Kingbo Strike Limited
工 蓋 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1421

SHARE OFFER

Sole Sponsor

VINCO 域高

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

Joint Lead Managers

太平基業證券有限公司

Pacific Foundation Securities Limited

VINCO 域高

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

* For identification purpose only

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

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SHARE OFFER

Total number of Offer Shares under the Share Offer	:	**160,000,000 Shares comprising 128,000,000 New Shares and 32,000,000 Sale Shares**
Number of Public Offer Shares	:	**16,000,000 Shares (subject to reallocation)**
Number of Placing Shares	:	**144,000,000 Shares (subject to reallocation)**
Offer Price	:	**HK$0.50 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**HK$0.01 per Share**
Stock code	:	**1421**

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VINCO 域高

Grand Vinco Capital Limited

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Bookrunner

太平基業證券有限公司
Pacific Foundation Securities Limited

Joint Lead Managers

太平基業證券有限公司
Pacific Foundation Securities Limited

VINCO 域高

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

Co-Managers

SUNWAH KINGSWAY
新華滙富

Kingsway Financial Services Group Limited

SWS

Shenyin Wanguo Capital (H.K.) 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 Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The SFC and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price is currently fixed at HK$0.50 unless otherwise announced. Investors applying for Public Offer Shares must pay, on application, the Offer Price of HK$0.50 for each Offer Share together with brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%.

Pursuant to the force majeure provisions contained in the Public Offer Underwriting Agreement in respect of the Public Offer, the Bookrunner (for itself and on behalf of the Public Offer Underwriters) has the right, in certain circumstances, subject to its sole and absolute opinion, to terminate the obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is expected to be on Monday, 30 December 2013). Further details of the terms of the force majeure and termination provisions are set out in the section headed "Underwriting — Public offer underwriting arrangements — Grounds for termination" in this prospectus. It is important that you carefully read those sections before making any investment decision.

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

No information on any website forms part of this prospectus.

* *For identification purpose only*

16 December 2013

If there is any change in the following expected timetable, our Company will issue an announcement to be published in the South China Morning Post in English and in the Hong Kong Economic Times (in Chinese).

	Date[1]
Application lists open[2]	11:45 a.m. on Thursday, 19 December 2013
Latest time for lodging **WHITE** and **YELLOW** Application Forms and giving **electronic application instructions** to HKSCC[3]	12:00 noon on Thursday, 19 December 2013
Application lists close[2]	12:00 noon on Thursday, 19 December 2013
Announcement of the indication of the levels of interest in the Placing, the levels in the applications of the Public Offer and the basis of allotment of the Public Offer Shares to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on our Company's website at **www.kingbostrike.com** and the website of the Stock Exchange at **www.hkexnews.hk** on	Friday, 27 December 2013
Hong Kong Identity Card/passport/Hong Kong business registration numbers of successful applicants (where applicable) will be made available through a variety of channels as described in the section headed "How to apply for Public Offer Shares — 10. Publication of results" in this prospectus on	Friday, 27 December 2013
Results of allocations in the Public Offer will be available at **www.unioniporesults.com.hk** with a "search by ID" function on	Friday, 27 December 2013
Despatch of share certificates in respect of wholly or partially successful applications pursuant to the Public Offer[5]	on or before Friday, 27 December 2013
Despatch of refund cheques in respect of wholly or partially unsuccessful applications pursuant to the Public Offer[4 and 5]	on or before Friday, 27 December 2013
Listing Date	Monday, 30 December 2013

Notes:

1. All times refer to Hong Kong local time. Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure of the Share Offer" in this prospectus.

2. If there is a "black" rainstorm warning signal or a tropical cyclone warning signal number eight or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 19 December 2013, the application lists will not open and close on that day. Further information is set out in the section headed "How to apply for Public Offer Shares — 9. Effect of Bad Weather on the Opening of the Application Lists" in this prospectus.

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

4. Refund by cheque(s) will be made out to you, or if you are joint applicants, to the first-named applicant on your Application Form in respect of wholly or partially unsuccessful applications pursuant to the Public Offer. 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 may also be transferred to a third party for refund purposes. Your banker may require verification of your Hong Kong Identity Card number/passport number before encashment of your refund cheque, if any. Inaccurate completion of your Hong Kong Identity Card number/passport number may lead to a delay in encashment of, or may invalidate, your refund cheque.

5. Applicants who apply on **WHITE** Application Forms for 1,000,000 Shares or more under the Public Offer and have provided all required information may collect refund cheques and (where applicable) share certificates in person from the Hong Kong Share Registrar from 9:00 a.m. to 1:00 p.m. on Friday, 27 December 2013. Identification and (where applicable) authorisation documents acceptable to the Hong Kong Share Registrar must be produced at the time of collection.

   Applicants who apply on **YELLOW** Application Forms for 1,000,000 Shares or more under the Public Offer and have provided all required information may collect their refund cheques (if any) but may not elect to collect their share certificates, which will be deposited into CCASS for credit to their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedure for collection of refund cheques for applicants who apply on **YELLOW** Application Forms is the same as that for **WHITE** Application Form applicants.

   Uncollected share certificates and refund cheques (if any) will be despatched by ordinary post (at the applicants' own risk) to the addresses specified in the relevant Application Forms. Further information is set out in the section headed "How to apply for Public Offer Shares — 12. Refund of Application Monies" in this prospectus.

Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. (Hong Kong time) on the Listing Date provided that (i) the Share Offer has become unconditional; and (ii) the right of termination as described in the section headed "Underwriting — Public offer underwriting arrangements — Grounds for termination" in this prospectus has not been exercised and has lapsed. 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.

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

Page

CONTENTS

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

OVERVIEW

Our Group is principally engaged in the provision of electrical engineering services in Singapore. We are one of the established electrical engineering companies undertaking electrical engineering works for public residential projects in Singapore. During the Track Record Period, our Group had completed twelve projects, ten of which are electrical engineering works for public residential projects, one for electrical maintenance and another for electrical engineering works for education institutions in Singapore. Our competitive advantage lies in our ability to provide an electrical engineering solution that is reliable and cost competitive. Our established track record and experienced management team provide us a competitive edge during contract evaluation stage where reputation is a key consideration.

OUR PRINCIPAL BUSINESS ACTIVITIES

Our Group's principal business activity is the provision of electrical engineering services, mainly for public residential projects in Singapore. Our Group also has the capability to provide electrical engineering services to private residential, commercial and industrial sectors. Electrical engineering services provided by our Group include but not limited to the installation of copper wiring, switchboards, fire prevention and protection systems, CATV and fixed-line telecommunication systems.

CUSTOMERS

Our customers comprise mainly main contractors of public residential projects in Singapore, who will subcontract the electrical engineering works of the HDB projects to us. We had 16, 14 and 10 customers for the three financial years ended 30 June 2013 respectively, of which HDB residential projects comprise approximately 95.9%, 92.5% and 88.8% of our total revenue respectively. Our projects usually span more than one financial year, for duration ranging between 24 and 48 months. Repeated customers made up approximately 75.0%, 64.3% and 80.0% of our total revenue for the three financial years ended 30 June 2013, respectively. Over the years, we have built a solid track record for providing reliable and cost competitive electrical engineering works for public residential projects in Singapore, and have a good reputation with our customers. There is no long-term agreement with any of the customers and contracts are signed on a project by project basis.

For the three financial years ended 30 June 2013, revenue from our five largest customers amounted to approximately S$31.3 million, S$15.4 million and S$18.6 million, and accounted for approximately 96.2%, 99.0% and 99.7% of our total revenue, respectively. Revenue from our largest customer for the three financial years ended 30 June 2013 amounted to approximately S$14.6 million, S$9.1 million and S$13.5 million, and accounted for approximately 45.0%, 58.6% and 72.1% of our total revenue, respectively.

MAIN QUALIFICATIONS AND LICENCES

Our Group holds a BCA L6 grading in the work head category of "Electrical Engineering" which would enable us to tender for Singapore public sector projects of unlimited amount, amongst other gradings in other categories. For details of our qualifications and licences, please refer to the section headed "Business — Our business model — Main qualifications and licences" in this prospectus.

OUR COMPETITIVE STRENGTHS

— We have a reputation as an established electrical engineering company undertaking electrical engineering works for public residential projects in Singapore

— Our good relationships with suppliers enable us to obtain competitive pricing which in turn provides us the flexibility to price our services to customers

— We have an experienced, dedicated and dynamic management team and each of our Executive Directors has approximately 30 years of experience in the electrical engineering industry

BUSINESS STRATEGIES

Our corporate objective is to achieve sustainable growth in our current business and to create long-term shareholder's value. We intend to achieve this by implementing the following corporate strategies:

— Expand our business and strengthen our market position in the public residential sector in Singapore

— Maintain our existing shareholding percentage in YL, NEK and SRM

— Expand our market share and business portfolio through formation of new companies

SUMMARY OF FINANCIAL INFORMATION

The tables below summarise our consolidated financial information for the three financial years ended 30 June 2013 respectively, and should be read in conjunction with our financial information included in the Accountants' Report set forth in Appendix I to this prospectus, including the notes thereto.

