a continuing entity and merger accounting has been applied for the preparation of the Historical Financial Statements.

The Historical Financial Information has been prepared under the principles of common control combination as if the Company had been the holding company of the Group throughout the Track Record Period and as at each reporting date taking into account the respective date of incorporation of the group entities. 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 current group structure had been in existence throughout the Track Record Period, or since their respective dates of incorporation, where there is a shorter period. The combined statements of financial position of the Group as at 31 December 2014, 2015 and 2016 and at 30 April 2017 have been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at those dates taking into account the respective dates of incorporation, where applicable.

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 January 2017 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, 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 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IAS 40	Transfers of Investment Property[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle except for amendments to IFRS 12[1]

[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*

Except as described below, the management of the Group considers that the application of the other new and amendments to IFRSs, IASs and the 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 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' (FVTOCI). 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39 *Financial Instruments*: *Recognition and Measurement*, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented 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.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanism currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

In the opinion of the directors of the Company, based on the historical experience of the Group, the default rate of the outstanding balances with customers is low. Hence, the directors of the Company anticipate that the application of IFRS 9 would not have material impact on the Group's future consolidated financial statements. The above assessments were made based on an analysis of the Group's financial assets as at 30 April 2017 on the basis of the facts and circumstances that existed at that date. It is also expected 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 April 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 Group has performed a review of the existing contractual arrangements with its customers as at 30 April 2017 and the directors of the Company anticipate that the application of IFRS 15 in the future may result in more disclosures but will not 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.

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

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.

As at 30 April 2017, the Group has non-cancellable operating lease commitments of S$781,316 as disclosed in Note 27. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. The combination of straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the statement of profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term, but there is no impact on the total expenses recognised over the lease term. The directors of the Company anticipate that the application of IFRS 16 would not have significant impact on the net financial position and performance of the Group comparing with IAS 17 currently adopted by the Group. In addition, the application of new requirements may result changes in presentation and disclosure as indicated above.

4. Significant Accounting Policies

The Historical Financial Information has been prepared on the historical cost basis, except for buildings and investment properties that are measured at revalued amount or fair value, 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 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 leasing 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 realised value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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/period 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 in line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Merger accounting for business combination involving business under common control

The Historical Financial Information incorporates the financial information of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under control of the controlling entity.

The net assets of the combining businesses are combined using the existing carrying values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The combined statements of profit or loss and other comprehensive income include the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where is a shorter period, regardless of the date of the common control combination.

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 provision of construction services

Revenue from construction services is recognised in accordance with the Group's accounting policy on construction contracts (see below construction contracts policy).

(ii) Revenue from provision of construction auxiliary services

Revenue from provision of construction auxiliary services is recognised when the services are provided.

(iii) Rental income

Revenue is recognised, on a straight-line basis, over the terms of the respective contracts.

(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 percentage of completion of the contract activity at the end of the reporting period.

The percentage of completion is measured by contract costs incurred to date as compared to the estimated total contract costs.

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.

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 construction work. 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 construction work. Amounts received before the related work is performed are included in the combined statements of financial position, as a liability, as advances received. 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 a finance lease obligation. 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.

The Group as lessor

Rental income from operating lease is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

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 benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deduction of 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 costs, interest and re-measurement 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/period. 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 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.

Other than buildings using revaluation model, depreciation is recognised so as to write off the cost of other 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.

Buildings are stated in the combined statements of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of buildings is recognised in other comprehensive income and accumulated in revaluation reserves, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Transfer from investment properties to property, plant and equipment will be made when there is a change in use evidenced by commencement of owner occupation. The fair value at the date of transfer becomes the deemed cost for subsequent accounting as property, plant and equipment.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserves. On the subsequent sales or retirement of the asset, the relevant revaluation reserve will be transferred directly to accumulated profits upon board's approval.

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. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated profits. No transfer is made from the revaluation reserve to accumulated profits except when an asset is derecognised and the transfer is approved by the board.

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.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as 'prepaid lease payments' in the combined statements of financial position and is amortised over the lease term on a straight-line basis. 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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or 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 (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Financial instruments

Financial assets and liabilities are recognised in the Historical Financial Information when a group entity becomes a party to the contractual provisions of the instruments.

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 liabilities are added to or deducted from the fair value of 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 assets are 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, amount due from directors and bank balances and cash) 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 financial asset 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 or 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 asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

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.

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 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 due beyond 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 financial assets carried at cost, the amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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. 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 entities 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 and 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 their liabilities. Equity instruments issued by the group entities 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.

De-recognition

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 de-recognition of a financial asset, 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.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the Historical Financial Information when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

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.

Construction contracts

The Group recognises contract revenue and contract costs using the percentage of completion method. The percentage of completion is measured by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs.

Management reviews the construction 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.

The carrying amounts of assets and liabilities arising from construction contracts are disclosed in Note 19.

Estimated impairment of receivables

Management assesses at the end of each reporting period whether there is any objective evidence that trade and other receivables are impaired. If there is objective evidence that an impairment loss on trade and other 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. The amount of the loss is recognised in profit or loss. Where the actual future cash flows are less than expected, an impairment loss may arise. During the year ended 31 December 2014, 2015 and 2016 and the four months ended 30 April 2017, no allowance for doubtful debts were provided for in the Historical Financial Information. The carrying amounts of the trade and other receivables are disclosed in Notes 17 and 18 respectively.

Unbilled revenue

Unbilled revenue representing accrued revenue earned based on time-recorded on an assignment estimated to be recoverable in subsequent financial periods and it is probable that the economic benefits associated with the transaction will flow to the Group. Where the actual collection of receivables upon billing to customers are less than expected, a loss may arise. The carrying amounts of the unbilled revenue is disclosed in Note 17.

6. Revenue and Segment Information

Revenue represents the fair value of amounts received and receivable from the provision of road construction services (including new road construction, road widening, and construction of road related facilities), construction ancillary services (including road maintenance works), and lease of construction machineries by the Group to external customers.

Information is reported to the Controlling Shareholders, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies as described in Note 4. The CODM reviews revenue by nature of services, i.e. provision of road construction services, provision of construction ancillary services and lease of construction machineries, and profit for the year/period as a whole. No further detailed analysis of the Group's results by type of services nor assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on services, 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 31 December			Four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Revenue from:					
Road construction services	18,738,414	18,255,726	12,517,186	1,826,139	7,038,590
Construction ancillary services	22,162,783	22,472,168	38,933,540	9,357,741	14,716,250
Lease of construction machineries	1,837,712	3,905,069	19,000	19,000	154,855
	42,738,909	44,632,963	51,469,726	11,202,880	21,909,695

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 31 December			Four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Revenue from:					
Customer I	11,465,524	15,150,784	25,340,866	5,409,593	8,100,336
Customer II	N/A*	8,675,553	N/A*	1,261,926	N/A*
Customer III	10,939,241	5,372,003	N/A*	N/A*	N/A*
Customer IV	N/A*	N/A*	13,038,844	1,882,149	8,633,841
Customer V	N/A*	N/A*	5,765,864	1,198,112	N/A*

* *The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective reporting period.*

Geographical information

The Group principally operates in Singapore. Approximately 96%, 91%, 99%, 99% (unaudited) and 96% of revenue are derived from Singapore based on the location of services delivered and majority of the Group's non-current assets are located in Singapore.

7. Other Income and Expenses

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Sales of miscellaneous parts	–	247,850	90,179	66,299	30,394
Income from provision of consultancy service, training and projects support services, net	64,050	34,798	–	–	277,068
Labour costs recharged to subcontractors	1,146,628	–	–	–	–
Less: associated costs	(1,146,628)	–	–	–	–
Government grant *(note)*	67,624	254,063	114,592	69,539	64,481
Rental income from investment properties	–	–	95,620	28,680	40,900
Sundry income	4,789	36,215	44,230	35,803	–
	136,463	572,926	344,621	200,321	412,843

Note:

Government grants mainly include subsidy from the Productivity and Innovation Credit Scheme ("PIC"), the Special Employment Credit and the Wages Credit Scheme, all of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

During the year of 31 December 2014, 2015 and 2016 and the four months ended 30 April 2016 and 2017, grants amounting to S$13,354, S$106,976, nil, nil (unaudited) and nil respectively under PIC were received.

During the year of 31 December 2014, 2015 and 2016, and the four months ended 30 April 2016 and 2017, grants amounting to S$19,292, S$58,326, S$71,668, S$24,139 (unaudited) and S$40,790 respectively, under Special Employment Credit were received respectively. Under the Special Employment Credit, the government aims to encourage and facilitate Singapore-registered business to hire older Singaporean workers and persons with disabilities.

During the year of 31 December 2014, 2015 and 2016, and the four months ended 30 April 2016 and 2017, grant amounting to S$26,242, S$53,817, S$30,555, S$30,555 (unaudited) and S$22,075 respectively, under Wages Credit Scheme were received. Under this credit scheme, the government provides assistance to Singapore-registered businesses by way of provide co-fund 40% and 20% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000 and below in 2014 to 2017.

The remaining balances of grants are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial supports with no future related to any assets.

8. Other Gains and Losses

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
(Loss) gain arising on disposal of property, plant and equipment	(298)	291,405	(258,420)	10,863	(82,668)
Loss on fair value change of investment properties	–	–	(210,000)	–	(20,000)
Impairment on investment in an investee	(1)	–	–	–	–
Gain from disposal of investment in an investee *(Note)*	–	1	–	–	–
	(299)	291,406	(468,420)	10,863	(102,668)

Note:

During the year ended 31 December 2015, Double-Trans disposed of its entire equity interest in Trafitech Pte. Ltd. ("Trafitech") (a Singapore incorporated company which is dormant since its date of incorporation), to a third party for proceeds of S$1. Prior to the disposal, impairment on the investment has been made because the investee is dormant and has no operations.

9. Finance Costs

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Interest on:					
Borrowings	493,569	527,920	685,473	210,839	359,430
Finance leases	216,373	221,033	269,471	79,190	108,367
	709,942	748,953	954,944	290,029	467,797

10. Profit Before Taxation

Profit before taxation for the year/period has been arrived at after charging:

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Depreciation of property, plant and equipment	1,515,197	1,854,111	2,828,212	715,290	1,254,057
Auditor's remuneration	–	–	–	–	–
Directors' remuneration	689,440	692,272	997,720	325,080	422,900
Other staff costs					
– Salaries and wages	7,822,652	10,290,827	11,718,017	3,007,835	4,311,680
– Contribution to CPF	346,324	314,913	434,613	127,500	188,955
Total staff costs	8,858,416	11,298,012	13,150,350	3,460,415	4,923,535
Cost of materials recognised as expenses	19,040,058	15,623,635	15,450,717	3,251,288	7,340,358
Subcontractor costs recognised as costs of services	4,392,908	5,470,241	5,128,478	778,207	3,231,047
Gross rental income from investment properties	–	–	95,620	28,680	40,900
Less:					
Direct operating expenses incurred for investment properties that generated rental income during the year/period	–	–	(16,814)	(6,681)	(4,676)
	–	–	78,806	21,999	36,224

11. Income Tax Expense

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Tax expense comprises:					
Current tax					
– Singapore corporate income tax ("**CIT**")	419,767	919,155	1,161,979	35,610	236,698
– Over provision in prior years	(7,267)	–	(123,620)	–	–
	412,500	919,155	1,038,359	35,610	236,698
Deferred tax expense *(Note 25)*	100,634	114,059	26,515	60,471	46,999
	513,134	1,033,214	1,064,874	96,081	283,697

Singapore CIT is calculated at 17% of the estimated assessable profit eligible for CIT rebate of 30%, 50%, 50% and 20%, capped at S$30,000, S$20,000, S$25,000 and S$10,000 for each of the Year of Assessment ("**YA**") 2015 to 2018, all determined based on financial year end date of respective group companies. 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 31 December			Four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Profit before taxation	3,277,086	6,639,593	8,115,548	1,384,811	1,201,636
Tax at applicable tax rate of 17%	557,105	1,128,731	1,379,643	235,418	204,278
Tax effect of expenses not deductible for tax purpose	205,099	164,219	77,957	1,348	196,330
Tax effect of income not taxable for tax purpose	(23,708)	(69,718)	(9,590)	(2,600)	(47,038)
Effect of tax concessions and partial tax exemption *(Note)*	(188,095)	(170,018)	(209,516)	(106,923)	(49,873)
Overprovision in prior years	(7,267)	–	(123,620)	–	–
Tax rebate	(30,000)	(20,000)	(50,000)	(31,162)	(20,000)
Taxation for the year/period	513,134	1,033,214	1,064,874	96,081	283,697

Note:

Included the amounts are additional 300% tax deductions/allowances for qualified capital expenditures and operating expenses under the PIC scheme in Singapore for the YA2015 to 2018.