Highlight of consolidated statements of comprehensive income

	For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Revenue	32,522,617	15,609,071	18,660,508
Gross profit	7,453,153	5,052,487	8,283,579
Profit before tax	6,670,373	4,280,660	7,742,623
Profit for the year and total comprehensive income for the year	5,586,420	3,669,568	6,541,570

Highlight of consolidated statements of financial position

	As at		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Non-current assets	1,813,505	1,419,883	2,598,039
Current assets	27,975,293	21,141,015	17,116,360
Current liabilities	22,623,101	17,161,633	15,908,166
Net current assets	5,352,192	3,979,382	1,208,194
Non-current liabilities	—	—	19,398
Net assets	7,165,697	5,399,265	3,786,835

Our revenue

We derive our revenue mainly from the provision of electrical engineering services. Our services are provided on a project basis hence our revenue will fluctuate depending on the contract value of the projects and the number of projects executed in the financial year and the percentage of projects completed during the financial year. The decrease in our revenue in the financial year ended 30 June 2012 as compared to the financial year ended 30 June 2011 was principally due to lower revenue of approximately S$12.3 million recognised for four projects which had achieved a significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2012 as compared to a revenue of approximately S$32.1 million recognised for eleven projects which had achieved a significant percentage of completion in the financial year ended 30 June 2011. The increase in our revenue in the financial year ended 30 June 2013 as compared to the financial year ended 30 June 2012 was principally due to higher revenue of approximately S$16.5 million recognised for five projects which had achieved a significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2013 as compared to a revenue of approximately S$12.3 million recognised for four projects which had achieved a significant percentage of completion in the financial year ended 30 June 2012. For details, please refer to the section headed "Financial information — Period to period comparison of results of operations" in this prospectus.

Our key financial ratios

		As at	
	30 June 2011	**30 June 2012**	**30 June 2013**
	times	*times*	*times*
Current ratio$^{(1)}$	1.2	1.2	1.1

		For the financial year ended	
	30 June 2011	**30 June 2012**	**30 June 2013**
	%	*%*	*%*
Gross profit margin$^{(2)}$	22.9	32.4	44.4
Profit before tax margin$^{(3)}$	20.5	27.4	41.5
Net profit margin$^{(4)}$	17.2	23.5	35.1
Return on total assets$^{(5)}$	18.8	16.3	33.2
Return on equity$^{(6)}$	78.0	68.0	172.7

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as at the respective financial year end.

(2) Gross profit margin is calculated by dividing gross profit by the revenue for the financial year.

(3) Profit before tax margin is calculated by dividing profit before tax by the revenue for the financial year.

(4) Net profit margin is calculated by dividing profit for the year and total comprehensive income for the year by the revenue for the financial year.

(5) Return on total assets is calculated by dividing profit for the year and total comprehensive income for the year by the total assets as at the respective financial year end.

(6) Return on equity is calculated by dividing profit for the year and total comprehensive income for the year by the total equity as at the respective financial year end.

Our gross and net profit margins

Our gross profit fluctuates according to our revenue recognised as well as the cost of sales recognised for the projects executed in the respective financial year. Each of our projects has a different profit margin depending on various factors, including but not limited to the scale, complexity and specifications of the projects, timing, our capacity, and the competitive conditions at the contract negotiation stage. In addition, the gross profit margin for each project may fluctuate over the duration of the project due to revisions made to the budgeted cost of sales. Such revisions typically arise from deviation from the budgeted cost of sales compared to (i) actual cost of materials used; (ii) actual materials and manhours used in the project depending on the efficiency of project management; and (iii) actual materials and manhours used during the defect liability period. Due to the nature of our business, such revisions are typically made when the projects are substantially completed when majority of the costs are committed and/or determined and at the end of the defect liability period when the final cost incurred during the defect liability period is determined.

Our gross profit margin increased from approximately 22.9% for the financial year ended 30 June 2011 to 32.4% for the financial year ended 30 June 2012, despite a decrease of approximately S$2.4 million or 32.2% in gross profit from approximately S$7.5 million to S$5.1 million. The decrease in our gross profit was primarily due to the decrease in revenue, coupled with a decrease in our cost of sales. Nevertheless, our gross profit margin improved as the percentage decrease in our cost of sales was higher than the percentage decrease of our revenue. This was because our cost of sales was reduced by approximately S$0.6 million from the higher downward revision of cost of sales for ten project accounts in the financial year ended 30 June 2012 as compared to the downward revision of cost of sales for eight project accounts in the financial year ended 30 June 2011. Our gross profit margin further increased to 44.4% for the financial year ended 30 June 2013, and we recorded an increase of approximately S$3.2 million or 64.0% in gross profit from approximately S$5.1 million to S$8.3 million. The increase in our gross profit and gross profit margin for the financial year ended 30 June 2013 was attributed to the higher revenue and the lower cost of sales recognised in the financial year ended 30 June 2013. The better gross profit margin can be attributed to the reduction in our cost of sales, by approximately S$4.2 million from the higher downward revision of cost of sales for thirteen project accounts in the financial year ended 30 June 2013 as compared to the downward revision of cost of sales for ten project accounts in the financial year ended 30 June 2012.

Our net profit margin increased from the financial year ended 30 June 2011 to the financial year ended 30 June 2012, from approximately 17.2% to 23.5%, despite a decrease of approximately S$1.9 million or 34.3% in profit for the year and total comprehensive income for the year from approximately S$5.6 million to S$3.7 million. This was mainly attributable to the increase in gross profit margin mentioned above. Our net profit margin increased from the financial year ended 30 June 2012 to the financial year ended 30 June 2013, from approximately 23.5% to 35.1%, and we recorded an increase of approximately S$2.9 million or 78.3% in profit for the year and total comprehensive income for the year from approximately S$3.7 million to S$6.5 million. The increase in net profit margin was partly attributable to the increase in gross profit margin mentioned above and to an increase of approximately 389.5% in share of results of jointly-controlled entity and associated companies from approximately S$0.2 million to S$0.8 million. For further details on the reasons for the fluctuation of the above financial ratios, please refer to the section headed "Financial information — Period to period comparison of results of operations" in this prospectus.

Estimated listing expense

During the Track Record Period, we had incurred and recognised S$0.4 million (equivalent to HK$2.5 million) listing-related expenses in the profit and loss account. The total estimated expenses in relation to the Listing that will be borne by our Company are estimated to be approximately S$2.6 million (equivalent to approximately HK$15.9 million), of which approximately S$0.8 million (equivalent to approximately HK$4.8 million) is directly attributable to the issue of new Shares to the public and is to be accounted for as a deduction from equity upon Listing. The estimated expenses of approximately S$1.8 million (equivalent to approximately HK$11.1 million) include the amount of approximately S$0.4 million (equivalent to approximately HK$2.5 million) recognised during the Track Record Period and S$1.4 million (equivalent to approximately HK$8.6 million) that is expected to be charged to the profit or loss account of our Group for the financial year ending 30 June 2014. The estimated listing-related expenses of our Group are subject to adjustments based on the actual amount of expenses incurred/to be incurred by our Company upon the completion of the Listing.

Our latest development subsequent to the Track Record Period

Our business remained stable after the Track Record Period. Our Group did not experience any significant drop in revenue or a sharp increase in cost of sales and other costs subsequent to the Track Record Period as there were no changes to the general business model of our Group. Based on our unaudited management accounts, our unaudited revenue for the four months ended 31 October 2013 was approximately S$9.3 million which mainly attributable to revenue generated from projects engaged by Strike Singapore and revenue generated from project subcontracted to jointly-controlled entity and associated companies, which accounted for approximately 46% and 54% of our contract revenue respectively. Comparatively, our Group recorded an unaudited revenue of approximately S$4.8 million for the four months ended 31 October 2012 which was mainly attributable to revenue generated from projects engaged by Strike Singapore and revenue generated from project subcontracted to jointly-controlled entity and associated companies, which accounted for approximately 75% and 25% of our contract revenue respectively. The comparative advancement of our Group's revenue derived from our business for the four months ended 31 October 2013 was primarily due to higher percentage of works done for the projects and accompanied by the increase in number of projects engaged with the jointly-controlled entity and associated companies. With the increase in revenue for the four months ended 31 October 2013, our gross profit increased to approximately S$2.1 million as compared with that for the four months ended 31 October 2012, which was approximately S$1.8 million. However our gross profit margin was affected as a result of increase in proportion of revenue generated from the jointly-controlled entity and associated companies, which had a lower gross profit margin. Our gross profit margin decreased from approximately 36.4% for the four months ended 31 October 2012 to approximately 22.7% for the four months ended 31 October 2013. Our decrease in gross profit margin was mainly due to a (i) downward revision of project costs for some of the projects completed during the four months ended 31 October 2012; and (ii) the projects which we have subcontracted to our jointly-controlled entity and two associated companies with lower gross profit margin have recognised more revenue for the four months ended 31 October 2013. Since 1 July 2013 and up to the Latest Practicable Date, we were awarded one project with a contract value of approximately S$9.4 million which are expected to be completed in the financial year ending 30 June 2018. We also completed one project from 1 July 2013 up to the Latest Practicable Date.