12. Directors' Emoluments and Employees' Remuneration

Directors' emoluments

Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong were appointed as directors of the Company on 21 June 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:

Year ended 31 December 2014

	Salaries and allowances *S$*	Discretionary bonus *S$*	Contributions to retirement benefit scheme *S$*	Total *S$*
Executive Directors				
Mr. Tan Chai Ling	300,000	22,000	22,720	344,720
Ms. Alynda Tan Hue Hong	300,000	22,000	22,720	344,720
	600,000	44,000	45,440	689,440

Year ended 31 December 2015

	Salaries and allowances *S$*	Discretionary bonus *S$*	Contributions to retirement benefit scheme *S$*	Total *S$*
Executive Directors				
Mr. Tan Chai Ling	299,996	22,000	24,140	346,136
Ms. Alynda Tan Hue Hong	299,996	22,000	24,140	346,136
	599,992	44,000	48,280	692,272

Year ended 31 December 2016

	Salaries and allowances	Discretionary bonus	Contributions to retirement benefit scheme	Total
	S$	*S$*	*S$*	*S$*
Executive Directors				
Mr. Tan Chai Ling	450,000	22,000	26,860	498,860
Ms. Alynda Tan Hue Hong	450,000	22,000	26,860	498,860
	900,000	44,000	53,720	997,720

Four months ended 30 April 2016 (unaudited)

	Salaries and allowances	Discretionary bonus	Contributions to retirement benefit scheme	Total
	S$	*S$*	*S$*	*S$*
Executive Directors				
Mr. Tan Chai Ling	130,000	22,000	10,540	162,540
Ms. Alynda Tan Hue Hong	130,000	22,000	10,540	162,540
	260,000	44,000	21,080	325,080

Four months ended 30 April 2017

	Salaries and allowances	Discretionary bonus	Contributions to retirement benefit scheme	Total
	S$	*S$*	*S$*	*S$*
Executive Directors				
Mr. Tan Chai Ling	160,000	37,000	14,450	211,450
Ms. Alynda Tan Hue Hong	160,000	37,000	14,450	211,450
	320,000	74,000	28,900	422,900

(i) Mr. Tan Chai Ling acts as the chairman and the chief executive of the Company and his emoluments disclosed above included those for services rendered by him as the chief executive.

(ii) The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

(iii) No other retirement benefits were paid to directors in respect of their respective services in connection with the management of the affairs of the Company or its subsidiaries undertaking.

(iv) The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group.

Employees' remuneration

During the Track Record Period, included in the remunerations of the five highest paid individuals are 2, 2, 2, 2 (unaudited) and 2 directors whose remunerations are disclosed above. The remunerations in respect of the remaining individuals during the Track Record Period are as follows:

	Year ended 31 December			Four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Salaries and allowances	262,450	260,399	313,619	94,419	110,600
Discretionary bonus	8,500	10,500	18,740	18,740	25,500
Contribution to retirement benefits scheme	26,744	38,939	56,506	19,242	23,140
	297,694	309,838	388,865	132,401	159,240

The five highest paid individuals other than two directors were within the following bands:

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
				(unaudited)	
Emolument bands					
HK$1 to HK$1,000,000 (in equivalent to S$1 to S$180,000)	3	3	3	3	3

During the Track Record Period, no remuneration was paid by the Group to the directors of the Company or the other five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. Each of the directors has not waived any remuneration during the Track Record Period.

13. Dividends

During the year ended 31 December 2014, Samco declared dividends of S$600,000 and was paid during the year ended 31 December 2014.

During the year ended 31 December 2015, Samco declared dividends of S$1,500,000 and was paid during the year ended 31 December 2015.

During the year ended 31 December 2016, Samco declared dividends of S$1,000,000 and Double-Trans declared dividends of S$1,154,000, both dividends were paid during the year ended 31 December 2016.

During the period ended 30 April 2017, Samco declared dividends of S$500,000 and was subsequently offset with amounts receivable from the Controlling Shareholders in relation to share capital contribution during the period ended 30 April 2017.

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

	Buildings	Motor vehicles	Plant & machinery	Computers	Furniture and fittings	Equipment	Leasehold improvement	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Cost or valuation								
At 1 January 2014	716,010	1,951,109	6,163,514	121,624	43,124	1,301,638	–	10,297,019
Additions	–	1,145,026	1,059,316	12,518	18,239	270,771	135,012	2,640,882
Disposals	–	(28,200)	(6,959)	–	–	–	–	(35,159)
Transfer from investment properties	1,540,862	–	–	–	–	–	–	1,540,862
At 31 December 2014	2,256,872	3,067,935	7,215,871	134,142	61,363	1,572,409	135,012	14,443,604
Additions	–	274,851	4,179,128	19,072	12,700	85,399	98,570	4,669,720
Disposal	–	(65,800)	(111,869)	(899)	–	(15,080)	–	(193,648)
Revaluation increase	273,128	–	–	–	–	–	–	273,128
At 31 December 2015	2,530,000	3,276,986	11,283,130	152,315	74,063	1,642,728	233,582	19,192,804
Additions	6,811,267	4,314,297	1,897,400	49,544	25,136	286,066	9,500	13,393,210
Disposals	–	(229,881)	(759,849)	–	–	–	–	(989,730)
Transfer to investment properties	(2,530,000)	–	–	–	–	–	–	(2,530,000)
Revaluation decrease	(11,267)	–	–	–	–	–	–	(11,267)
At 31 December 2016	6,800,000	7,361,402	12,420,681	201,859	99,199	1,928,794	243,082	29,055,017
Additions	–	992,473	513,900	10,619	–	56,790	–	1,573,782
Disposals	–	(270,600)	(154,000)	–	–	–	–	(424,600)
At 30 April 2017	6,800,000	8,083,275	12,780,581	212,478	99,199	1,985,584	243,082	30,204,199
Accumulated depreciation								
At 1 January 2014	32,816	723,972	1,138,597	28,971	16,494	214,304	–	2,155,154
Charge for the year	57,153	521,597	717,145	40,342	13,874	153,835	11,251	1,515,197
Elimination on disposal	–	(8,005)	(1,856)	–	–	–	–	(9,861)
At 31 December 2014	89,969	1,237,564	1,853,886	69,313	30,368	368,139	11,251	3,660,490

	Buildings	Motor vehicles	Plant & machinery	Computers	Furniture and fittings	Equipment	Leasehold improvement	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Charge for the year	57,154	523,599	1,037,039	33,667	20,069	161,689	20,894	1,854,111
Elimination on disposal	–	(16,914)	(31,637)	(724)	–	(4,650)	–	(53,925)
Eliminated on revaluation	(147,123)	–	–	–	–	–	–	(147,123)
At 31 December 2015	–	1,744,249	2,859,288	102,256	50,437	525,178	32,145	5,313,553
Charge for the year	313,764	1,059,188	1,177,897	52,671	21,753	179,423	23,516	2,828,212
Elimination on disposal	–	(102,860)	(344,929)	–	–	–	–	(447,789)
Eliminated on revaluation	(313,764)	–	–	–	–	–	–	(313,764)
At 31 December 2016	–	2,700,577	3,692,256	154,927	72,190	704,601	55,661	7,380,212
Charge for the period	264,078	489,308	412,542	8,891	6,231	64,903	8,104	1,254,057
Elimination on disposal	–	(62,083)	(105,667)	–	–	–	–	(167,750)
Elimination on revaluation	(264,078)	–	–	–	–	–	–	(264,078)
At 30 April 2017	–	3,127,802	3,999,131	163,818	78,421	769,504	63,765	8,202,441
Carrying values								
At 31 December 2014	2,166,903	1,830,371	5,361,985	64,829	30,995	1,204,270	123,761	10,783,114
At 31 December 2015	2,530,000	1,532,737	8,423,842	50,059	23,626	1,117,550	201,437	13,879,251
At 31 December 2016	6,800,000	4,660,825	8,728,425	46,932	27,009	1,224,193	187,421	21,674,805
At 30 April 2017	6,800,000	4,955,473	8,781,450	48,660	20,778	1,216,080	179,317	22,001,758

The above items of property, plant and equipment, except for buildings after changing to revaluation model in December 2015, are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Buildings	10-55 years (before change to revaluation model)
Motor vehicles	5 years
Plant & machinery	10 years
Computers	3 years
Furniture and fittings	5 years
Equipment	10 years
Leasehold improvement	Shorter of 10 years or the lease terms

Included in the additions of plant & machinery, motor vehicles and equipment amounting to S$2,330,277, S$3,249,874, S$5,824,693 and S$1,102,210 were acquired under hire purchase arrangements during the years ended 31 December 2014, 2015, 2016 and the four months ended 30 April 2017, respectively. These constituted as non-cash transactions during respective years/period.

The carrying value of below items are assets held under finance leases:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Motor vehicles	1,226,052	989,968	4,231,045	3,611,365
Plant & machinery	4,012,057	6,175,968	6,731,254	6,487,540
Computers	48,972	28,267	–	–
Equipment	607,688	538,025	502,402	477,998
	5,894,769	7,732,228	11,464,701	10,576,903

The Group's buildings were measured using cost method before changing to revaluation model in December of 2015. After changing its measurement policy, the buildings are depreciated over remaining useful lives (by reference to relevant terms of lease ranging from 10 to 55 years) of respective properties upon the revaluation date.

The Group has pledged buildings with a net book value of approximately S$2,166,903, S$2,530,000, S$6,800,000 and S$6,800,000 at 31 December 2014, 2015, 2016 and 30 April 2017, respectively, to secure general banking facilities granted to the Group.

Fair value measurement of the Group's buildings

As at 31 December 2015, 2016 and 30 April 2017, the Group's buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation. The fair value measurement of the buildings as at 31 December 2015 was performed by GB Global Pte. Ltd., which operates at 140 Paya Lebar Road #10-09 Singapore 049015.

As at 31 December 2016 and 30 April 2017, the fair value measurement of the buildings was performed by independent valuers, Roma Appraisals Limited, which operates at 22/F, China Overseas Building, 139 Hennessy Road, Wan Chai, Hong Kong.

Both GB Global Pte. Ltd. and Roma Appraisals Limited are not related to the Group, who have appropriate qualifications and recent experience in the fair value measurement of the properties in the relevant locations.

The fair value of the buildings was determined based on the market comparable approach that reflects recent transaction prices for similar properties, adjusted for differences in the nature, location and condition under review. There has been no change to the valuation technique during the years/periods.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The key unobservable inputs used in valuing the buildings were the adjusted price per square metre. A significant increase (decrease) in the adjusted price per square metre used would result in a significant increase (decrease) in the fair value measurement of the buildings, and vice versa.

Details of the Group's buildings and information about the fair value hierarchy and adjusted price per square metre as at end of the reporting period are as follows:

	Fair value Level 3	Adjusted price per square metre
	S$	*S$*
– As at 31 December 2015		
No. 28 Sing Ming Lane#07-133, Singapore 573972	770,000	6,111
No. 28 Sing Ming Lane#07-134, Singapore 573972	810,000	6,090
No. 26 Sing Ming Lane#08-116, Singapore 573971	950,000	6,051
– As at 31 December 2016		
No. 4 Sungei Kadut Street 2, Singapore 729226	6,800,000	1,332
– As at 30 April 2017		
No. 4 Sungei Kadut Street 2, Singapore 729226	6,800,000	1,332

There was no transfer into or out of Level 3 during the Track Record Period.

If the buildings had not been revalued, they would have been included in these combined statements of financial position at historical cost less accumulated depreciation of S$2,109,749 and S$6,497,503 and S$6,233,425 as at 31 December 2015 and 2016 and 30 April 2017 respectively.

16. Investment Properties

	S$
At 1 January 2014	1,540,862
Transferred to property, plant and equipment	(1,540,862)
At 31 December 2014 and 2015	–
Transferred from property, plant and equipment	2,530,000
Net decrease in fair value recognised in profit or loss	(210,000)
At 31 December 2016	2,320,000
Net decrease in fair value recognised in profit or loss	(20,000)
At 30 April 2017	2,300,000

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the Group's investment properties as at 31 December 2016 and 30 April 2017 have been arrived at on the basis of a valuation carried out on the respective date by Roma Appraisals Limited. The fair values are based on comparable market transactions of similar properties in the neighbourhood that have been transferred in the open market. There has been no change from the valuation technique used during the Track Record Period.

At 31 December 2016 and 30 April 2017, the investment properties were under legal mortgage for loans granted to the Group.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Carrying value of investment properties held by the Group in the combined statements of financial position	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
At 31 December 2016					
Commercial properties S$710,000 (certain factory building thereof located at No. 28 Sing Ming Lane#07-133, Singapore 573972)	Level 3	Direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.	Price per square metre of comparable properties taking into account of time, location and other individual factors such as road frontage, size of properties and facilities, of S$5,634/ square metre.	The higher the price per square metre, the higher the fair value.	If the price per square metre underlying the valuation model is 5% higher/ lower, while all other variables were held constant, the carrying amount of the properties would increase/decrease by approximately S$35,500.
Commercial properties S$750,000(certain factory building thereof located at No. 28 Sing Ming Lane#07-134, Singapore 573972)	Level 3	Direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.	Price per square metre of comparable properties taking into account of time, location and other individual factors such as road frontage, size of properties and facilities, of S$5,635/ square metre.	The higher the price per square metre, the higher the fair value.	If the price per square metre underlying the valuation model is 5% higher/ lower, while all other variables were held constant, the carrying amount of the properties would increase/decrease by approximately S$37,500.
Commercial properties S$860,000(certain factory building thereof located at No. 26 Sing Ming Lane#08-116, Singapore 573971)	Level 3	Direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.	Price per square metre of comparable properties taking into account of time, location and other individual factors such as road frontage, size of properties and facilities, of S$5,476/ square metre.	The higher the price per square metre, the higher the fair value.	If the price per square metre underlying the valuation model is 5% higher/ lower, while all other variables were held constant, the carrying amount of the properties would increase/decrease by approximately S$43,000.
At 30 April 2017					
Commercial properties S$700,000 (certain factory building thereof located at No. 28 Sing Ming Lane#07-133, Singapore 573972)	Level 3	Direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.	Price per square metre of comparable properties taking into account of time, location and other individual factors such as road frontage, size of properties and facilities, of S$5,555/ square metre.	The higher the price per square metre, the higher the fair value.	If the price per square metre underlying the valuation model is 5% higher/ lower, while all other variables were held constant, the carrying amount of the properties would increase/decrease by approximately S$35,000.
Commercial properties S$740,000 (certain factory building thereof located at No. 28 Sing Ming Lane#07-134, Singapore 573972)	Level 3	Direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.	Price per square metre of comparable properties taking into account of time, location and other individual factors such as road frontage, size of properties and facilities, of S$5,560/ square metre.	The higher the price per square metre, the higher the fair value.	If the price per square metre underlying the valuation model is 5% higher/ lower, while all other variables were held constant, the carrying amount of the properties would increase/decrease by approximately S$37,000.
Commercial properties S$860,000 (certain factory building thereof located at No. 26 Sing Ming Lane#08-116, Singapore 573971)	Level 3	Direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.	Price per square metre of comparable properties taking into account of time, location and other individual factors such as road frontage, size of properties and facilities, of S$5,476/ square metre.	The higher the price per square metre, the higher the fair value.	If the price per square metre underlying the valuation model is 5% higher/ lower, while all other variables were held constant, the carrying amount of the properties would increase/decrease by approximately S$43,000.

Details of the Group's investment properties and information about the fair value hierarchy as at end of the reporting period are as follows:

	Carrying value	Fair value – Level 3
	S$	*S$*
– As at 31 December 2016		
No. 28 Sing Ming Lane#07-133, Singapore 573972	710,000	710,000
No. 28 Sing Ming Lane#07-134, Singapore 573972	750,000	750,000
No. 26 Sing Ming Lane#08-116, Singapore 573971	860,000	860,000
	2,320,000	2,320,000

	Carrying value	Fair value – Level 3
	S$	*S$*
– As at 30 April 2017		
No. 28 Sing Ming Lane#07-133, Singapore 573972	700,000	700,000
No. 28 Sing Ming Lane#07-134, Singapore 573972	740,000	740,000
No. 26 Sing Ming Lane#08-116, Singapore 573971	860,000	860,000
	2,300,000	2,300,000

There was no transfer into or out of Level 3 during the Track Record Period.

17. Trade Receivables

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Trade receivables	7,144,096	5,642,721	9,198,571	7,199,082
Unbilled revenue *(Note a)*	6,357,607	12,184,077	23,190,323	27,663,368
Retention receivables *(Note b)*	1,339,595	1,639,024	918,520	814,517
	14,841,298	19,465,822	33,307,414	35,676,967

(a) Unbilled revenue relates to maintenance service rendered and yet to invoice the customer as at end of reporting period.

(b) Retention monies held by customers for construction work are classified as current as they are expected to be received within the Group's normal operating cycle.

The average credit terms to customers is approximately 30 days from the invoice date for trade receivables. The following is an analysis of trade receivables presented based on invoice date at the end of each reporting period:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Less than 30 days	4,291,906	1,276,054	5,845,106	2,882,973
31 days to 60 days	856,697	875,239	392,502	329,490
61 days to 90 days	534,562	427,400	142,988	1,230,364
More than 90 days	1,460,931	3,064,028	2,817,975	2,756,255
	7,144,096	5,642,721	9,198,571	7,199,082

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.

In determining the recoverability of a trade receivable which are past due, the Group considers any change in the credit quality of these 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 approximately S$2,825,190, S$4,366,667, S$3,353,465 and S$4,316,109, which are past due at 31 December 2014, 2015 and 2016 and 30 April 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.

The aging analysis of trade receivables that are past due but not impaired based on invoice date is as follows:

	As at 31 December			As at 30 April
	2014	**2015**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*
31 days to 60 days	856,697	875,239	392,502	329,490
61 days to 90 days	534,562	427,400	142,988	1,230,364
More than 90 days	1,460,931	3,064,028	2,817,975	2,756,255
	2,852,190	4,366,667	3,353,465	4,316,109

In the opinion of the management of the Group, the 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 or hold any collateral over these balances.

18. Other Receivables, Deposits and Prepayments

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Deposits	142,070	160,992	183,781	90,411
Goods and Services Tax ("**GST**") receivable	–	93,867	–	–
Prepayments	80,478	264,341	157,819	129,475
Advances to staff	–	–	6,500	9,500
Prepaid listing expenses	–	–	–	163,444
Deferred listing expenses	–	–	–	253,179
Advance payment to subcontractors	75,070	121,248	629,947	1,157,461
Others	3,658	18,472	18,068	20,474
	301,276	658,920	996,115	1,823,944

19. Amounts Due From (To) Customers for Construction Work

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Contract costs incurred plus recognised profits (less recognised losses to date)	42,569,022	55,573,985	16,591,411	23,630,926
Less: progress billings	(37,933,850)	(51,562,419)	(13,662,949)	(18,458,467)
	4,635,172	4,011,566	2,928,462	5,172,459
Analysed for reporting purposes as:				
Amounts due from customers for construction work	4,635,172	4,011,566	2,928,462	5,172,459
Amounts due to customers for construction work	–	–	–	–
	4,635,172	4,011,566	2,928,462	5,172,459

20. Amounts Due From (To) Directors

a. Amounts due from directors

	As at 1 January 2014	As at 31 December 2014	2015	2016	As at 30 April 2017	Maximum amount outstanding during the year ended 31 December 2014	2015	2016	during the period ended 30 April 2017
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Non-trade related									
Mr. Tan Chai Ling	1,561,776	33,508	359,755	22,834	245,524	1,567,777	423,607	430,806	245,524
Ms. Alynda Tan Hue Hong	117,140	–	113,014	–	–	156,844	565,112	540,805	–
	1,678,916	33,508	472,769	22,834	245,524				

The balances at 31 December 2014, 2015 and 2016 and at 30 April 2017 are non-trade related, unsecured, non-interest bearing and without a fixed repayment term.

b. Amount due to a director

The balance as at 31 December 2014, 2015 and 2016 and at 30 April 2017, representing amount due to Ms. Alynda Tan Hue Hong, are non-trade related, unsecured, non-interest bearing and without a fixed repayment term.

21. Bank Deposit/Bank Balances and Cash

As at 30 April 2017, the bank deposit represents amount placed to a bank for securing overdraft facilities granted to the Group and will be released in 2019.

Bank balances and bank deposit carry interest at prevailing market interest rate of 0.11% per annum at 31 December 2014, and of 0.14% per annum at 31 December 2015 and 2016 and at 30 April 2017.

Below is details of bank balances denominated in currency other than S$:

	As at 31 December 2014	2015	2016	As at 30 April 2017
	S$	*S$*	*S$*	*S$*
US dollar ("US$")	–	424	424	424
Vietnamese Dong ("VN$")	–	64	64	64

22. Trade and Other Payables

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Trade payable	6,754,821	7,066,313	6,626,618	8,213,748
Accrued operating expenses	553,743	258,716	262,227	1,543,503
Other payables				
GST payables	433,986	292,320	469,246	255,469
Payroll payable	1,035,324	974,223	1,472,858	1,259,452
Advance payments received from customer	269,212	513,212	485,734	–
Accrued listing expenses	–	–	–	848,874
Others	16,759	60,084	287,696	434,060
	9,063,845	9,164,868	9,604,379	12,555,106

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Within 90 days	5,309,115	3,473,204	3,665,968	3,910,765
91 days to 180 days	1,167,400	1,506,807	1,951,181	1,840,796
Over 180 days	278,306	2,086,302	1,009,469	2,462,187
	6,754,821	7,066,313	6,626,618	8,213,748

The credit period on purchases from suppliers and subcontractors is between 30 to 120 days or payable upon delivery.

23. Obligations Under Finance Leases

	Minimum lease payments				Present value of minimum leases payments			
	As at 31 December			As at 30	As at 31 December			As at 30
	2014	2015	2016	April 2017	2014	2015	2016	April 2017
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Amounts payable under finance lease								
Within one year	1,880,571	2,463,536	3,502,179	3,454,233	1,743,173	2,288,742	3,186,694	3,176,285
In more than one year but no more than two years	1,497,785	2,069,814	2,596,690	2,283,722	1,422,774	1,977,161	2,435,999	2,142,080
In more than two years but no more than five years	1,730,483	1,665,508	3,083,001	3,200,176	1,683,273	1,625,597	3,000,777	3,065,225
	5,108,839	6,198,858	9,181,870	8,938,131	4,849,220	5,891,500	8,623,470	8,383,590
Less: future finance charges	(259,619)	(307,358)	(558,400)	(554,541)				
Present value of lease obligations	4,849,220	5,891,500	8,623,470	8,383,590				
Less: Amounts due for settlement within one year (shown under current liabilities)					(1,743,173)	(2,288,742)	(3,186,694)	(3,176,285)
Amounts due for settlement after one year					3,106,047	3,602,758	5,436,776	5,207,305

Interest rates underlying all obligations under finance leases are fixed at respective contract dates during the Track Record Period:

	As at 31 December			As at 30 April
	2014	**2015**	**2016**	**2017**
Interest rates per annum	1.33% – 4.5%	1.33% – 4.5%	1.33% – 4.68%	1.33% – 4.68%

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets (Note 15).

24. Borrowings

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Bank overdrafts – secured *(Note a)*	1,017,789	940,706	4,782,669	4,608,971
Bank loans – secured				
Bank factoring *(Note b)*	2,809,917	1,649,825	1,010,900	1,686,372
Trade financing *(Note c)*	4,889,329	5,655,942	7,813,773	9,327,911
Other loans *(Note d)*	1,910,937	2,169,050	7,403,624	6,885,418
	10,627,972	10,415,523	21,010,966	22,508,672
Analysed as:				
Carrying amount repayable				
– on demand or within one year	9,397,738	8,659,776	14,985,869	17,029,364
– more than one year, but not exceeding two years	136,543	291,287	1,242,323	1,282,194
– more than two years, but not exceeding five years	127,320	236,849	3,630,383	3,084,478
– more than five years	966,371	1,227,611	1,152,391	1,112,636
	10,627,972	10,415,523	21,010,966	22,508,672
Less: Amounts due within one year shown under current liabilities	(9,397,738)	(8,659,776)	(14,985,869)	(17,029,364)
Amounts shown under non-current liabilities	1,230,234	1,755,747	6,025,097	5,479,308

Note:

a. The overdraft is secured by legal mortgages of the Group's properties disclosed in Notes 15 and 16 and personal guarantees issued by Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong, the directors of the Company.

b. The loans are secured by fixed charges against the Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts and personal guarantees issued by Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong, the directors of the Company. The factoring arrangements are repayable within 90 days upon the issuance of fund disbursement.

c. The loans are secured by fixed charges against the Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts and personal guarantees issued by the directors of the Company. The loans are repayable within 45 to 150 days upon the issuance of fund disbursement.

d. The loan is secured by fixed and floating charges against the Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts and personal guarantees issued by Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong, the directors of the Company and a legal mortgage over the properties disclosed in Notes 15 and 16.

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Fixed rate borrowings	237,371	556,079	778,448	659,938
Variable rate borrowings	10,390,601	9,859,444	20,232,518	21,848,734
	10,627,972	10,415,523	21,010,966	22,508,672

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at 31 December			As at 30 April 2017
	2014	2015	2016	
Effective interest rate:				
Fixed rate borrowings	4% to 6.02%	4.00% to 7.50%	7.50% to 8.50%	7.50% to 8.50%
Variable rate borrowings	0.5%-3.50% above the bank's prevailing prime lending rate or prevailing three-month Singapore Interbank Offered Rate ("SIBOR") plus 1.20% and 3.00%	0.5%-3.50% above the bank's prevailing prime lending rate or prevailing three-month SIBOR plus 1.20% and 3.00%	0%-3.50% above the bank's prevailing prime lending rate or prevailing three-month SIBOR plus 1.20% and 4.00%	0%-3.50% above the bank's prevailing prime lending rate or prevailing three-month SIBOR plus 1.20% and 4.00%

25. Deferred Tax Liabilities

	Accelerated tax depreciation	Revaluation of buildings on leasehold land	Total
	S$	*S$*	*S$*
At 1 January 2014	324,191	–	324,191
Charge to profit or loss for the year	100,634	–	100,634
At 31 December 2014	424,825	–	424,825
Charge to profit or loss for the year	114,059	–	114,059
At 31 December 2015	538,884	–	538,884
Charge to other comprehensive income for the year	–	51,425	51,425
Charge to profit or loss for the year	26,515	–	26,515
At 31 December 2016	565,399	51,425	616,824
Charge to other comprehensive income for the period	–	44,893	44,893
Charge to profit or loss for the period	46,999	–	46,999
At 30 April 2017	612,398	96,318	708,716

The deferred tax liabilities are primarily resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with tax law prevails in Singapore.

26. Share Capital

The issued share capital as at 31 December 2014, 2015 and 2016, and at 30 April 2017 represented the aggregate share capital of Double-Trans and Samco.

During the year ended 31 December 2015, Double-Trans issued 1,500,000 ordinary shares for cash consideration of S$1,500,000 to the shareholders in proportion to their respective equity interest percentage in the company. All shares issued rank *pari passu* in all aspects with the existing issued ordinary shares in the capital of Double-Trans.

During the year ended 31 December 2016, Double-Trans issued 2,000,000 ordinary shares for cash consideration of S$2,000,000 to the shareholders in proportion to their respective equity interest percentage in the company. All shares issued rank *pari passu* in all aspects with the existing issued ordinary shares in the capital of Double-Trans.

During the period ended 30 April 2017, Double-Trans and Samco issued 1,000,000 and 500,000 ordinary shares for cash consideration of S$1,000,000 and S$500,000 respectively to the shareholders in proportion to their respective equity interest percentage in the companies. All shares issued rank *pari passu* in all aspects with the existing issued ordinary shares in the capital of respective companies.

27. Operating Lease Commitments

The Group as lessee

	Year ended 31 December			Four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Minimum lease payment paid during each of the years/periods under operating leases in respect of:					
Land lease	–	–	28,179	–	28,132
Staff dormitories, warehouse, office premise and heavy machineries	856,930	1,609,890	379,903	185,087	203,493
	856,930	1,609,890	408,082	185,087	231,625

Future minimum rental payable under non-cancellable leases as at the end of reporting period are as follows:

	As at 31 December			As at 30 April
	2014	**2015**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*
Within one year	427,406	60,000	189,014	161,374
After one year but within five years	70,000	10,000	363,202	338,150
More than five years	–	–	309,971	281,792
	497,406	70,000	862,187	781,316

The leases have tenures ranging from one to ten years and no contingent rent provision included in the contracts.