The Directors confirm that we did not have any material non-recurring income or expenses for the four months ended 31 October 2013 save for certain expenses incurred in relation to the Listing.

No material adverse change

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 1 July 2013 and there is no event since 1 July 2013 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus.

SHARE OFFER STATISTICS

	Based on the Offer Price of HK$0.50
Market capitalisation	HK$320,000,000
Unaudited pro forma adjusted net tangible assets per Share	S$0.02 (equivalent to HK$0.11)

Notes:

(1) The calculation of the market capitalisation of our Company is based on 640,000,000 Shares in issue immediately following the completion of the Share Offer and Capitalisation Issue.

(2) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments set forth in Appendix II to this prospectus and based on 640,000,000 Shares in issue immediately following the completion of the Share Offer and Capitalisation Issue.

USE OF PROCEEDS

The aggregate net proceeds from the Share Offer (after deducting underwriting fees and estimated expenses in connection with the Share Offer with an Offer Price of HK$0.50 per Share) will be approximately HK$48.1 million. Our Directors intend to apply the net proceeds from the Share Offer as follows:

Approximate amount of net proceeds	Intended applications
HK$25.3 million or 52.6%	Purchase of materials as our Group increases the number and/or scale of projects we secure
HK$8.0 million or 16.6%	Expand our workforce to support our business expansion, both at the worksites (project supervisors, engineers, project in-charge and workers) and back office to support our projects
HK$5.0 million or 10.4%	Capital contribution to maintain our existing shareholding percentage in YL, NEK and SRM
HK$5.0 million or 10.4%	Expand our market share through formation of new companies by capital contribution
HK$4.8 million or 10%	Working capital

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

Among the Placing Shares, there are 32,000,000 Sale Shares offered by the Selling Shareholder at the Offer Price. The net proceeds to be received by the Selling Shareholder will amount to approximately HK$14.9 million and we will not receive any of the proceeds from the sale of the Sale Shares under the Placing.

DIVIDEND AND DIVIDEND POLICY

For each of the three financial years ended 30 June 2013, Strike Singapore declared dividends of approximately S$7.7 million, nil and S$8.2 million, respectively, out of the distributable profits, and all these dividends had been paid as at the Latest Practicable Date. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following the Listing. Our Group does not have a dividend policy. For details of our dividend policy, please refer to the section headed "Financial information — Dividend policy" in this prospectus.

RISK FACTORS — HIGHLIGHTS

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks relating to the business of our Group; (ii) risks relating to the industry in which we operate; and (iii) risks relating to the Share Offer. For more details, please refer to the section headed "Risk Factors" in this prospectus.

RISK RELATING TO OUR BUSINESS

— Inability to obtain foreign labour could materially affect our operations and financial performance

— Our top five customers accounted for over 90% of our total revenue in each of the three financial years ended 30 June 2013 and any decrease in our projects secured from any one of them could affect our operations and financial results

— A failure to obtain continuity of our order book for new projects could materially affect our financial performance

— We are dependent on suppliers and subcontractors to implement certain contracts

— Cost overruns in our projects will affect our costs, and materially affect our financial performance

— Our Group's success significantly depends on the key management and its ability to attract and retain additional technical and management staff

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

— A reduction in the pipeline of HDB projects could materially affect our financial performance

— Inability to renew our existing qualifications, licences and permits or comply with new requirements could materially affect our operations and financial performance

— Due to the nature of our business, failure to comply safety measures and procedures on worksites may lead to occurrence of personal injuries, property damage or fatal accidents

— A cyclical fluctuation in the Singapore market, in particularly the construction industry, will affect our financial performance

— Low barriers of entry could increase competition in our industry that may affect our financial performance

REGULATORY COMPLIANCE

As at the Latest Practicable Date, our business operations are not subject to any special legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore, apart from those in relation to the registration system for contractors, telecommunication wiring, the security of payments applicable for the Singapore's building and construction industry, the employment of foreign workers in Singapore, man-year entitlements, workplace safety and health safety measures, workmen's compensation and environmental laws and regulations. The legal adviser to our Company as to Singapore law has advised us that Strike Singapore has as at the Latest Practicable Date obtained all the necessary licences issued by appropriate Singapore governmental or regulatory authorities which are required to carry on Strike Singapore's business in Singapore. For further details of abovementioned regulations, please refer to the section headed "Regulatory Overview" in this prospectus.

COMPETITION AND MARKET SHARE

According to the Frost & Sullivan Report, the electrical engineering services market for the public residential sector is estimated to be approximately S$226.9 million in 2013, estimated to expand at a compound annual growth rate of 4.9% from 2013 to 2017, to reach S$274.2 million by 2017. The electrical engineering services sector for the public residential market is relatively fragmented and dominated by local companies. Furthermore, it is characterised by low entry barriers, low levels of product innovation, strong competition, and absence of economies of scale. The competitors are categorised with BCA grading ranging from L1 to L6, and there are six other companies (other than our Company) listed as "key tier 1 players with BCA grading L6". There are four competitors listed as "key tier 2 players with BCA grading L5" and there are three competitors listed as "key tier players with BCA grading below L5" in the Frost & Sullivan Report. Based on the Frost & Sullivan Report, it is estimated that our Group has approximately 7.3% share in the public residential electrical engineering services market in 2012.

SUPPLIERS

We engage suppliers in Singapore for the fulfilment of our electrical engineering services. Electrical cable, switchboard and light fittings suppliers are the main suppliers of our Group. There is no long term contract with our suppliers, and we make our purchases based on the requirements of each project. Our Group has good relationships with our suppliers and has over the years established strong rapport with them. For the three financial years ended 30 June 2013, purchases from our five largest suppliers amounted to approximately S$4.7 million, S$3.0 million and S$1.1 million, and accounted for approximately 50.4%, 61.0% and 65.9%, respectively, of our total purchases. Purchases from our largest supplier for the three financial years ended 30 June 2013 amounted to approximately S$1.4 million, S$1.0 million and S$0.4 million, and accounted for approximately 14.9%, 19.9% and 24.0%, respectively, of our total purchases.

SUBCONTRACTORS

We may engage subcontractors for projects secured by us. For example, a certain portion of the project, such as installation of underground piping system and cable ready system, are outsourced to the respective subcontractors who possess the capability to install these specialised systems. Our Group has good relationships with our subcontractors and has over the years established strong rapport with them. Total cost of subcontractors for the three financial years ended 30 June 2013 amounted to approximately S$7.2 million, S$3.5 million and S$8.5 million and accounted for approximately 28.6%, 32.7% and 81.9%, respectively, of our total cost of sales.

CONTROLLING SHAREHOLDER INFORMATION

Immediately following the completion of the Share Offer and the Capitalisation Issue, Victrad (which is wholly-owned by Mr Yeo and Mr Sim in equal portion) will hold 480,000,000 Shares, representing 75% of the enlarged issued share capital of our Company.

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

PREVIOUS LISTING IN SINGAPORE

Prior to our restructuring where Victrad became a holding company of Strike Singapore, our Executive Director and two senior management members executed a management buyout in 2006 and acquired Victrad from its previous holding company, Strike Engineering Limited (now known as Magnus Energy Group Ltd) which was listed on the then Official List of the Stock Exchange of Singapore Dealing and Automated Quotation System ("SESDAQ") (now renamed as "Catalist Board") in 1999. In November 2004, Strike Engineering Limited was renamed Magnus Energy Group Ltd, taking on a focus in energy-related businesses. Magnus Energy Group Ltd discontinued the electrical engineering business after our management buyout in 2006.