The Group as lessor

	Year ended 31 December			Four months ended 30 April	
	2014	2015	2016	2016	2017
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Minimum lease income received during each of the year/period under operating lease in respect of					
– Lease of machinery	1,837,712	3,905,069	19,000	19,000	154,855
– Lease of office premises	–	–	95,620	28,680	40,900
	1,837,712	3,905,069	114,620	47,680	195,755

At the end of reporting period, the Group had contracted with tenancy for the following future minimum lease payment:

	As at 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Future minimum lease receivables				
Within one year	3,230,537	3,937,230	110,160	87,980
After 1 year but within 5 years	4,533,264	2,053,981	11,290	–
	7,763,801	5,991,211	121,450	87,980

The minimum rental receivables under non-cancellable leases as at the end of reporting period are within one year.

28. Retirement Benefit Plans

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 the years ended 31 December 2014, 2015 and 2016 and the four months ended 30 April 2016 and 2017, the Group contributes up to 16%, 17%, 17%, 17% (unaudited) and 17% of monthly salary with the cap of S$30,000, S$31,450, $37,740, S$37,740 (unaudited) and S$37,740 per annum per employee, respectively.

The total costs charged to profit or loss, amounting to S$391,764, S$363,193, S$488,333, S$148,580 (unaudited) and S$217,855 for the years ended 31 December 2014, 2015, 2016 and the four months ended 30 April 2016 and 2017 respectively, represent contributions paid to the retirement benefits scheme by the Group.

As at 31 December 2014, 2015, 2016 and 30 April 2017, contributions of S$120,909, S$22,699, S$37,003 and S$30,408 were due respectively but had not been paid to the CPF. The amounts were paid subsequent to the end of the respective years/periods.

29. Related Party Transactions

Apart from disclosures made in Notes 12, 20 and 24, the Group entered into the following transactions with related parties during the Track Record Period:

Compensation of key management personnel

The remuneration of directors and other members of key management during the Track Record Period were as follows:

	Year ended 31 December			Four months ended 30 April	
	2014	**2015**	**2016**	**2016**	**2017**
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Short-term benefits	644,000	643,992	944,000	304,000	394,000
Post-employment benefits	45,440	48,280	53,720	21,080	28,900
	689,440	692,272	997,720	325,080	422,900

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 bank balances and cash and equity attributable to owners of the Group, comprising share capital, reserves 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 31 December			As at 30 April
	2014	2015	2016	2017
	S$	*S$*	*S$*	*S$*
Financial assets				
– Loans and receivables				
Trade receivables	14,841,298	19,465,822	33,307,414	35,676,967
Other receivables, deposits and prepayments*	145,728	179,464	208,349	120,385
Amount due from directors	33,508	472,769	22,834	245,524
Bank balances and cash	1,529,989	1,180,596	395,514	249,559
Bank deposit	–	–	–	170,000
	16,550,523	21,298,651	33,934,111	36,462,435
Financial liabilities				
– Amortised cost				
Trade and other payables**	7,806,904	8,100,620	8,387,172	9,907,260
Amount due to a director	79,187	1,682	42,196	356,152
Borrowings	10,627,972	10,415,523	21,010,966	22,508,672
	18,514,063	18,517,825	29,440,334	32,772,084

* *Prepayments, GST receivables, prepaid and deferred listing expenses and advance payment to subcontractors are excluded.*

** *Accrued expenses, GST payables and advance received are excluded.*

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amounts due from (to) directors, bank balances and cash, trade and other payables, 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 bank balances and variable rate borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings and finance leases.

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

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 years ended 31 December 2014, 2015, 2016 and the four months ended 30 April 2017 would decrease/increase by approximately S$43,100, S$40,900, S$83,900 and S$30,200, respectively.

If interest rate of variable-rate bank balances had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the years ended 31 December 2014, 2015, 2016 and the four months ended 30 April 2017 would increase/decrease by approximately S$6,350, S$4,900, S$1,640 and S$580 respectively.

Currency risk

The Group has certain bank balances denominated in US$ and VN$ 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.

No sensitivity analysis on the currency risk is prepared as the impact to the financial statements is insignificant.

(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 31 December 2014, 2015 and 2016 and 30 April 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. 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 81%, 81%, 78% and 35% respectively of total trade receivables outstanding at 31 December 2014, 2015 and 2016 and 30 April 2017 were due from top 5 customers 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.

The credit risk relating to amounts due from directors is limited as the Group keep close monitoring of the collectability of respective debts.

Other than concentration of credit risk on bank balances placed in 6 banks in which the counterparties are financially sound, on trade receivables from top 5 customers and on receivables due from directors, 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 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 is arising from the carrying amount of the respective recognised financial assets as stated in the combined statements of financial position.

(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 S$	3 to 6 months S$	6 to 12 months S$	1 to 5 years S$	Over 5 years years S$	Total undiscounted cash flows S$	Carrying amount S$
As at 31 December 2014								
Non-interest bearing								
Trade and other payables	N/A	7,806,904	–	–	–	–	7,806,904	7,806,904
Amount due to a director	N/A	79,187	–	–	–	–	79,187	79,187
Interest bearing								
Obligations under finance leases	2.63%-8.22%	487,597	479,254	913,720	3,228,268	–	5,108,839	4,849,220
Borrowings	2.74%-10.88%	7,715,959	1,267,651	614,465	449,191	1,348,156	11,395,422	10,627,972
		16,089,647	1,746,905	1,528,185	3,677,459	1,348,156	24,390,352	23,363,283
As at 31 December 2015								
Non-interest bearing								
Trade and other payables	N/A	8,100,620	–	–	–	–	8,100,620	8,100,620
Amount due to a director	N/A	1,682	–	–	–	–	1,682	1,682
Interest bearing								
Obligations under finance leases	2.10%-8.22%	651,426	620,076	1,192,034	3,735,322	–	6,198,858	5,891,500
Borrowings	1.35%-10.88%	7,578,747	1,335,806	228,304	674,583	1,436,831	11,254,271	10,415,523
		16,332,475	1,955,882	1,420,338	4,409,905	1,436,831	25,555,431	24,409,325
As at 31 December 2016								
Non-interest bearing								
Trade and other payables	N/A	8,387,172	–	–	–	–	8,387,172	8,387,172
Amount due to a director	N/A	42,196	–	–	–	–	42,196	42,196
Interest bearing								
Obligations under finance leases	2.10%-10.37%	955,167	902,852	1,644,160	5,679,691	–	9,181,870	8,623,470
Borrowings	1.35%-8.75%	12,077,628	2,628,926	860,395	5,572,152	1,324,086	22,463,187	21,010,966
		21,462,163	3,531,778	2,504,555	11,251,843	1,324,086	40,074,425	38,063,804
As at 30 April 2017								
Non-interest bearing								
Trade and other payables	N/A	9,907,260	–	–	–	–	9,907,260	9,907,260
Amount due to a director	N/A	356,152	–	–	–	–	356,152	356,152
Interest bearing								
Obligations under finance leases	2.10%-10.37%	934,041	872,200	1,647,992	5,483,898	–	8,938,131	8,383,590
Borrowings	1.35%-8.75%	15,391,459	1,355,903	748,843	4,787,744	1,282,565	23,566,514	22,508,672
		26,588,912	2,228,103	2,396,835	10,271,642	1,282,565	42,768,057	41,155,674

(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 and date of incorporation	Issued and fully paid capital	Equity interest attributable to the Company as at 31 December 2014	31 December 2015	31 December 2016	30 April 2017	the date of this report	Principal activities	Notes
Directly held:									
Shuang Yun (BVI)	BVI, 21 June 2017	US$1	N/A	N/A	N/A	N/A	100%	Investment holding	(a)
Indirectly held:									
Double-Trans	Singapore, 20 April 1990	S$9,200,000	100%	100%	100%	100%	100%	Provision of mixed construction services, provision of domestic lorry transport and delivery services	(b),(c)
Samco	Singapore, 2 May 2007	S$1,500,000	100%	100%	100%	100%	100%	Provision of road construction and other civil engineering work	(b),(c)

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

Notes:

(a) No audited financial statements of the Company and Shuang Yun (BVI) have been prepared since their respective dates of incorporation as they are incorporated in the jurisdiction where there are no statutory audit requirements.

(b) The audited financial statements of Double-Trans and Samco for the year ended 31 December 2014 were prepared in accordance with Singapore Financial Reporting Standards ("**SFRSs**") issued by Accounting Standards Council in Singapore and were audited by Liew Keow Seng PAC and One Assurance LLP, respectively, both are Public Accountants and Chartered Accountants registered in Singapore.

(c) The audited financial statements of Double-Trans and Samco for the years ended 31 December 2015 and 2016 were prepared in accordance with SFRSs and were audited by Deloitte & Touche LLP, who is Public Accountants and Chartered Accountants registered in Singapore.

33. Non-cash Transactions

During the three years ended 31 December 2016 and the four months ended 30 April 2017, the additions to plant and equipment during respective year/period were financed by new finance leases of S$2,330,277, S$3,249,874, S$5,824,693 and S$1,102,210 respectively.

34. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's combined statements of cash flows as cash flows from financing activities.

	Borrowings	**Obligations under finance leases**	**Amount due to a director**	**Dividends payable**	**Total**
	S$	*S$*	*S$*	*S$*	*S$*
At 1 January 2014	7,053,509	4,406,383	–	–	11,459,892
Financing cash flows	3,080,894	(2,103,813)	79,187	(600,000)	456,268
Non-cash changes					
Finance cost recognised *(Note 9)*	493,569	216,373	–	–	709,942
New finance leases *(Note 33)*	–	2,330,277	–	–	2,330,277
Dividend declared *(Note 13)*	–	–	–	600,000	600,000
At 31 December 2014	10,627,972	4,849,220	79,187	–	15,556,379
Financing cash flows	(740,369)	(2,428,627)	(77,505)	(1,500,000)	(4,746,501)
Non-cash changes					
Finance cost recognised *(Note 9)*	527,920	221,033	–	–	748,953
New finance leases *(Note 33)*	–	3,249,874	–	–	3,249,874
Dividend declared *(Note 13)*	–	–	–	1,500,000	1,500,000
At 31 December 2015	10,415,523	5,891,500	1,682	–	16,308,705
Financing cash flows	9,909,970	(3,362,194)	40,514	(2,154,000)	4,434,290
Non-cash changes					
Finance cost recognised (Note 9)	685,473	269,471	–	–	954,944
New finance leases *(Note 33)*	–	5,824,693	–	–	5,824,693
Dividend declared *(Note 13)*	–	–	–	2,154,000	2,154,000

	Borrowings	Obligations under finance leases	Amount due to a director	Dividends payable	Total
	S$	*S$*	*S$*	*S$*	*S$*
At 31 December 2016	21,010,966	8,623,470	42,196	–	29,676,632
Financing cash flows	1,138,276	(1,450,457)	313,956	–	1,775
Non-cash changes					
Finance cost recognised *(Note 9)*	359,430	108,367	–	–	467,797
New finance leases *(Note 33)*	–	1,102,210	–	–	1,102,210
At 30 April 2017	22,508,672	8,383,590	356,152	–	31,248,414
Unaudited					
At 1 January 2016	10,415,523	5,891,500	1,682	–	16,308,705
Financing cash flows	2,549,740	(1,084,617)	1,048,032	–	2,513,155
Non-cash changes					
Finance cost recognised *(Note 9)*	210,839	79,190	–	–	290,029
New finance leases *(Note 33)*	–	2,000,283	–	–	2,000,283
At 30 April 2016	13,176,102	6,886,356	1,049,714	–	21,112,172

35. Subsequent Events

The following events and transactions took place subsequent to 30 April 2017:

– On 8 June 2017 Samco declared dividend of S$1,000,000.

– On 13 June 2017, Double-Trans increased its share capital to S$8,500,000 through issuance of 1,000,000 ordinary shares of S$1.00 each ranking *pari pasu* with existing ordinary shares.

– On 21 June 2017, the Company was incorporated in the Cayman Islands with an authorised share capital of HK$380,000 divided into 3,800,000 shares of HK$0.10 each.

– On 21 June 2017, Shuang Yun (BVI) was incorporated in the BVI with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each.

– On 28 July 2017, Double-Trans allotted and issued 140,000 shares to Ms. Alynda Tan Hue Hong at S$1.00 each and 560,000 shares to Mr. Tan Chai Ling at S$1.00 each.

– A share swap agreement dated 19 October 2017 was entered into between Mr. Tan Chai Ling, Ms. Alynda Tan Hue Hong, Jian Sheng and Shuang Yun (BVI), pursuant to which:

(a) Mr. Tan Chai Ling, Ms. Alynda Tan Hue Hong agreed to transfer 7,360,000 shares and 1,840,000 shares, respectively, in Double-Trans to Shuang Yun (BVI); Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong agreed to transfer 1,200,000 shares and 300,000 shares, respectively, in Samco to Shuang Yun (BVI); and

(b) in consideration of above transfers, Jian Sheng issued and allotted 80 shares in Jian Sheng to Mr. Tan Chai Ling and 20 shares in Jian Sheng to Ms. Alynda Tan Hue Hong.