The Company is seeking a listing in Hong Kong because it has a high level of internationalisation and maturity in the finance sector, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, the Company believes that there will be higher liquidity and valuation, and greater exposure to a broader analyst and investment community. The Group is not able to meet the listing requirements of the Mainboard of the Singapore Exchange Securities Trading Limited and to the best of the Directors' knowledge and belief, there is no impediment for the Company to list on the Catalist Board of the Singapore Exchange Securities Trading Limited although no application has been made or attempted since the Company had decided on listing in Hong Kong from the onset.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

"Acceptance Date"	the last day for lodging applications under the Public Offer
"Application Form(s)"	**WHITE** and **YELLOW** application form(s), or where the context so requires, any of them, used in the Public Offer
"Articles" or "Articles of Association"	the articles of association of our Company, conditionally adopted on 9 December 2013 with effect from the Listing Date and as amended from time to time, a summary of which is contained in Appendix III to this prospectus
"associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"BCA"	Building and Construction Authority of Singapore
"BCA Academy"	the education and research arm of BCA
"Board of Directors" or "Board"	the board of Directors
"Business Day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
"Capitalisation Issue"	the issue of 482,000,000 Shares (of which 32,000,000 Shares are Sale Shares) to Victrad to be made 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 9 December 2013" in Appendix IV to this prospectus
"Cayman Share Registrar"	Codan Trust Company (Cayman) Limited, share registrar of our Company in the Cayman Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant(s)"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant(s)"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant(s)"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation

"CCASS Participant(s)"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"Co-Managers"	collectively Kingsway Financial Services Group Limited and Shenyin Wanguo Capital (H.K.) Limited, the co-managers of the Share Offer
"Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented and/or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Kingbo Strike Limited, an exempted company incorporated in the Cayman Islands on 19 June 2013 with limited liability
"connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the same meaning ascribed thereto under the Listing Rules and, in the context of our Company, means Victrad and its shareholders, Mr Yeo and Mr Sim
"CPF"	Central Provident Fund of Singapore
"Deed of Indemnity"	the deed of indemnity dated 9 December 2013 entered into between Mr Yeo, Victrad and our Company, particulars of which are set out in the section headed "D. Other information — 1. Estate duty, tax and other indemnities" in Appendix IV to this prospectus
"Deed of Non-competition"	the deed of non-competition undertaking dated 9 December 2013 entered into by our Controlling Shareholders and our Company (for ourselves and for the benefit of our subsidiaries) as further described in the section headed "Relationship with our Controlling Shareholders" in this prospectus
"Director(s)"	the director(s) of our Company
"EMA"	Energy Market Authority of Singapore
"Executive Director(s)"	the executive Director(s)
"Frost & Sullivan Report"	the industry report prepared by Frost & Sullivan (S) Pte Ltd
"FWL"	Foreign Worker Levy

"Group", "our Group", "we", "our" or "us"	our Company or, where the context otherwise requires, in respect of the period before our Company becoming the holding company of our present subsidiary and the businesses carried on by them or their predecessors (as the case may be)
"HDB"	Housing Development Board of Singapore
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKAS(s)"	Hong Kong Accounting Standards
"HKFRSs"	Hong Kong Financial Reporting Standards (which include HKASs) issued by HKICPA
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Share Registrar"	Union Registrars Limited, the branch share registrar of our Company in Hong Kong
"IDA"	Infocomm Development Authority of Singapore
"Independent Non-Executive Director(s)"	our independent non-executive Director(s)
"Independent Third Party(ies)"	person(s) or company(ies) which is/are independent of and not connected with any of the directors, chief executive, the controlling shareholders or the substantial shareholders of our Company or our subsidiaries or any of their respective associates within the meaning of the Listing Rules
"Joint Lead Managers"	collectively Grand Vinco Capital Limited and Pacific Foundation Securities Limited
"Latest Practicable Date"	9 December 2013, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
"Listing"	the listing of our Shares on the Main Board
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange

"Listing Date"	the date on which dealings in our Shares on the Main Board of the Stock Exchange first commence, which is expected to be on or about 30 December 2013
"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 market (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 memorandum of association of our Company, as amended from time to time, a summary of which is contained in Appendix III to this prospectus
"MOM"	Ministry of Manpower of Singapore
"Mr Sim"	Mr Sim Yew Heng, a Controlling Shareholder and an Executive Director
"Mr Yeo"	Mr Yeo Jiew Yew, a Controlling Shareholder, managing director of our Company and an Executive Director
"NEK"	NEK Electrical Engineering Pte Ltd, a company incorporated in Singapore with limited liability on 22 February 2011; 50% of the shareholding interest in NEK is held by Strike Singapore, 25% by Mr Tan Chan Huat (who held shares in an ex-subcontractor of Strike Singapore) and 25% by Mr Ng Eng Khim (an ex-employee of Strike Singapore)
"New Shares"	128,000,000 new Shares being offered by our Company for subscription under the Share Offer
"Offer Price"	HK$0.50 per Offer Share (exclusive of brokerage, the SFC transaction levy and the Stock Exchange trading fee) at which the Offer Shares are to be subscribed for and issued, or purchased and sold, pursuant to the Share Offer
"Offer Shares"	the Public Offer Shares and the Placing Shares
"Pacific Foundation" or "Bookrunner"	Pacific Foundation Securities Limited, a corporation licensed under the SFO permitted to carry on Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO, being the bookrunner, one of the Joint Lead Managers and one of the Underwriters to the Share Offer

"PDPO"	Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"per cent" or "%"	per centum or percentage
"Placing"	the conditional placing of the Placing Shares for and on behalf of our Company and the Selling Shareholder, subject to reallocation as further described under the section headed "Structure of the Share Offer" in this prospectus
"Placing Agreement"	the conditional underwriting agreement expected to be entered into by our Company, the Executive Directors, Victrad, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers and the Placing Underwriters relating to the Placing
"Placing Shares"	144,000,000 Shares, comprising 112,000,000 new Shares initially offered by our Company for subscription and 32,000,000 Sale Shares offered by the Selling Shareholder for purchase under the Placing, subject to reallocation, as described under the section headed "Structure of the Share Offer" in this prospectus
"Placing Underwriters"	the Underwriters of the Placing
"PRC" or "China"	the People's Republic of China, which for the purpose of this prospectus, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
"Public Offer"	the issue and offer of the Public Offer Shares for subscription in Hong Kong at the Offer Price (plus brokerage, Stock Exchange trading fee and SFC transaction levy) on and subject to the terms and conditions described in this prospectus and the Application Forms
"Public Offer Shares"	the 16,000,000 Shares (subject to reallocation) being initially offered by our Company for subscription in the Public Offer, as described under the section headed "Structure of the Share Offer" in this prospectus
"Public Offer Underwriters"	the Underwriters of the Public Offer, whose names are set out under the section headed "Underwriting — Public Offer Underwriters" in this prospectus
"Public Offer Underwriting Agreement"	the underwriting agreement dated 13 December 2013 and entered into by our Company, the Executive Directors, Victrad, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers and the Public Offer Underwriters relating to the Public Offer

"Regulation S"	Regulation S under the U.S. Securities Act
"Reorganisation"	the reorganisation of our Group in preparation for the Listing, further details of which are described under the section headed "A. Further information about our Company — 4. Corporate reorganisation" in Appendix IV to this prospectus
"S$" or "SGD"	Singapore dollars, the lawful currency of Singapore
"Sale Shares"	32,000,000 Shares to be allotted and issued pursuant to the Capitalisation Issue, being offered for sale by the Selling Shareholder at the Offer Price under the Placing
"Selling Shareholder"	Victrad, further particulars of which are set out in the section headed "D. Other information — 9. Selling Shareholder" in Appendix IV to this prospectus
"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
"Share(s)"	ordinary shares of HK$0.01 each in the share capital of our Company
"Share Offer"	the Public Offer and the Placing
"Shareholder(s)"	holder(s) of the issued Share(s)
"SRM"	SRM Electrical Engineering Pte Ltd, a company incorporated in Singapore with limited liability on 8 April 2011; 50% of the shareholding interest in SRM is held by Strike Singapore, 30% by Mr Low Tian Siang (an ex-employee of Strike Singapore) and 20% by Mr Leong Fook Yew (an ex-employee of Strike Singapore)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strike Singapore"	Strike Electrical Engineering Pte Ltd, a company incorporated in Singapore with limited liability on 21 April 2009 and a wholly-owned subsidiary of our Company
"subsidiary(ies)"	has the same meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the same meaning ascribed thereto under the Listing Rules