– On 20 October 2017, the written resolutions of the Controlling Shareholders were passed to approve the matters set out in the paragraph headed "3. Written resolutions of the sole Shareholders passed on 20 October 2017" in Appendix V to the Prospectus. It was resolved, among other things:

(a) the authorised share capital of the Company was increased from HK$380,000 to HK$200,000,000 by the creation of an additional of 1,996,200,000 shares of HK$0.10 each, each ranking *pari passu* with the shares then in issue in all respects;

(b) the directors of the Company were authorised to capitalise, conditional on the share premium account of the Company being credited as a result of the Global Offering (as defined in the Prospectus), an amount of HK$74,999,999 standing to the credit of the share premium account of the Company which will be capitalised to pay up in full at par 749,999,999 shares for allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 20 October 2017 in proportion (as nearly as possible without involving fractions) to its/their then existing shareholdings in the Company, each ranking *pari passu* in all respects with the shares then in issue, and the directors of the Company were authorised to give effect to such capitalization and distributions and the capitalisation issue was approved; and

(c) conditionally approved and adopted a share option scheme, the principle terms of which are set out in the paragraph headed "D. Share Option Scheme" in appendix V to the Prospectus.

36. 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 April 2017.

The information set out in this appendix does not form part of the accountants' report on the financial information of the Group for each of the three years ended 31 December 2016 and the four months ended 30 April 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 4.29 of the 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 ("Global Offering") on the adjusted combined net tangible assets of the Group as at 30 April 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 April 2017 or any future date following the Global Offering.

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 owners of the Company as at 30 April 2017 as shown in the Accountants' Report of the Group as set out in Appendix I to this Prospectus, and adjusted as described below.

	Audited combined net tangible assets of the Group attributable to owners of the Company as at 30 April 2017	Estimated net proceeds from the proposed Global Offering	Unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company as at 30 April 2017	Unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company as at 30 April 2017 per Share	
	S$	*S$*	*S$*	*S$*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on Offer Price of HK$0.40 per Offer Share	22,009,786	14,309,952	36,319,738	0.04	0.20
Based on Offer Price of HK$0.56 per Offer Share	22,009,786	21,227,514	43,237,300	0.04	0.24

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 proposed Global Offering are based on 250,000,000 new Shares at the Offer Price of lower limit and upper limit of HK$0.40 and HK$0.56 per Offer Share after deduction of the associated underwriting commissions and fees and other related expenses, other than those expenses which had been recognised in profit or loss on or prior to 30 April 2017.

The calculation of such estimated net proceeds does not take into account of the Over-allotment Option 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 referred to in the sections headed "General Mandate to Issue Shares" or "General Mandate to Repurchase Shares" in this Prospectus. The estimated net proceeds from the proposed Global Offering are converted from Hong Kong dollars into Singapore dollars at an exchange rate of S$1.00 to HK$5.58 as at the Latest Practicable Date. 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 other rates or at all.

(3) The unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company as at 30 April 2017 per Share is calculated based on 1,000,000,000 Shares in issue immediately following the Group Reorganisation and after the completion of the proposed Global Offering and the Capitalisation Issue. It does not take into account of the Over-allotment Option 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 referred to in the sections headed "General Mandate to Issue Shares" or "General Mandate to Repurchase Shares" in this Prospectus.

(4) The unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company as at 30 April 2017 per Share is converted from Singapore dollars into Hong Kong dollars at the rate of HK$5.58 to S$1.00 as at the Latest Practicable Date. 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) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company as at 30 April 2017 to reflect any trading results or other transactions of the Group entered into subsequent to 30 April 2017.

The unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company per Share does not take into account of (i) dividends of S$1,000,000 declared by Samco Civil Engineering Pte. Ltd. on 8 June 2017 and (ii) issuance of new shares of S$1,000,000 and S$700,000 by Double-Trans Pte. Ltd. on 13 June 2017 and 28 July 2017, respectively (together referred to as "New Share Capital Issued"). Assuming that the dividends of S$1,000,000 declared on 8 June 2017 and the New Share Capital Issued had been taken into account, the unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company per Share would have been S$0.04 (equivalent to HK$0.21) and S$0.04 (equivalent to HK$0.25) at the Offer Price of HK$0.40 and HK$0.56, respectively, which is calculated based on 1,000,000,000 Shares in issue immediately following the completion of Global Offering and Capitalisation Issue.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the 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 UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Shuang Yun Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Shuang Yun Holdings 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 April 2017 and related notes as set out on pages II-1 to II-3 of Appendix II to the prospectus issued by the Company dated 31 October 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-3 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 "Global Offering") on the Group's financial position as at 30 April 2017 as if the proposed Global Offering had taken place at 30 April 2017. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for each of the three years ended 31 December 2016 and the four months ended 30 April 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 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "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 4.29(7) of the 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 4.29 of the 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 April 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 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

31 October 2017

The following is the text of a letter, and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Roma Appraisals Limited, an independent valuer, in connection with its valuations as at 30 September 2017 of the property interests held by our Group.

ROMA

22/F., China Overseas Building,
139 Hennessy Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
http://www.romagroup.com

31 October 2017

Shuang Yun Holdings Limited
No. 4, Sungei Kadut Street 2,
Singapore 729226

Dear Sir/Madam,

Re: Property Valuations of Various Properties located in Singapore

In accordance with your instructions for us to value the properties held by Shuang Yun Holdings Limited (the ''Company'') and/or its subsidiaries (together with the Company referred to as the ''Group'') in Singapore, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 September 2017 (the ''Date of Valuation'') for the purpose of incorporation in the prospectus of the Company dated 31 October 2017.

1. BASIS OF VALUATION

Our valuations of the properties are our opinion of the market values of the concerned properties which we would define (in accordance with the HKIS Valuation Standards (2012 Edition)) as intended 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 wherein 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.

2. PROPERTY CATEGORIZATION

In the course of our valuations, the properties held by the Group are categorized into the following groups:

- Group I – Property held by the Group for owner-occupation purpose in Singapore; and
- Group II – Properties held by the Group for investment purpose in Singapore.

3. VALUATION METHODOLOGY

We have valued the properties by the direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

4. TITLE INVESTIGATION

We have carried out land searches at the Singapore Land Authority. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. We do not accept a liability of any interpretation which we have placed on such information which is more properly the sphere of your legal advisers.

5. VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the properties in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

6. SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, site/floor areas, ages of building and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

7. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the properties. No structural survey has been made in respect of the properties. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the properties under consideration but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Our valuations are prepared in compliance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors.

8. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuations are in Singapore Dollar (“SGD”).

Our Summary of Values and Valuation Certificates are attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

Nancy Chan
BSc (Hons) MHKIS MRICS
RPS(GP)
Director

Note: *Ms. Nancy Chan is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. She has over 7 years' experience in real estate industry and property and asset valuation in Hong Kong, Macau, the PRC, Singapore, United Kingdom and other overseas countries.*

SUMMARY OF VALUES

Group I – Property held by the Group for owner-occupation purpose in Singapore

No.	Property	Market Value in Existing State as at 30 September 2017
1.	No. 4 Sungei Kadut Street 2, Singapore 729226	SGD6,800,000.
	Sub-Total:	SGD6,800,000.

Group II – Properties held by the Group for investment purpose in Singapore

No.	Property	Market Value in Existing State as at 30 September 2017
2.	No. 28 Sing Ming Lane#07-133, Singapore 573972	SGD690,000.
3.	No. 28 Sing Ming Lane#07-134, Singapore 573972	SGD730,000.
4.	No. 26 Sing Ming Lane#08-116, Singapore 573971	SGD850,000.
	Sub-Total:	SGD2,270,000.
	Grand-Total:	**SGD9,070,000.**

VALUATION CERTIFICATE

Group I – Property held by the Group for owner-occupation purpose in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2017
1.	No. 4 Sungei Kadut Street 2, Singapore 729226	The property comprises a parcel of land (Lot No. MK11-501M) with a site area of approximately 4,239.60 sq. m. and a 4-storey industrial complex with open car parking spaces and lorry parking spaces together with ancillary structures erected thereon, which was completed in about 2012. According to the Approved Building Plan No. AY/904/AA396/DC01 issued by A Y Consultants Limited on 6 January 2014, the property has a gross floor area ("GFA") of approximately 5,105.74 sq. m. (or about 54,958.19 sq. ft.). Area Breakdown of the property are as follows:- **Uses** — **GFA** *(sq.m.)* 1st storey — 1,466.10 2nd storey — 1,185.08 3rd storey — 1,185.08 4th storey — 1,185.08 RC Roof — 84.40 **Total: 5,105.74** The property is held under a leasehold estate for a term of 15 years commencing on 1 September 2010 and expiring on 31 August 2025.	The property is occupied by the Group.	SGD6,800,000.

Notes:

1. Pursuant to a Certificate of Title (Sub) Volume 708 Folio 127 obtained from Singapore Land Authority on 7 April 2017, the proprietor of the property is Double-Trans Pte. Ltd., an indirect wholly-owned subsidiary of Company.

2. Pursuant to an Option to Purchase Agreement between Teacly (S) Pte Ltd and Double-Trans Pte. Ltd. dated 9 October 2015, the property has been transferred to Double-Trans Pte. Ltd. for the consideration of SGD6,800,000.

3. Pursuant to the Banking Facilities Letter Ref. No. CDU/CSM/21DOUTRA, the property is subject to a mortgage in favour of Malayan Banking Berhad Limited dated 26 November 2015 for the 5-year Term Loan (TL) (from the date of drawdown) of SGD6,440,000.

4. The property lies within an area zoned "Business 2" under the Singapore Master Plan 2014 (approved amendments incorporated).

5. The property is situated along Sungei Kadut Street 2, an industrial area located in the Northern Singapore. Developments in the vicinity comprises a mixture of industrial buildings. Public transportation facilities such as buses and taxis are readily available along Sungei Kadut Street 2.

6. As advised by the Group, for the property tax of the property in August 2017 is SGD6,041.67.

7. Our inspection was performed by Dr. Alan W. K. Lee in May 2017.

VALUATION CERTIFICATE

Group II – Properties held by the Group for investment purpose in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2017
2.	No. 28 Sing Ming Lane#07-133, Singapore 573972	The property comprises a factory unit on the 7 floor of an 8-storey light industrial building, which was completed in about 2011. As advised by the Company, the property has a gross floor area of approximately 1,356 sq. ft. (or about 125.98 sq. m.). The property is held under a leasehold estate for a term of 60 years commencing on 23 January 2008 and expiring on 22 January 2068.	The property is subject to a tenancy. For details, refers to Notes No. 3.	SGD690,000.

Notes:

1. Pursuant to a Certificate of Title Volume 656 Folio 82 obtained from Singapore Land Authority on 7 April 2017, the proprietor of the property is All Subsidiary Proprietors of All the Strata Lots.

2. Pursuant to a Sale and Purchase Agreement between Tan Keng Swee, Ng Chew Keok and Double-Trans Pte. Ltd. dated 19 January 2012, the property has been transferred to Double-Trans Pte. Ltd., an indirect wholly-owned subsidiary of Company for the consideration of SGD700,000.

3. Pursuant to a Tenancy Agreement between Double-Trans Pte. Ltd. and FY Group Pte. Ltd., the properties of Blk 28, Sin Ming Lane #07-133 and 07-134 are leased to FY Group Pte. Ltd. for a term of 2 years commencing on 18 January 2016 and expiring on 17 January 2018 with a monthly rental of SGD6,955 inclusive of Goods and Services Tax ("GST"), but exclusive all charges of water, radio or TV aerials and other utilities related to the property.

4. Pursuant to the Revised Banking Facilities Letter Ref. No. RST/15/0-00003450/001/TSK/hk, the properties of Blk 28, Sin Ming Lane #07-133 and 07-134 are subject to a mortgage in favour of United Overseas Bank Limited dated 25 June 2015 for the 18-year Commercial Property Loan (CPL) of line of credit of SGD2,104,000.00. Since 28 April 2017, the mortgage is terminated.

5. Pursuant to the Banking Facilities Letter dated 28 April 2017, the property is subject to a mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for the 15-year an aggregate amount of the lower amount of SGD479,000 or the outstanding under the existing loan with United Overseas Bank Limited in respect of the property.

6. The property is subject to the following encumbrances:

   a. Strata Title Application IC/482131G lodged on 4 August 2011; and

   b. Strata Title Plan No. 3663 registered on 31 August 2011.

7. The property lies within an area zoned "Business 1" under the Singapore Master Plan 2014 (approved amendments incorporated).

8. The property is situated along Sing Ming Lane, an industrial area located in the Central Singapore. Developments in the vicinity comprises industrial buildings. Public transportation facilities such as buses and taxis are readily available along Sing Ming Lane.

9. As advised by the Group, for the property tax, the annual value of the property in 2017 is SGD26,000 and the current tax rate is 10%.

10. Our inspection was performed by Dr. Alan W. K. Lee in May 2017.

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2017
3.	No. 28 Sing Ming Lane#07-134,Singapore 573972	The property comprises a factory unit on the 7 floor of an 8-storey light industrial building, which was completed in about 2011. As advised by the Company, the property has a gross floor area of approximately 1,432 sq. ft. (or about 133.04 sq. m.). The property is held under a leasehold estate for a term of 60 years commencing on 23 January 2008 and expiring on 22 January 2068.	The property is subject to a tenancy. For details, refer to Notes No. 3.	SGD730,000.

Notes:

1. Pursuant to a Certificate of Title Volume 656 Folio 82 obtained from Singapore Land Authority on 7 April 2017, the proprietor of the property is All Subsidiary Proprietors of All the Strata Lots.

2. Pursuant to an Option to Purchase Agreement between Kong Mei Ling Shirley & Kong Puey Yoke Patricia and Double-Trans Pte. Ltd. dated 18 July 2012, the property has been transferred to Double-Trans Pte. Ltd., an indirect wholly-owned subsidiary of Company for the consideration of SGD673,000.

3. Pursuant to a Tenancy Agreement between Double-Trans Pte. Ltd. and FY Group Pte. Ltd., the properties with the address of Blk 28, Sin Ming Lane #07-133 and 07-134 are leased to FY Group Pte. Ltd. for a term of 2 years commencing on 18 January 2016 and expiring on 17 January 2018 with a monthly rental of SGD6,955 inclusive of Goods and Services Tax ("GST"), but exclusive all charges of water, radio or TV aerials and other utilities related to the property.