"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers issued by the SFC as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three financial years ended 30 June 2011, 30 June 2012 and 30 June 2013
"Underwriters"	the Public Offer Underwriters and the Placing Underwriters
"Underwriting Agreements"	the Public Offer Underwriting Agreement and the Placing Agreement
"United States" or "U.S."	the United States of America
"USD"	U.S. dollars, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Victrad"	Victrad Enterprise (Pte) Ltd, a company incorporated in Singapore with limited liability on 24 July 1981 whose issued share capital is held by Mr Yeo and Mr Sim as to 50% shareholding interest each; Victrad is a connected person as it is a substantial Shareholder (holding 75% shareholding interest in our Company upon Listing) and an associate of a director of our Company
"Vinco Capital" or "Sole Sponsor"	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed under the SFO permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the sole sponsor, one of the Joint Lead Managers and one of the Underwriters to the Share Offer
"**WHITE** Application Form(s)"	the application form(s) for use by the public who require(s) such Public Offer Shares to be issued in the applicant's or applicants' own name(s)
"**YELLOW** Application Form(s)"	the application form(s) for use by the public who require(s) such Public Offer Shares to be deposited directly into CCASS

"YL"	YL Integrated Pte Ltd, a company incorporated in Singapore with limited liability on 1 November 2010; 50% of the shareholding interest in YL is held by Strike Singapore and 50% by Mr Loh Voon Sheng (an ex-employee and ex-director of Strike Singapore who resigned as a director on 29 May 2013), therefore YL is a connected person of our Company

Unless expressly stated or otherwise required by the context, all data contained in this prospectus are as at the Latest Practicable Date.

This glossary contains explanations of certain terms used in this prospectus in connection with our Company and our business. These terminologies and their given meanings may not correspond to those standard meanings and usage adopted in the industry.

"bizSafe"	bizSafe is a five-step programme to assist companies 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
"Communal Antennae Broadcasting Distribution System ("CATV")"	CATV utilises broadband communication technology and is capable of delivering more than 100 television ("TV") channels simultaneously. TV signals convey information such as visual images and audio signals. Most CATV systems can be further designed to integrate microwave and satellite links via coaxial or fibre optic cables. In Singapore, CATV can be linked to the island-wide hybrid fibre-coaxial system
"DBSS"	a scheme introduced by HDB in 2005 to offer greater choice and wider variety of public residence to meet the housing aspirations of higher income buyers for better design and finished units. The scheme was suspended in July 2011 pending a review of its continued relevance
"electrical engineering"	installation, testing, commissioning, maintenance and repair of electrical based systems and equipment including but not limited to copper wiring, switchboards, fire prevention and protection systems, CATV and fixed-line telecommunication systems
"M&E"	mechanical and electrical
"OHSAS 18001"	the requirements for occupational health and safety management system developed for managing the occupational health and safety risks associated with a business
"PVC"	Polyvinyl chloride, a plastic material commonly used in construction
"switchboard"	a device that directs electricity from one source to another. It is an assembly of panels, each of which contains switches that allow electricity to be redirected
"variation order(s)"	such additional works, omissions or changes requested by the customer for specifications not included in the original contract

You should carefully consider all of the information set out in this prospectus and, in particular, should consider the following risks before making an investment in our Company. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of the Offer Shares could decline due to any of these risks or other factors, and you may lose all or part of your investment.

RISK RELATING TO OUR BUSINESS

Inability to obtain foreign labour could materially affect our operations and financial performance

Our business is highly dependent on skilled, semi-skilled and unskilled foreign workers as the local construction labour is limited and more costly. Any shortage in the supply of foreign workers or increase in FWL for foreign workers, or any restriction on the number of foreign workers that we can employ for a project, will adversely affect our operations and financial performance. As at the Latest Practicable Date, approximately 81% of our workforce is made up of foreign workers. On this basis, our operations and financial performance may be adversely affected due to any shortage in the supply of foreign workers and any increase in the cost of foreign labour. The supply of foreign labour in Singapore is subject to the policies and regulations imposed by the MOM. For example, 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 of each construction project. Depending on the requirements of our projects, the tightening of such quota on the number of foreign workers that the main contractors and its subcontractors can employ could affect our operations and accordingly our business and financial performance could be adversely affected. Any changes in the policies of the foreign workers' countries of origin may affect the supply of foreign labour and cause disruptions to our operations which may result in a delay in the completion of our projects. The MOM also imposes FWL for foreign workers. In the Singapore Government's budget released in 2013, it was announced that FWL for unskilled foreign workers in the construction sector for the calendar years 2014 and 2015 will be increased to S$600 by July 2015. Any increase in FWL will increase our operating expenses and will affect our financial performance.

Our top five customers accounted for over 90% of our total revenue in each of the three financial years ended 30 June 2013 and any decrease in projects secured from any one of them could affect our operations and financial results

Our largest customer accounted for approximately 45.0%, 58.6% and 72.1% of our total revenue, and our five largest customers accounted for approximately 96.2%, 99.0% and 99.7% of our total revenue for the three financial years ended 30 June 2013, respectively. There is no assurance that these major customers will continue to use our services at fees acceptable to our Group or our Group can maintain its relationship with them in the future. In the event that our Group is unable to retain these customers, or seek replacement customers, our business, results of operations, profitability and liquidity may be adversely affected.

A failure to obtain continuity of our order book for new projects could materially affect our financial performance

We provide electrical engineering services to the Singapore construction industry on a project-basis, and the duration of our projects usually ranges between 24 and 48 months. As such, our revenue is not recurring in nature and we cannot guarantee that we will continue to secure new projects from our customers after the completion of the existing awarded projects. Our Group has to go through a competitive tendering or quotation process to secure new project works. In the event we are unable to maintain business relationship with existing customers or unable to price our tender or quotation competitively, our business and hence our revenue will be adversely affected. It is critical to our Group to secure new projects of similar or larger value on a continuous basis, and should we fail to do so, the financial performance of our Group will be adversely affected.

We are dependent on suppliers and subcontractors to implement certain contracts

Our five largest suppliers accounted for approximately 50.4%, 61.0% and 65.9% of our total purchases for the three financial years ended 30 June 2013, respectively. Our five largest subcontractors accounted for approximately 18.5%, 22.5% and 58.9% of our total cost of sales for the three financial years ended 30 June 2013, respectively. As our Group did not sign any long term contracts with our major suppliers and subcontractors, there is no assurance that they will be able to continue to provide supplies and services to our Group at prices acceptable to our Group or whether our Group can maintain its relationship with them in the future. In the event that any of the major suppliers and subcontractors is unable to provide the required services to our Group and we are unable to obtain alternative providers on similar or more favourable term to us, or if 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 no assurance that we are able to monitor the performance of our subcontractors as directly and efficiently as with our own staff. If a subcontractor fails to provide services as required under a contract, we may be required to source these services 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 quality of the project may be affected, which could harm our reputation and potentially expose us to litigation and damage claims. We may also need to undertake reworks and therefore may adversely affect our costs, business and results of operations.

Cost overruns in our projects will affect our costs and materially affect our financial performance

The duration of our projects usually range between 24 and 48 months. Due to the long duration of the project, cost management is critical in ensuring that the project meets its budgeted profit margin. The risk of cost overruns increases with the duration of a project, due to possible increases in the price of materials and labour.

In our preparation of quotations, we will carry out internal costing and budgeting estimates of labour and supplies which are based on the quotations given by our suppliers and subcontractors, as well as our own estimation of costs to be incurred. Thereafter, the contract value, as quoted to the main contractor for a project, is arrived at by evaluating all related costs which include, *inter alia*, the indicative pricing of our suppliers and subcontractors. As the contract may be awarded (and hence, the contract valued committed) sometime subsequent to the date of quotation submission, there is a possibility that the actual prices obtained from our suppliers and subcontractors will be less favourable. We will normally issue a purchase order approximately within six (6) months from the date we obtained the contract for the project. Our contracts with our customers do not permit any adjustment for escalation in the price of supplies or labour. In the event prices required to be paid to our suppliers and subcontractors are higher than budgeted in our quotation, and we are unable to pass such cost increase to our customers, our profitability and financial performance will be adversely affected.

Our Group's success significantly depends on the key management and its ability to attract and retain additional technical and management staff

Our Group's success and growth depends on its ability to identify, hire, train and retain suitable, skilled and qualified employees, including management personnel with the requisite industry expertise. Our Group's growth is dependent on many factors, and one of which is the contribution by our key personnel. Mr Yeo and Mr Sim are responsible for our Group's overall business strategy and development, while Ms Chan Bee Fong, Mr Poon Hiu Chuin, Ms Goey Lee Eng and Ms Lim Poh Khim are the department heads of finance and administrative department, project department, contract and tender department and purchasing department respectively.

If any of these Executive Directors or senior management ceases to be involved in the management of our Group in the future and our Group is unable to find suitable replacements in a timely manner, there could be an adverse impact on the business and results of operations of our Group. The loss of service of any of the above mentioned personnel without a suitable and timely replacement or the inability to attract and retain other staff could adversely affect our Group's operations, and hence, our Group's revenue and results of operations.

Our cash flows may fluctuate due to the payment practice applied to our projects

Our projects normally incur net cash outflows at the early stage of carrying out our works when we are required to pay the setting up expenditures, prior to payment received from our customers. Our customers will pay progress payments after our works commence and such works and payments are certified by our customers. Accordingly the cash flows of a particular project will turn from net outflows at the early stage into accumulative net inflows gradually as the works progress. We undertake a number of projects at any given period, and the cash outflow of a particular project could be compensated by the cash inflows of other projects. Should the mix of the projects be such that more are at the initial stage, our corresponding cash flow position may be adversely affected.

A failure to complete our projects on a timely basis could materially affect our financial performance, reputation or we may be subject to resultant claims

Our revenue is recognised on the percentage of completion method, and billings are based on monthly progress claims. A delay in a project will therefore affect our billings, revenue, operational cash flows and financial performance. We are also required to pay our suppliers and subcontractors notwithstanding the delay in the project if the purchase orders or service requests have been fulfilled. A delay or cancellation of projects could also result in idle or excess manpower resources in the event that replacement projects cannot be secured on a timely basis. A delay in the project can be due to various factors, including but not limited to, shortage of manpower, delays by a subcontractor or factors attributable to the main contractor of the construction project. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may adversely affect our Group's financial performance and financial position. If the delay is caused by us, we are liable to pay our contracting parties for the liquidated damages stipulated in our contracts and our reputation could also be materially affected. Further, the estimated revenue relating to our projects secured from 1 July 2013 to the Latest Practicable Date and our projects in progress as at 30 June 2013 contained management estimates, which may be affected by other unforeseen factors which is out of the Group's control. The actual revenue outcome may be higher or lower than our estimation as set out in this prospectus.

A failure to receive progress payment on time and in full, or that retention money is not fully released to us after expiry of the defect liability period may affect our liquidity position

We receive monthly progress payment with reference to the value of the works completed. Generally, the value of the works completed is assessed by our customer who will verify our progress claims, and request us to issue an invoice for the amount of work completed. A portion of each progress claim, normally 10% is withheld by our customers as retention money, up to a maximum of 5% of the contract value. Half of this retention money shall be released upon practical completion and the remaining released upon final completion (which is after the defect liability period, usually 12 months from practical completion date). As of 30 June 2011, 30 June 2012 and 30 June 2013, retention money of approximately S$2.6 million, S$2.5 million and S$2.8 million respectively, was retained by our customers.

During the Track Record Period, we have not encountered any material delay in progress payment and retention money by our customers. However, there can be no assurance that such payment will be made on time by our customers in the future. Any failure by our customers to make payment to us on a timely manner may have an adverse effect on our future liquidity position.

The financial results of our Group would be affected by the listing expenses

Given that our Group's revenue and profits are primarily generated from projects which are of a non-recurring nature and on a transaction-by-transaction basis, the revenue and profitability of our Group are highly unpredictable. Our Directors are of the view that there would be a negative impact on the financial results, including the net profit of our

Group for the financial year ending 30 June 2014 due to the non-recurring listing expenses. The estimated listing expenses that will be borne by our Company are approximately S$2.6 million (equivalent to approximately HK$15.9 million), of which (i) approximately S$0.8 million (equivalent to approximately HK$4.8 million) are directly attributable to the issue of Offer Shares to the public and are to be accounted for as a deduction from equity; (ii) approximately S$0.4 million (equivalent to approximately HK$2.5 million) recognised in the profit and loss account during the Track Record Period; and (iii) approximately S$1.4 million (equivalent to approximately HK$8.6 million) will be charged to profit or loss account of our Group for the financial year ending 30 June 2014. Our Directors would like to emphasise that such listing expenses are estimates for reference only based on the latest available information of our Company and the final amount to be recognised to the profit or loss account of our Group for the year ending 30 June 2014 is subject to adjustment based on audit and any changes in variables and assumptions.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

A reduction in the pipeline of HDB projects could materially affect our financial performance

The projects for HDB are mainly contracted through main contractors of these projects, as electrical contracts are part of their construction contracts. As our Group is highly dependent on the pipeline of HDB projects, and any significant reduction in buildings by HDB may have a material adverse effect on our business. Moreover, the level of Singapore government's spending budget on public housing may change from year to year and any change or significant delay in the level of spending may affect the business and operation results of our Group. In the event that the level of spending on public housing is reduced and our Group fails to secure business from other sectors, the business and profitability of our Group could be adversely affected.

Inability to renew our existing qualifications, licences and permits or comply with new requirements could materially affect our operations and financial performance

Our business and construction activities in Singapore are regulated by the BCA and various other regulatory bodies. These regulatory bodies stipulate the criteria that must be satisfied before permits and licences are granted to, and/or renewed for, our business. The renewal of our permits and licences is subject to compliance with the relevant regulations. In particular, our Group has to meet the various requirements laid down by the BCA in order to maintain our BCA workhead categories. The requirements to maintain our workhead categories include (i) a minimum paid-up capital and net worth; (ii) qualified personnel with the necessary professional or technical qualifications and experience; (iii) the necessary performance track records; (iv) contracts' profile; and (v) the necessary licenses and certificates from the various authorities such as the EMA and IDA. Any non-renewal in our existing BCA workhead categories will result in us not being qualified to participate in certain projects, therefore reducing the number of project opportunities for our Group, and this may have an adverse impact on our Group's operations and financial performance.

Our Group has OHSAS 18001 and bizSafe Star certification since 2011. The OHSAS 18001 and bizSafe certification are valid for three years. In the event that we fail to renew our OHSAS 18001 certification upon its expiry on 3 December 2016, we will not be able to maintain our bizSafe Star certification and BCA "L6" grading and will be downgraded to BCA "L1" grading on the date of expiration of our OHSAS 18001 certification in December 2016. In the event that we are downgraded to a lower BCA grading, our business will be materially affected as our customers may lose confidence in us and stop inviting our Group to quote for new projects. In addition, our tender limit for public sector projects will decrease from unlimited amount to a lower limit, for instance to S$0.65 million for BCA "L1" grading. Our Group will also not be able to carry out projects which require BCA "L2" grading and above, and therefore such downgrading will materially affect our financial performance. The OHSAS 18001 certification is required for the renewal of our bizSafe certification. In the event that we are unable to renew our bizSafe Star certification, we will not be able to participate in projects which specifically requests for bizSafe Star certification.

The compliance with any new or changes to government legislation, regulations and policies in Singapore may also increase our costs and any significant increase in compliance costs arising from such new or changes to government legislation, regulations and policies may adversely affect our operating results. There is no assurance that any new or changes to government legislation, regulations and policies will not have an adverse effect on our financial performance and financial position. Please see the section headed "Regulatory overview" in this prospectus for further details.

Due to the nature of our business, failure to comply safety measures and procedures on worksites may lead to occurrence of personal injuries, property damage or fatal accidents

Due to the nature of our business, we cannot guarantee that parties at the worksites would comply the safety measures and procedures during execution of works. In the event of non-compliance, there may be occurrences of serious personal injuries, property damage or fatal accidents, which may lead to interruption of our operations and adversely affect our financial conditions and results of operations to the extent not covered by our insurance policies.

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

During the Track Record Period, our revenue was derived solely from our operations in Singapore. Any unforeseen circumstances, such as natural disasters, economic recession, outbreak of an epidemic and any other incidents happened in Singapore may adversely affect our business, prospects, financial conditions and results of operations.

We provide electrical engineering services mainly for new construction projects in the Singapore public residential sector, which made up approximately 95.9%, 92.5% and 88.8% of our total revenue for the three financial years ended 30 June 2013, respectively. Therefore, our Group is dependent on the construction industry in Singapore, which is subject to cyclical fluctuations. A downturn in the Singapore construction industry is likely to have an adverse impact on our business and profitability due to the possibility of postponement, delay or cancellation of construction projects and delay in recovery of receivables. Our projects are mainly in the public residential sector, which our Directors believe, is more popular to Singapore permanent residents than the private residential sector. Nonetheless, the public residential sector is also affected by the economy and subject to cyclical fluctuations.

Low barriers of entry could increase competition in our industry that may affect our financial performance

Our business is not capital intensive nor involves areas of high technology and therefore has relatively low barriers of entry for new entrants. It is also relatively easy for customers to switch to our competitors as the electrical engineering sector in Singapore is fragmented. Therefore, if we fail to compete effectively or maintain our competitiveness in the market, our business, financial condition and results of operations will be adversely affected.