4. Pursuant to the Revised Banking Facilities Letter Ref. No. RST/15/0-00003450/001/TSK/hk, the properties of Blk 28, Sin Ming Lane #07-133 and 07-134 are subject to a mortgage in favour of United Overseas Bank Limited dated 25 June 2015 for the 18-year Commercial Property Loan (CPL) of line of credit of SGD2,104,000.00. Since 28 April 2017, the mortgage is terminated.

5. Pursuant to the Banking Facilities Letter dated 28 April 2017, the property is subject to a mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for the 15-year an aggregate amount of the lower amount of SGD455,000 or the outstanding under the existing loan with United Overseas Bank Limited in respect of the property.

6. The property is subject to the following encumbrances:

   a. Strata Title Application IC/482131G lodged on 04 August 2011; and

   b. Strata Title Plan No 3663 registered on 31 August 2011.

7. The property lies within an area zoned "Business 1" under the Singapore Master Plan 2014 (approved amendments incorporated).

8. The property is situated along Sing Ming Lane, an industrial area located in the Central Singapore. Developments in the vicinity comprises industrial buildings. Public transportation facilities such as buses and taxis are readily available along Sing Ming Lane.

9. As advised by the Group, for the property tax, the annual value of the property in 2017 is SGD27,500 and the current tax rate is 10%.

10. Our inspection was performed by Dr. Alan W. K. Lee in May 2017.

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2017
4.	No. 26 Sing Ming Lane#08-116, Singapore 573971	The property comprises a factory unit on the 8 floor of an 8-storey light industrial building, which was completed in about 2011. As advised by the Company, the property has a gross floor area of approximately 1,690 sq. ft. (or about 157.00 sq. m.) and a open roof of about 125.04 sq. ft (or about 11.62 sq. m.). The property is held under a leasehold estate for a term of 60 years commencing on 23 January 2008 and expiring on 22 January 2068.	The property is subject to a tenancy. For details, refer to Notes No. 3.	SGD850,000.

Notes:

1. Pursuant to a Certificate of Title Volume 656 Folio 82 obtained from Singapore Land Authority on 7 April 2017, the proprietor of the property is All Subsidiary Proprietors of All the Strata Lots.

2. Pursuant to an Option to Purchase Agreement between Pacific Harvest Logistics Pte Ltd and Double-Trans Pte. Ltd. dated 19 September 2013, the property has been transferred to Double-Trans Pte. Ltd. for the consideration of SGD861,900.

3. Pursuant to a Tenancy Agreement between Double-Trans Pte. Ltd. and Morningside Pte. Ltd. dated 14 March 2016, the property is leased to Morningside Pte. Ltd. for a term of 24 months commencing on 1 April 2016 and expiring on 31 March 2018 with a monthly rental of SGD2,867.60 inclusive of Goods and Services Tax ("GST"), but exclusive all charges of water, radio or TV aerials and other utilities related to the property.

4. Pursuant to the Banking Facilities Letter, the property is subject to a mortgage in favour of DBS Bank Limited dated 9 December 2016 for the 20-year Term Loan (TL1) of SGD689,520.

5. The property is subject to the following encumbrances:

   a. Strata Title Application IC/482131G lodged on 04 August 2011; and

   b. Strata Title Plan No 3663 registered on 31 August 2011.

6. The property lies within an area zoned "Business 1" under the Singapore Master Plan 2014 (approved amendments incorporated).

7. The property is situated along Sing Ming Lane, an industrial area located in the Central Singapore. Developments in the vicinity comprises industrial buildings. Public transportation facilities such as buses and taxis are readily available along Sing Ming Lane.

8. As advised by the Group, for the property tax, the annual value of the property in 2017 is SGD3,292.5 and the current tax rate is 10%.

9. Our inspection was performed by Dr. Alan W. K. Lee in May 2017.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 June, 2017 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "Companies Law"). The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "Memorandum") and its Amended and Restated Articles of Association (the "Articles").

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, *inter alia*, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 20 October 2017 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

(i) increase its share capital by the creation of new shares;

(ii) consolidate all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Furthermore, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he resigns by notice in writing delivered to the Company;

(bb) he becomes of unsound mind or dies;

(cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) he is prohibited from being a director by law; or

(ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of the remuneration of the directors and of the auditors;

(ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and

(gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Law of the Cayman Islands, the Company has obtained an undertaking:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 11 July 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 executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within sixty (60) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VI to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 21 June 2017. Our Company has established a principal place of business in Hong Kong at Unit B, 17/F, United Centre, 95 Queensway, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 13 September 2017. Mr. Cheng Florence Ga Sui has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it is subject to the Cayman Islands law and to its constitution, which comprises the Memorandum and the Articles. A summary of various provisions of its constitution and relevant aspects of the Companies Law is set out in Appendix IV to this prospectus.

2. Changes in share capital of our Company

(a) Our Company was incorporated in the Cayman Islands on 21 June 2017. As at the date of its incorporation, our Company has an authorised share capital of HK$380,000 divided into 3,800,000 Shares of HK$0.10 each with one fully paid Share issued to the initial subscriber. On 21 June 2017, the subscriber Share was transferred to Jian Sheng at par value of HK$0.10. Immediately after the transfer of the subscriber Share, our Company was owned as to 100% by Jian Sheng.

(b) The authorised share capital of our Company was increased from HK$380,000 to HK$200,000,000 by the creation of an additional of 1,996,200,000 Shares, each ranking *pari passu* with the Shares then in issue in all respects, pursuant to a resolution in writing passed by our Shareholder referred to in the paragraph below headed "3. Written resolutions of the sole Shareholder passed on 20 October 2017" in this appendix to the prospectus.

(c) Immediately following completion of the Capitalisation Issue and the Global Offering (assuming that the Over-allotment Option is not exercised), and taking no account of any Share which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme, 1,000,000,000 Shares will be issued fully paid or credited as fully paid, and 1,000,000,000 Shares will remain unissued.

(d) Other than pursuant to the general mandate to issue Shares referred to in the paragraph headed "Written resolutions of the sole Shareholder passed on 20 October 2017" in this appendix and pursuant to the Share Option Scheme, our Company does not have any present intention to issue any of the authorised but unissued share capital of our Company and, without prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

(e) Save as disclosed in this prospectus, there has been no other alteration in our Company's share capital since its incorporation.

3. Written resolutions of the sole Shareholder passed on 20 October 2017

On 20 October 2017, resolutions in writing were passed by the sole Shareholder of our Company pursuant to which, among other things:

(a) our Company approved and adopted the Memorandum with immediate effect and the Articles with effect from commencement of trading of the Shares on the Stock Exchange, the terms of which are summarised in Appendix IV to this prospectus;

(b) the authorised share capital of our Company was increased from HK$380,000 divided into 3,800,000 Shares of HK$0.10 each to HK$200,000,000 divided into 2,000,000,000 Shares of HK$0.10 each by the creation of an additional 1,996,200,000 Shares of HK$0.10 each, ranking *pari passu* with the then existing Shares in all respects;

(c) conditional on the Listing Committee granting listing of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options granted under the Share Option Scheme) and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date falling 30 days after the date of the issue of this prospectus:

(i) the Global Offering was approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering to rank *pari passu* with the then existing Shares in all respects;

(ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed "D. Share Option Scheme" below in this appendix, were approved and adopted and our Directors were authorised, subject to the terms and conditions of the Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of subscription rights attaching to any options which may be granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme;

(iii) the Over-allotment Option was approved and the Directors were authorised to allot and issue the Shares as may be required to be allotted and issued upon the exercise of Over-allotment Option to rank *pari passu* with the then existing Shares in all respects;

(iv) conditional further on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorised to capitalise an amount of HK$74,999,999.90 standing to the credit of the share premium account of our Company and to appropriate such amount as to capital to pay up in full at par 749,999,999 Shares for allotment and issue to the persons whose names appear on the register of members of our Company at the close of business on 20 October 2017 in proportion (as nearly as possible without involving fractions) to their then existing shareholdings in our Company, each ranking *pari passu* in all respects with the then existing issued Shares, and our Directors were authorised to give effect to such capitalisation and distributions and the Capitalisation Issue was approved;

(d) 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 or an issue of Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme or any other share option scheme of our Company or any Shares allotted and issued in lieu of the whole or part of a dividend on Shares or similar arrangement in accordance with the Articles or pursuant to a specific authority granted by the Shareholders in general meeting or pursuant to the Global Offering, 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 and options which might require the exercise of such power, with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued under the Over-allotment Option or pursuant to the exercise of the options which may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or

(iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting; and

(e) a general unconditional mandate was given to the Directors authorising them to exercise all powers of our Company to repurchase on Main Board 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 aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued under the Over-allotment Option or pursuant to the exercise of the options which may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or

(iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting; and

(f) the general unconditional mandate mentioned in sub-paragraph (d) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued under the Over-allotment Option or pursuant to the exercise of the options which may be granted under the Share Option Scheme.

4. Corporate Reorganisation

In preparing for the Listing, the companies comprising our Group underwent the Reorganisation to rationalise the corporate structure of our Group and our Company became the holding company of our Group. Please refer to the paragraph headed "History, development and Reorganisation – Reorganisation" in this prospectus for further details.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are set out in the Accountants' Report of our Company, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in the section headed "History, development and Reorganisation" in this prospectus, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. Repurchase of the Shares by the Company

This section contains information required by the Stock Exchange to be included in this prospectus concerning the repurchase of the Shares by our Company.

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on Main Board to repurchase their securities on Main Board subject to certain restrictions, a summary of which is set out below:

(i) Shareholders' approval

The Listing Rules provide that all proposed repurchases of shares, which must be fully paid up in the case of shares, by a company with a primary listing on Main Board must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by the sole Shareholder on 20 October 2017, a general unconditional mandate (the "**Repurchase Mandate**") was granted to our Directors authorising them to exercise all powers of our Company to repurchase on Main Board 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 aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued under the Over-allotment Option or pursuant to the exercise of the options which may be granted under the Share Option Scheme and the Repurchase Mandate shall remain in effect until whichever is the earliest of the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held or the time when the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

(ii) Source of Funds

Any repurchase 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 Listing Rules. Our Company may not repurchase its own Shares on Main Board 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.

Any repurchases by our Company may be made out of profits, out of our Company's share premium account 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 profits of our Company or out of 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.

(iii) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing the Shares on Main Board from a "core connected person" (as defined in the Listing Rules), which includes a Director, chief executive or substantial Shareholder of our Company or any of its subsidiaries and core a connected person shall not knowingly sell Shares to our Company on Main Board.

(b) Exercise of the Repurchase Mandate

On the basis of 1,000,000,000 Shares in issue immediately after completion of the Global Offering and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised), the Directors would be authorised under the Repurchase Mandate to repurchase up to 100,000,000 Shares 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 its Shareholders for our Directors to have a general authority from 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 our Company's net asset value and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and the Shareholders.

(d) Funding of repurchases

In repurchasing the Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) General

None of our Directors or to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) of any Director, has any present intention to sell any Shares to our Company 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 Listing Rules, the Articles and the applicable law and regulations from time to in force in the Cayman Islands.

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers and Share Repurchases (the "**Takeovers Code**"). In certain circumstances, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

Save as disclosed above, our Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchase of Shares if made immediately after the listing of the Shares pursuant to the Repurchase Mandate. At present, so far as is known to the Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that our Directors exercise the power in full to repurchase the Shares 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 Listing Rules). No core connected person (as defined in the Listing Rules) has notified our Company that he/she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by our Group within the two years preceding the date of this prospectus and are or may be material in relation to the business of our Company taken as a whole:

(a) a share swap agreement dated 19 October 2017 entered into between Mr. Tan, Ms. Tan, Jian Sheng and Shuang Yun (BVI) pursuant to which Mr. Tan and Ms. Tan agreed to transfer 7,360,000 shares and 1,840,000 shares, respectively, in Double-Trans to Shuang Yun (BVI), and Mr. Tan and Ms. Tan agreed to transfer 1,200,000 shares and 300,000 shares, respectively, in Samco to Shuang Yun (BVI), in consideration of the allotment and issue of 80 shares in Jian Sheng to Mr. Tan and 20 shares in Jian Sheng to Ms. Tan;

(b) the Deed of Indemnity;

(c) the Deed of Non-competition; and

(d) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights of our Group

(a) Trademarks

As at the Latest Practicable Date, our Group had applied for registration of the following trademark:

Trademark	Place of application	Applicant	Class	Application no.	Date of application
	Hong Kong	Company	37	304191543	30 June 2017

(b) Domain names

As at the Latest Practicable Date, our Group was the owner of the following domain name which is material to the business of our Group:

Domain name	Expiry Date
samco.com.sg	21 January 2018
shuangyunholdings.com	24 October 2018

C. FURTHER INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND EXPERTS

1. Disclosure of Interests

(a) Interests of Directors and chief executive in shares, underlying shares and debentures of our Company and its associated corporations

So far as the Directors are aware, immediately following the completion of the Global Offering and the Capitalisation Issue, but taking no account of any Shares which may be issued under the Over-allotment Option or upon the exercise of any options which may be granted under the Share Option Scheme or repurchased by our Company pursuant to the mandates as referred to in the paragraph headed "A. Further information about our Company" in this appendix, the interests and short positions of the Directors or chief executive of our Company in the Shares, underlying Shares and debentures of our Company or any of the associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed on the Main Board, 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 any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules relating to securities transactions by our Directors, to be notified to our Company and the Stock Exchange, will be as follows:

(i) Long position in the Shares

Name of Director	Capacity/Nature	Number of Shares held	Percentage of shareholding
Mr. Tan *(Note 1)*	Interest in controlled corporation	750,000,000	75%
Ms. Chong Sook Fern *(Note 2)*	Interest of spouse	750,000,000	75%

Notes:

1. Jian Sheng is owned by Mr. Tan as to 80% and Ms. Tan as to 20%. Therefore, Mr. Tan is deemed to be interested in all the Shares held by Jian Sheng for the purposes of the SFO.