RISKS RELATING TO THE SHARE OFFER

Investors should not place undue reliance on facts, statistics and data contained in this prospectus with respect to the economies and our industry

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

There has not been any prior public market for the Shares and an active trading market may not develop

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

The trading price of the Shares may also be subject to significant volatility in response to, among others, the following factors:

— variations in our operating results;

— changes in the analysis and recommendations of securities analysts;

— announcements made by us or our competitors;

— changes in investors' perception of our Group and the investment environment generally;

— developments in the Singapore property and construction industry;

— changes in pricing made by us or our competitors;

— the liquidity of the market for the Shares; and

— general economic environment and other factors.

The trading volume and share price of the Shares may fluctuate

The price and trading volume of the Shares may be highly volatile. Factors such as variations in our revenue, earnings and cash flow, announcements of business development, strategic alliances or acquisitions, new projects, industrial or environmental accidents suffered by us, loss of key personnel, changes in ratings by financial analysts and credit rating agencies or litigation could cause large and sudden changes in the volume and price at which the Shares will trade. In addition, the Stock Exchange and other securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the market price of the Shares.

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

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

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

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

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, but not limited to, statements relating to:

— our business and operating strategies and the measures to implement such strategies;

— our dividend policy;

— our capital investment plans;

— our operations and business prospects, including any new businesses;

— our overall financial condition;

— the regulatory environment as well as the general industry outlook for the industry in which we operate; and

— general economic trends in Singapore.

The words "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "plan", "seek", "will", "would" and similar expressions, as they relate to our business, are intended to identify a number of these forward-looking statements. 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 these risks or uncertainties materialise, or should underlying assumptions prove 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 not a guarantee of future performance and you should not place undue reliance on such forward-looking information.

CONNECTED TRANSACTIONS

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

WAIVER IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into transactions, which will constitute continuing connected transactions for our Company under the Listing Rules upon Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the reporting, announcement and independent shareholders' approval requirements set forth in Chapter 14A of the Listing Rules. For more details of the continuing connected transactions (including the Annual Cap of the continuing connected transactions), the reasons, basis and the conditions of the waiver, please refer to the section headed "Connected transactions" in this prospectus.

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules provides that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. The core business and operations of our Group are primarily located, managed and conducted in Singapore. Our assets are located in Singapore. Both of our Executive Directors are ordinarily based in Singapore and our Company does not and, in the foreseeable future, will not have any management presence in Hong Kong.

In view of the above, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 8.12 of the Listing Rules.

In order to ensure that regular communication is effectively maintained between the Stock Exchange and our Company, we will put in place the following measures:

(a) we have appointed 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 and ensure that our Group complies with the Listing Rules at all times. The two authorised representatives are Mr Yeo and Mr Li Chi Chung. Mr Li Chi Chung, the company secretary of our Company, is an ordinary resident in Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email (if applicable). Each of the two authorised representatives is authorised to communicate on behalf of our Company with the Stock Exchange;

(b) each of the authorised representatives has means to contact all members of the Board and senior management team promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance communication between the Stock Exchange, the authorised representatives and our Directors, we will implement a policy that (a) each Director will have to provide their respective office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and email addresses (if applicable) to the authorised representatives and his or her respective alternates; and (b) in the event that a Director expects to travel and be out of office, he/she will have to provide the phone number of the place of his/her accommodation to the authorised representatives;

(c) in addition, all Directors will provide their mobile phone numbers, residential phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange to ensure that they will be readily contactable as and when necessary to deal promptly with enquiries from the Stock Exchange; and

(d) furthermore, all Directors have confirmed that they possess valid travel documents to visit Hong Kong for business purposes and would be able to come to Hong Kong and meet the Stock Exchange within a reasonable period.

In compliance with Rule 3A.19 of the Listing Rules, we will appoint Grand Vinco Capital Limited as our compliance adviser to act as the alternate channels of communication with the Stock Exchange for the 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.

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 Listing Rules for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm to the best of their knowledge and belief that 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 herein or this prospectus misleading.

SELLING SHAREHOLDER

Details of the Selling Shareholder is set out in the section headed "D. Other Information — 9. Selling Shareholder" in Appendix IV to this prospectus.

UNDERWRITING

This prospectus is published solely in connection with the Share Offer. The Listing is sponsored by the Sole Sponsor. The Share Offer will be fully underwritten by the Underwriters under the terms of the Underwriting Agreements. The Share Offer is managed by the Joint Lead Managers. For further information about the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Price is agreed among our Company (for ourselves and on behalf of the Selling Shareholder) and the Bookrunner (for itself and on behalf of the Underwriters) pursuant to the Underwriting Agreements.

RESTRICTIONS ON SALE OF OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus and/or the related Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation 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 securities laws of such jurisdiction pursuant to registration with or an authorisation by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered or sold, directly or indirectly in the PRC or the U.S, except in compliance with the relevant laws and regulations of each of such jurisdiction.

The Offer Shares are offered to the public in Hong Kong for subscription solely on the basis of the information contained and the representations made in this prospectus and the related Application Forms. No person is authorised in connection with the Share Offer to give any information or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Selling Shareholder, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters, any of their respective directors, agents or advisers or any other person involved in the Share Offer.

This prospectus and any other materials relating to the Offer Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore pursuant to the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"). Accordingly, this prospectus and any other prospectus or materials in connection with the offer or sale, or invitation for subscription or purchase, of Offer Shares, may not be issued, circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with, the conditions of an exemption invoked under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

Each person acquiring the Offer Shares will be required, and is deemed by his acquisition of the Offer Shares, to confirm that he is aware of the restrictions on offers 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.

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

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

No part of the Share is listed or dealt in on any other stock exchange and, at present, no such listing or permission to deal is being or is proposed to be sought on any other stock exchange in the near future.

Under section 44B(1) of the Companies Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Offer Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or 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 adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROFESSIONAL TAX ADVICE RECOMMENDED

Applicants for the Offer Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing, purchasing, holding, disposing or dealing in the Shares. It is emphasised that none of our Company, the Selling Shareholder, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters, any of their respective directors, agents or advisers or any other party involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription, purchase, holding, disposal or dealing of Shares.

HONG KONG REGISTER AND STAMP DUTY

Our Company's principal register of members will be maintained in the Cayman Islands by the Cayman Share Registrar and a branch register of members will be maintained in Hong Kong by the Hong Kong Share Registrar. Dealings in the Shares registered in the register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

PROCEDURE FOR APPLICATION FOR THE PUBLIC OFFER SHARES

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

STRUCTURE OF THE SHARE OFFER

Details of the structure of the Share Offer, including its conditions, are set out under the section headed "Structure of the Share Offer" in this prospectus.

ROUNDING

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

TRANSLATIONS

Unless otherwise specified, amounts denominated in S$ have been translated, for the purpose of illustration only, into HK$ (or *vice versa*) in this prospectus at the following exchange rates:

S$1.00 : HK$6.10

No representation is made that any S$ amounts were or could have been or could be converted into HK$, at such rate or any other rate on any date.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on or about Monday, 30 December 2013. Shares will be traded in board lots of 5,000 Shares each.

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Mr Yeo Jiew Yew(1) (岑有孝)	11 Ardmore Park, #05-03 Singapore 259957	Singaporean
Mr Sim Yew Heng (岑有興)	Block 7, Thomson Lane, #28-05 Singapore 297725	Singaporean
Independent Non-Executive Directors		
Mr Ng Tiow Swee(2) (黃朝瑞)	Block 244, Lorong Chuan, #23-02 Singapore 556745	Singaporean
Ms Wong Siew Chuan (黃秀娟)	96 Flora Road, #04-54 Singapore 507007	Singaporean
Mr Chen Jianyuan, Edwin (陳建元)	Block 635, Bedok Reservoir Road, #13-17 Singapore 410635	Singaporean

Notes:

(1) Mr Yeo Jiew Yew is also the managing director of our Company.

(2) Mr Ng Tiow Swee is also the chairman of our Board.

Further information of the Directors can be found in the section headed "Directors, Senior Management and Employees" in this prospectus.