2. Ms. Chong Sook Fern is the spouse of Mr. Tan and accordingly is deemed to be interested in the Shares in which Mr. Tan has interest under the SFO.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/ Nature	No. of shares held	Percentage of Interest
Mr. Tan	Jian Sheng	Beneficial owner	88 ordinary shares	80%
Ms. Tan	Jian Sheng	Beneficial owner	22 ordinary shares	20%

(b) Interests of substantial and other Shareholders in the Shares and Underlying Shares

So far as is known to our Directors and taking no account of any Shares which may be taken up under the Global Offering, and Shares to be issued under the Over-allotment Option or pursuant to options which may be granted under the Share Option Scheme, the following persons (not being a Director or chief executive of our Company) will, immediately following the completion of the Capitalisation Issue and the Global Offering, have interests or short positions in Shares or underlying Shares which would fall 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, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name	Capacity/Nature	Number of Shares held	Percentage of shareholding
Jian Sheng	Beneficial owner	750,000,000	75%

Note: Jian Sheng is owned by Mr. Tan as to 80% and Ms. Tan as to 20%. Therefore, Mr. Tan is deemed to be interested in all the Shares held by Jian Sheng for the purposes of the SFO.

2. Particulars of service agreements

Each of the executive Directors has entered into a service agreement with our Company. The terms and conditions of each of such service agreements are similar in all material aspects and are briefly described as follows:

(a) Each service agreement is for an initial term of three years commencing from the Listing Date and shall continue thereafter unless and until it is terminated by our Company or our Director giving to the other not less than three months' prior notice in writing.

(b) The annual remuneration (including director's fee, basic salary, allowance, rental of director's quarters, non-cash benefit and retirement scheme contribution) payable to each of Mr. Tan, Ms. Tan and Ms. Chong Sook Fern under their respective service agreements shall be S$547,770, S$547,770 and S$152,100 respectively.

(c) Each of the executive Directors may be entitled to, if so recommended by our remuneration committee and approved by our Board at its absolute discretion, a discretionary bonus, the amount of which is determined with reference to the operating results of our Group and the performance of the executive Director provided that the aggregate amount of bonuses payable to all the executive Directors in respect of any financial year shall not exceed 10% of the audited consolidated net profits of our Group after taxation and minority interests but before extraordinary items attributable to the Shareholders for the relevant financial year.

(d) Each of the executive Directors shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board regarding the remuneration payable to himself.

Each of the independent non-executive Directors has entered into a letter of appointment with our Company under which each of them is appointed for a period of three years commencing from the Listing Date. The annual director's fee payable to Mr. Siu Man Ho Simon, Prof. Pong Kam Keung and Mr. Yau Chung Hang under their respective letter of appointment shall be HK$180,000, HK$120,000 and HK$120,000, respectively. Save for the annual director's fees mentioned above, none of the independent non-executive Directors is expected to receive any other remuneration for holding his office as an independent non-executive Director.

Save as disclosed above, none of our Directors has or is proposed to have any service agreement with our Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

3. Remuneration of Directors

During the Track Record Period, our Directors confirmed that our Group's remuneration policy for our Directors and senior management members of the subsidiaries were based on their experience, level of responsibility and general market conditions. Any discretionary bonus was linked to the business performance of our Group and the individual performance of such Directors and senior management members. Our Company intends to adopt the same remuneration policy after the Listing, subject to the review by and the recommendations of our remuneration committee.

For the three years ended 31 December 2016 and the four months ended 30 April 2017, the aggregate emoluments (including director's fee, basic salary, allowance, non-cash benefit and retirement scheme contribution) paid by our Group to our Directors were approximately S$689,440, S$692,272, S$997,720 and S$422,900, respectively.

Further information in respect of our Directors' emoluments is set out in Appendix I to this prospectus. It is expected that the aggregate emoluments (excluding payment pursuant to any discretionary bonus, retirement scheme contribution or granting of share options) payable by our Group to our Directors (including the independent non-executive Directors) for the year ending 31 December 2017 will be approximately S$1,088,000.

Save as disclosed in Appendix I to this prospectus, none of our Directors received any remuneration or benefits in kind from our Group during the Track Record Period.

4. Agency fees or commissions received

Save as disclosed in the sub-paragraph headed "Underwriting commission and expenses" in the section headed "Underwriting" of this prospectus, none of our Directors or the experts named in the paragraph headed "E. Other information – 7. Qualifications of experts" in this appendix had received any agency fee or commissions from our Group within the two years preceding the date of this prospectus.

5. Related party transactions

Details of the related party transactions are set out under note 29 of the Accountants' Report of our Company set out in Appendix I to this prospectus.

6. Disclaimers

Save as disclosed in this prospectus:

(a) so far as our Directors are aware, none of our Directors or CEO has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) immediately following the completion of the Global Offering and assuming that the Over-allotment Option and the options which may be granted under the Share Option Scheme are not exercised, which will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed, or which will be required, pursuant to the Listing Rules relating to securities transactions by our Directors to be notified to our Company and the Stock Exchange, once the Shares are listed;

(b) so far as our Directors are aware, none of our Directors and experts referred to under the heading "E. Other information – 7. Qualifications of experts" of this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the 2 years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors and experts referred to under the heading "E. Other information – 7. Qualifications of experts" in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group, excluding contracts which are determinable by the employer within 1 year without payment of compensation other than statutory compensation;

(e) taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme, our Directors are not aware of any person, not being a Director of our Company, who will, immediately following completion of the Global Offering and the Capitalisation Issue, be interested in or has short positions in the Shares or underlying shares of our Company which have to be notified to our Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO once the Shares are listed, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(f) none of the experts referred to under the heading "E. Other information – 7. Qualifications of experts" of this appendix has any shareholding in any member of our Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(g) none of our Directors, their close associates or any Shareholder of our Company (which to the knowledge of our Directors owns more than 5% of our Company's issued share capital) has any interest in our Group's five largest suppliers and five largest customers.

D. SHARE OPTION SCHEME

The principal terms of the Share Option Scheme conditionally adopted under the written resolutions of the sole Shareholder passed on 20 October 2017 are set out below:

1. Purpose of the Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to recognise and motivate the contributions that Eligible Participants (as defined below) have made or may make to our Group.

The Share Option Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in our Company with the view to achieving the following principal objectives:

(a) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of our Group; and

(b) attract and retain or otherwise maintain ongoing business relationships with the Eligible participants whose contributions are, will or expected to be beneficial to our Group.

For the purpose of the Share Option Scheme, "Eligible Participants" means any person who satisfies the eligibility criteria in paragraph 2 below.

2. Who may join and basis of eligibility

The Directors may, in accordance with the provisions of the Share Option Scheme and the Listing Rules, grant options to:

(i) any Eligible Employees. "**Eligible Employees**" means employees (whether full time or part time, including any executive director but excluding any non-executive director) of our Company, any subsidiary or any entity in which our Group holds at least 20% of its issued share capital ("**Invested Entity**");

(ii) any directors (including non-executive and independent non-executive directors) of our Company, any subsidiary or any Invested Entity;

(iii) any supplier of goods or services to any member of our Group or any Invested Entity;

(iv) any customer of any member of our Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;

(vi) 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;

(vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

and, for the purposes of the Share Option Scheme, options may be granted to any company wholly owned by one or more Eligible Participants.

The basis of eligibility of any Eligible Participant to be granted any option shall be determined by the Directors (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

3. Subscription price of Shares

The exercise price for any Share under the Share Option Scheme shall be a price determined by the Directors and shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date of the relevant option, which must be a day on which the Stock Exchange is open for the business of dealing in securities (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 offer date of the relevant option; and (iii) the nominal value of a Share on the offer date. For the purpose of calculating the exercise price where our Company has been listed for less than five Trading Days, the Offer Price of the Shares shall be used as the closing price of the Shares for any Trading Days falling within the period before the Listing Date.

4. Grant of options and acceptance of offers

An offer for the grant of options shall be deemed to have been accepted when our Company receives the letter containing the offer duly signed by the grantee together with a remittance of HK$1.00 (or such other nominal sum in any currency as the Directors may determine) in favor of our Company as consideration for the grant thereof within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Eligible Participant.

5. Maximum number of Shares

(i) Subject to sub-paragraphs (ii) to (iv) below, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 100,000,000 Shares) (the "**Scheme Mandate Limit**") unless approved by the Shareholders of our Company pursuant to sub-paragraph (iii) below. Options lapsed in accordance with the terms of the scheme(s) will not be counted for the purpose of calculating the Scheme Mandate Limit.

(ii) Subject to sub-paragraphs (iii) and (iv) below, the Scheme Mandate Limit may be renewed by the Shareholders of our Company in general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by the Shareholders of our Company. Upon such renewal, all options granted under the Share Option Scheme and any other share option schemes of our Company (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to the Shareholders of our Company containing such relevant information from time to time as required by the Listing Rules in connection with the general meeting at which their approval is sought.

(iii) Subject to sub-paragraphs (iv) below, the Directors may seek separate Shareholders' approval in general meeting to grant options beyond the Scheme Mandate Limit provided that the options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by our Company before such approval is sought and our Company must issue a circular to the Shareholders of our Company containing such relevant information from time to time as required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.

(iv) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group must not, in aggregate, exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by our Group if such grant will result in the said 30% limit being exceeded.

6. Maximum entitlement of each participant

No option shall be granted to any Eligible Participant which, if exercised in full would result in the total number of the Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as at the date of such grant. Any grant of further options above this limit shall be subject to the following requirements:

(i) approval of the Shareholders of our Company at general meeting, with such Eligible Participant and its close associates (or its associates if such Eligible Participant is a connected person) abstaining from voting;

(ii) a circular in relation to the proposal for such further grant must be sent by our Company to its Shareholders with such information from time to time as required by the Listing Rules;

(iii) the number and terms of the options to be granted to such proposed grantee shall be fixed before the Shareholders' approval mentioned in (i) above; and

(iv) for the purpose of calculating the minimum exercise price for the Shares in respect of the further options proposed to be so granted, the date of board meeting for proposing such grant of further options shall be taken as the date of offer of such options.

7. Requirements on granting options to certain connected persons

Any grant of options to any director, chief executive or substantial Shareholder of our Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding an independent non-executive Director who or whose associate is a proposed grantee).

Where any grant of options to a substantial Shareholder of our Company or an independent non-executive Director or any of their respective associates would result in the total number of the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the total number of Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Shares at the date of such grant, in excess of HK$5 million, such further grant of options must be approved by the Shareholders of our Company on a poll in a general meeting where the grantee, his associates and all core connected persons of our Company must abstain from voting in favor at such general meeting. Our Company will send a circular to the Shareholders containing the information required under the Listing Rules.

8. Restrictions on the time of grant of options

No option shall be granted after inside information has come to the knowledge of our Company until our Company has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. No option may be granted during any period of delay in publishing a results announcement. "Inside information" has the meaning defined in the SFO.

The Directors may not make any offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

9. 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 as the Directors may in their absolute discretion determine which shall not exceed 10 years from the offer date subject to the provisions of early termination thereof, and provided that the Directors may in their discretion determine the minimum period for which an Option has to be held or other restrictions before its exercise.

The grantee shall not exercise an option to the extent that the public float of our Company will be less than 25% (or such higher percentage as required by the Stock Exchange or the Listing Rules) of the issued share capital of our Company immediately after the issue and allotment of the Shares upon such exercise of the option.

10. Performance targets

Save as determined by the Directors and provided in the offer of grant of the options, there is no performance target that must be achieved before the options can be exercised.

11. Ranking of Shares

The Shares to be allotted and issued upon exercise of an option shall be subject to all the provisions of the Articles of our Company for the time being in force and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the allotment date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the allotment date. Any Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been duly entered into the register of members of our Company as the holder thereof.

12. Rights are personal to grantee

An option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favor of any third party over or in relation to any option or enter into any agreement so to do.

13. Rights on cessation of employment

(i) In the event of death of the grantee (being an individual) before exercising the option in full, his personal representatives may exercise the option up to the grantee's entitlement (to the extent exercisable as at the date of his death and not already exercised) within a period of 12 months following his death or such longer period as the Directors may determine.

(ii) In the event of the grantee who is an Eligible Employee ceasing to be an Eligible Employee for any reason other than his death, or the termination of his employment pursuant to paragraph 18(v), the grantee may exercise the option (to the extent exercisable as at the date of such cessation and not already exercised) within 30 days following such cessation or such longer period as the Directors may determine.

14. Effects of alterations to share capital

In the event of any alteration in the capital structure of our Company while an option remains exercisable or this scheme remains in effect, whether by way of capitalisation of profits or reserves, rights issue, consolidation, reclassification, sub-division of the Shares or reduction of capital of our Company, such corresponding alterations (if any) shall be made in (i) the number or nominal amount of Shares to which the Share Option Scheme or any option(s) relate so far as unexercised; and/or (ii) the subscription price of any options; and/or (iii) the method of exercise of the options; and/or (iv) the maximum number of Shares subject to the Share Option Scheme.

Any adjustments required under this paragraph must be made in compliance with the Listing Rules, and give a grantee the same proportion of the equity capital as that to which that grantee was previously entitled and shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, but no such adjustments may be made to the extent that Shares would be issued at less than nominal value provided that in such circumstance, the subscription price shall be reduced to the nominal value. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial advisor of our Company or the auditors of our Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

15. Rights on a general offer

If a general or partial offer (whether by way of takeover offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror), our Company shall use all reasonable endeavors to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional, the grantee shall be entitled to exercise the option (to the extent exercisable as at the date on which the offer becomes or is declared unconditional and not already exercised) in full or in part at any time within 14 days after the date on which the offer becomes or is declared unconditional.

16. Rights on winding-up

In the event notice is given by our Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall forthwith give notice thereof to the grantee and the grantee shall be entitled to exercise all or any of his/her options (to the extent exercisable as at the date of the notice of meeting and not already exercised) at any time not later than two Trading Days (excluding any period(s) of closure of our Company's share registers) prior to the proposed meeting of our Company to consider the winding-up and our Company shall, as soon as possible and in any event no later than the Trading Day (excluding any period(s) of closure of our Company's share registers) immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise.

17. Rights on compromise or arrangement

In the event of a compromise or arrangement between our Company and its members or creditors being proposed in connection with a scheme for the restructuring, reconstruction or amalgamation of our Company, our Company shall give notice thereof to all grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme, and thereupon the grantee shall be entitled to exercise all or any of his/her option(s) (to the extent which has become exercisable as at the date of the notice and not already exercised) at any time not later than two Trading Days (excluding any period(s) of closure of our Company's share registers) prior to the proposed meeting and our Company shall, as soon as possible and in any event no later than the Trading Day (excluding any period(s) of closure of our Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise.

18. Lapse of options

An option (to the extent not already exercised) shall automatically lapse and not be exercisable on the earliest of:

(i) the expiry of the option period;

(ii) the expiry of any of the periods referred to in paragraph 13 above;

(iii) subject to paragraph 16 above, the date of the commencement of the winding-up of our Company;

(iv) subject to the scheme becoming effective, the expiry of the period referred to in paragraph 17 above;

(v) the date on which the grantee who is an Eligible Employee ceases to be an Eligible Employee by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his employment contract or other contract constituting him an Eligible Employee, or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his or her creditors generally or on which he has been convicted of any criminal offence involving his or her integrity or honesty, unless otherwise resolved to the contrary by the Directors;

(vi) in respect of a grantee other than an Eligible Employee, the date on which the Directors shall determine that (i) (a) such grantee has committed any breach of any contract entered into between such grantee on the one part and our Group or any Invested Entity on the other part; or (b) such grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (c) such grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by any other reason whatsoever; and (ii) the option shall lapse as a result of any event specified in subparagraph (i) (a), (b) or (c) above, unless otherwise resolved to the contrary by the Directors;

(vii) the expiry of the period referred to in paragraph 15 above; and

(viii) the date on which the grantee commits a breach of paragraph 12 or any terms or conditions attached to the grant of the option or an event, in respect to a grantee, referred to in (2) below occurs, unless otherwise resolved to the contrary by the Directors.

If the grantee is a company wholly owned by one or more Eligible Participants:

(1) the provisions of paragraphs 13(i) and (ii), 18(v) and (vi) shall apply to the grantee and to the options granted to such grantee, mutatis mutandis, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 13(i) and (ii), 18(v) and (vi) shall occur with respect to the relevant Eligible Participant; and

(2) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant,

provided that the Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

19. Cancellation of options granted but not yet exercised

The Directors shall have the absolute discretion to cancel any options granted at any time if the grantee so agreed provided that where an option is cancelled and a new option is proposed to be issued to the same grantee, the issue of such new option may only be made with available but unissued options (excluding the cancelled options) within the limit approved by the Shareholders as mentioned in the Share Option Scheme from time to time.

20. Period of the Share Option Scheme

Subject to the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years after the adoption date, after which no further options may be issued. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding, the provisions of the Share Option Scheme shall remain in full force and effect.

The Directors may impose such terms and conditions of the offer of grant either on a case-by-case basis or generally as are not inconsistent with the Share Option Scheme and the Listing Rules including but not limited to the minimum period for which an option must be held before it can be exercised.

21. Alteration to the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Directors except that the terms and condition of the Share Option Scheme relating to matters set out in Rule 17.03 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) cannot be altered to the advantage of grantees or prospective grantees except with the prior approval of the Shareholders of our Company in general meeting. No such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alterations except with the consent or sanction of such majority of the grantee as would be required of the Shareholders of our Company under the Articles for the time being of our Company for a variation of the rights attached to Shares.

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 options granted must be approved by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the Share Option Scheme.

Any change to the authority of the Directors or administrators of the Share Option Scheme in relation to any alterations to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

The amended terms of the Share Option Scheme and/or the options must continue to comply with the relevant provisions of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time (including the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to Share Option Scheme).

Subject to the above paragraphs, the Directors may at any time alter, amend or modify the terms and conditions of the Share Option Scheme such that the provisions of the Share Option Scheme would comply with all relevant legal and regulatory requirements in all relevant jurisdictions to the extent as considered necessary by the Directors to implement the terms of the Share Option Scheme.

22. Termination to the Share Option Scheme

Our Company by ordinary resolution in general meeting or the Directors may at any time terminate the operation of the Share Option Scheme and in such event, no further options will be offered but the provisions of the Share Option Scheme shall remain in force in all other respects.

Options complying with the provisions of the Listing Rules which are granted during the life of the scheme and remain unexpired immediately prior to the termination of the operation of the Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Share Option Scheme.

23. Conditions of the Share Option Scheme

The Share Option Scheme is conditional upon (i) the Stock Exchange granting the approval of the listing of and permission to deal in the Shares in issue, the Shares to be issued pursuant to the Capitalisation Issue, the Global Offering and any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and any options under the Share Option Scheme in respect of up to 10% of the Shares in issue as at the Listing Date; (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise; and (iii) the commencement of dealings in the Shares on the Stock Exchange.

As at the Latest Practicable Date, no option had been granted by our Company under the Share Option Scheme. An application has been made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in the Shares to be issued and allotted by our Company pursuant to the exercise of options that may be granted under the Share Option Scheme in respect of up to 10% of the Shares in issue as at the Listing Date.

The Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. The Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

E. OTHER INFORMATION

1. Tax and other indemnities

Our Controlling Shareholders, pursuant to a Deed of Indemnity referred to in the paragraph headed "B. Further information about the business of our Group – 1. Summary of material contracts" in this appendix, have given joint and several indemnities (subject to certain limitations) to our Company (for ourselves and as trustee for our subsidiaries) in connection with, among other things, any taxation falling on any members of our Group resulting from or by reference to any revenue (including any form of government financial assistance, subsidiary or rebate), income, profits or gains granted, earned, accrued, received or made (or deemed to be so granted, earned, accrued, received or made) on or before the Listing Date, or any event, transaction, act or omission occurring or deemed to occur on or before the Listing Date, whether alone or in conjunction with any other event, act or omission occurring or deemed to occur on or before the Listing Date, and whether or not such taxation is chargeable against or attributable to any other person, firm or company, including any additional taxation which may fall on our Company or any other member of our Group in respect of a taxation claim resulting from a reassessment or similar action by a taxation authority against any member of our Group of taxation due, and whether or not such reassessment is effected in respect of taxation which our Company or any other members of our Group had previously reached agreement with a taxation authority.

Our Controlling Shareholders will, however, not be liable under the Deed of Indemnity where:

(a) to the extent that provision, reserve or allowance has been made for such liability, taxation or taxation claim in the audited consolidated accounts of our Company or the audited accounts of any member of our Group up to 30 April 2017; or

(b) to the extent that the liability arises or is incurred as a consequence of any change in law, rules or regulations, or the interpretation or practice thereof by any statutory or governmental authority (in Hong Kong or elsewhere), including, without limitation, the tax bureau of Singapore, having retrospective effect coming into force after the Listing Date, or to the extent that such liability arises or is increased by an increase in rates of taxation or other penalties after the Listing Date with retrospective effect; or

(c) to the liability, taxation or taxation claim falling on any of members of our Group after 30 April 2017, unless such liability would not have arisen but for some act or omission of, or transaction entered into by, any of our Controlling Shareholders and/or any members of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring), otherwise than in the ordinary course of business of our Group on or before the Listing Date or pursuant to a legally binding commitment created on or before the date of the Deed of Indemnity, or pursuant to any statement of intention made in this prospectus; or

(d) to the extent that any provision or reserve made for such liability in the audited accounts referred to in (a) is finally established to be an over-provision or an excessive reserve, provided that the amount of any such provision or reserve applied to reduce the liability of our Controlling Shareholders in respect of such liability shall not be available in respect of any such liabilities arising thereafter; or

(e) to the extent that such liability is discharged by another person who is not a member of our Group, and none of the members of our Group is required to reimburse such person in respect of the discharge of such liability.

Our Controlling Shareholders have also irrevocably and unconditionally agreed and undertaken to each of the members of our Group, on a joint and several basis, that they shall indemnify and, at all times, keep the same indemnified on demand from and against all sums, outgoings, fees, demands, claims, damages, losses, costs, charges, liabilities, fines, penalties, payments, suits, and expenses associated, incurred or suffered by our Company or any of the members of our Group, directly or indirectly, which may arise as a result of any outstanding and potential litigations (including criminal litigations), or claims of our Group on or before the date on which the Global Offering becomes unconditional.

2. Litigation

Our Directors confirmed that as at the Latest Practicable Date, no member of our Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is pending or threatened by or against any member of our Group.

3. Sponsor

The Sponsor has made an application on behalf of our Company to the Listing Committee for listing of and permission to deal in the Shares in issue and to be issued as mentioned herein and any Shares which may fall to be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme and the exercise of the Over-allotment Option.

The Sponsor's fee in relation to the Listing is HK$4,500,000.

4. Preliminary expenses

The preliminary expenses are approximately HK$131,000 and are payable by our Company.

5. Compliance adviser

In accordance with the requirements of the Listing Rules, our Company will appoint Dakin Capital Limited as our compliance adviser to provide advisory services to our Company to ensure compliance with the Listing Rules for a period commencing on the Listing Date, and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, or until the compliance adviser agreement is otherwise terminated upon the terms and conditions set out therein.

6. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

7. Qualifications of experts

The following are the respective qualifications of the experts who have given their opinion or advice which is contained in this prospectus:

Name	Qualification
Dakin Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Colin Ng & Partners LLP	Legal advisers as to Singapore law
Deloitte Touche Tohmatsu	Certified public accountants

Name	Qualification
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Ipsos Pte. Ltd.	Independent market consultant
Roma Appraisals Limited	Property valuer

8. Consents of experts

Each of parties listed in the paragraph headed ‘‘E. Other information – 7. Qualifications of experts’’ in this appendix has given and has not withdrawn its written consent to the issue of this prospectus, with the inclusion of its letters and/or reports and/or opinions and/or summary thereof (as the case may be) and/or reference to its name included herein in the form and context in which they respectively appear.

9. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Registration procedures

The principal register of members of our Company in the Cayman Islands will be maintained by Conyers Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained by Computershare Hong Kong Investor Services Limited. Save where our Directors otherwise agree, all transfers and other documents of title to 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. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

11. No material adverse change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Company or our subsidiaries since 30 April 2017 (being the date to which the latest audited financial statements of our Group were made up) and up to the Latest Practicable Date.

12. Taxation of holders of Shares

(a) Hong Kong

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

Profits from dealings in Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending 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. It is emphasised that none of our Company, our Directors or parties involved in the Global Offering accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

13. Miscellaneous

Save as disclosed herein:

(a) within the 2 years immediately preceding the date of this prospectus:

  (i) no share or loan capital of our Company or any of our subsidiaries has been issued, agree to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

  (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(iii) no commission has been paid or payable (except to sub-underwriter) for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares; and

(iv) no founder, management or deferred shares of our Company have been issued or agreed to be issued;

(b) 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;

(c) all necessary arrangements have been made enabling the Shares to be admitted into CCASS;

(d) 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;

(e) there has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus;

(f) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(g) our Company has no outstanding convertible debt securities; and

(h) as at the Latest Practicable Date, there is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

14. Bilingual document

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of each of the **WHITE**, **YELLOW** and **GREEN** Application Forms;

(b) a copy of each of the material contracts referred to in the paragraph headed "Statutory and general information – B. Further information about the business of Our Group – 1. Summary of material contracts" in Appendix V to this prospectus;

(c) the written consents referred to in the paragraph headed "Statutory and general information – E. Other information – 8. Consents of experts" in Appendix V to this prospectus; and

(d) a statement of adjustments prepared by Deloitte Touche Tohmatsu in arriving at the figures set out in the Accountants' Report.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of CFN Lawyers in association with BROAD & BRIGHT, at 27th Floor, Neich Tower, 128 Gloucester Road, Wan Chai, 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 of Association and the Articles of Association;

(b) the accountants' report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus and the related statement of adjustments;

(c) the report on the unaudited pro forma financial information of our Group prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this prospectus;

(d) the audited financial statements of Double-Trans and Samco prepared in accordance with IFRS for the Track Record Period;

(e) the material contracts referred to in the paragraph headed "B. Further information about the business of our Group – 1. Summary of material contracts" in Appendix V to this prospectus;

(f) the service agreements and the letters of appointment referred to in the paragraph headed "C. Further information about substantial Shareholders, Directors and experts – 2. Particulars of service agreements" in Appendix V to this prospectus;

(g) the rules of the Share Option Scheme referred to in the paragraph headed "D. Share Option Scheme" in Appendix V to this prospectus;

(h) the written consents referred to in the paragraph headed "Statutory and general information – E. Other information – 8. Consents of experts" in Appendix V to this prospectus;

(i) the market research report prepared by Ipsos Pte. Ltd.;

(j) the Companies Law;

(k) the letter prepared by Conyers Dill & Pearman summarising certain aspects of the Cayman Islands company law referred to in Appendix IV to this prospectus;

(l) the legal opinion issued by Colin Ng & Partners LLP, legal advisers to our Company as to Singapore law; and

(m) the valuation report relating to the property interest of our Group prepared by Roma Appraisals Limited, the text of which is set out in Appendix III to this prospectus.