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor	Grand Vinco Capital Limited Units 4909–4910 49/F, The Center 99 Queen's Road Central Hong Kong
Bookrunner	Pacific Foundation Securities Limited 11/F, New World Tower II 16–18 Queen's Road Central Hong Kong
Joint Lead Managers	Pacific Foundation Securities Limited 11/F, New World Tower II 16–18 Queen's Road Central Hong Kong Grand Vinco Capital Limited Units 4909–4910 49/F, The Center 99 Queen's Road Central Hong Kong
Co-Managers	Kingsway Financial Services Group Limited 7/F, Tower One, Lippo Centre 89 Queensway, Hong Kong Shenyin Wanguo Capital (H.K.) Limited 28th Floor, Citibank Tower Citibank Plaza 3 Garden Road Central Hong Kong

Legal advisers to our Company	*As to Hong Kong law* Michael Li & Co. 19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong *As to Singapore law* A C Stellar Law Corporation 3 Shenton Way, #15-05 Shenton House Singapore 068805 *As to Cayman Islands law* Conyers Dill and Pearman (Cayman) Limited 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* Robertsons 57/F, The Center 99 Queen's Road Central Hong Kong
Auditors and reporting accountants	Ernst & Young Certified Public Accountants 22/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Receiving bank	Standard Chartered Bank (Hong Kong) Limited 15/F, Standard Chartered Tower 388 Kwun Tong Road Hong Kong

Registered office	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong registered under Part XI of the Companies Ordinance	19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong
Headquarters and principal place of business	22 Tagore Lane Singapore 787480
Company secretary	Mr Li Chi Chung, Solicitor, Hong Kong 19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong
Authorised representatives	Mr Yeo Jiew Yew 11 Ardmore Park, #05-03 Singapore 259957 Mr Li Chi Chung, Solicitor, Hong Kong Flat E, 1st Floor, CNT Bisney, 28 Bisney Road Pok Fu Lam, Hong Kong
Audit committee	Ms Wong Siew Chuan *(Chairman)* Mr Ng Tiow Swee Mr Chen Jianyuan, Edwin
Remuneration committee	Mr Ng Tiow Swee *(Chairman)* Mr Chen Jianyuan, Edwin Mr Yeo Jiew Yew
Nomination committee	Mr Ng Tiow Swee *(Chairman)* Ms Wong Siew Chuan Mr Yeo Jiew Yew
Compliance adviser	Grand Vinco Capital Limited Units 4909–4910 49/F, The Center 99 Queen's Road Central Hong Kong

Principal share registrar and transfer office in the Cayman Islands	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Union Registrars Limited 18th Floor, Fook Lee Commercial Centre Town Place, 33 Lockhart Road Wanchai Hong Kong
Principal banker	Standard Chartered Bank 6 Battery Road Singapore 049909
Company website	www.kingbostrike.com *(Note: contents in this website do not form part of this prospectus)*

Certain facts, statistics and data presented in this section and elsewhere in this prospectus have been derived, in part, from various official government publications that we believe to be reliable and appropriate for such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information is false or misleading. Whilst our Directors have taken all reasonable care to ensure that the relevant facts, statistics and data are accurately extracted and reproduced, such facts, statistics and data have not been independently verified by us, the Selling Shareholder, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters, their respective affiliates, directors and advisers or any other parties involved in the Share Offer, and none of them makes any representation as to the accuracy or completeness of such information.

Information and statistics in this section are extracted from the Frost & Sullivan Report. The information extracted from the Frost & Sullivan Report reflects an estimate of market conditions based on Frost & Sullivan (S) Pte Ltd's research and analysis. While reasonable care has been taken in the extraction, compilation and reproduction of such information and statistics by us, neither we, the Selling Shareholder, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters, their respective affiliates, directors or advisers, nor any party involved in the Share Offer have independently verified such information and statistics directly or indirectly derived from official government publications, and such parties do not make any representation as to their accuracy.

We commissioned Frost & Sullivan (S) Pte Ltd ("Frost & Sullivan"), an Independent Third Party, to conduct a detailed analysis of and produce a report on, among other things, public residential electrical engineering services market in Singapore for inclusion in this prospectus. The report commissioned has been prepared by Frost & Sullivan independent from our influence. We paid Frost & Sullivan, a fee of approximately HK$468,000 for preparing this report. Frost & Sullivan is an independent global research and consulting company which was founded in 1961 and is headquartered in the United States of America ("USA"). Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and business planning for a variety of industries.

The report has been complied after thorough and diligent independent market research conducted by Frost & Sullivan itself.

The market research process for their study was undertaken through a top-down central research and bottom-up validation process to present a comprehensive and accurate picture of the public residential electrical engineering services market in Singapore. The Frost & Sullivan Report was prepared based on primary research involving discussions with leading industry participants and industry experts and secondary research involving the review of company reports, independent research reports, and data based on Frost & Sullivan's internal research database.

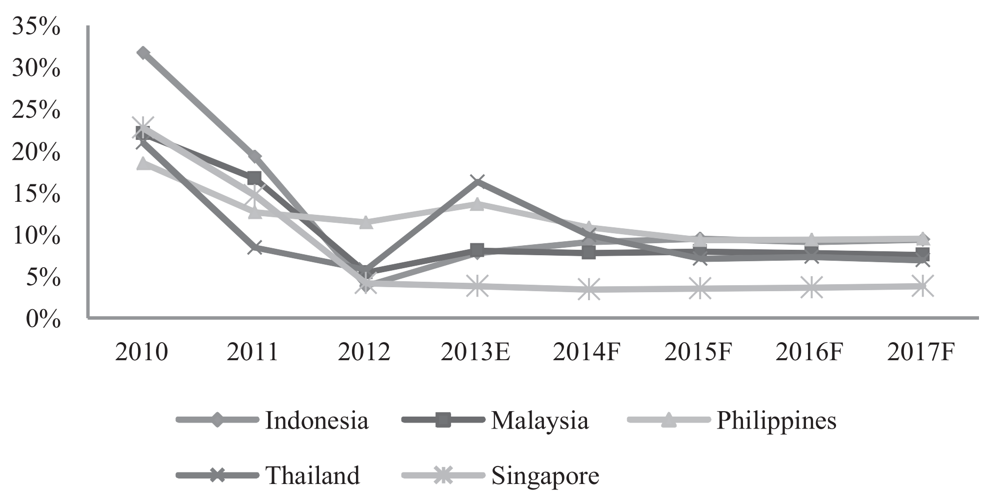
With both primary and secondary research in place, Frost & Sullivan has utilised both types of sources to validate all data and information collected, with no reliance on any single source. Furthermore, a test of each respondent's information and views against those of others was applied to ensure reliability and eliminate bias from these sources.

1. OVERVIEW OF MACROECONOMIC INDICATORS

1.1 Gross Domestic Product ("GDP")

The Association of Southeast Asian Nations ("ASEAN")[1] has demonstrated exceptional growth since its formation in 1967. As ASEAN economies have liberalized investment laws and opened doors to international business, they have been attracting high volume foreign direct investment, continuously boosting the region's economic growth. Most ASEAN economies experienced a slowdown in their economic growth as a result of the Global Financial Crisis in 2008. Singapore too experienced a slowdown and the nominal GDP dropped by 0.9% in 2009 from 2008. However, ASEAN economics experienced speedy recovery from the Global Financial Crisis. Major ASEAN economies, as shown in Figure 1, have experienced double-digit GDP growth rate in 2010 and 2011. The Singapore economy grew from USD188.8 billion in 2009 to USD276.5 billion in 2012.

Figure 1: Nominal GDP Growth in Major ASEAN Economies, 2010–2017F

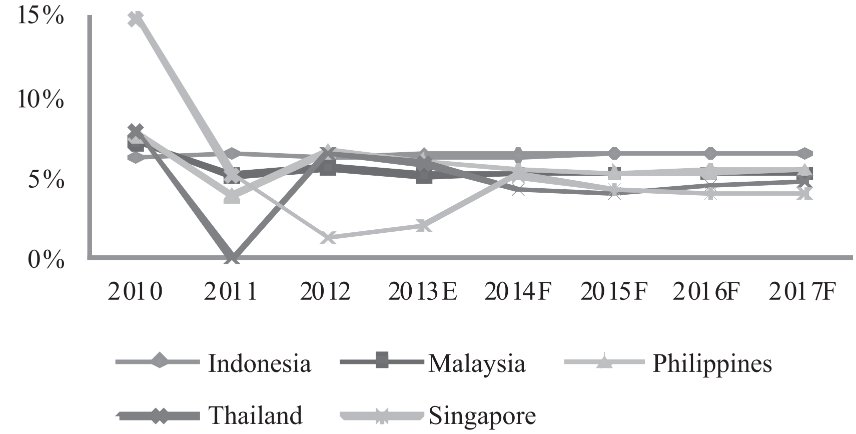


Source: International Monetary Fund (IMF)

Intra-Asia agreements are likely to play a significant role in shaping the future economic growth in the region. Continuing the momentum set by ASEAN Free Trade Area (AFTA), ASEAN Economic Community (AEC) was further planned to shoring up its economic integration for 2015. This is expected to help the region pace ahead in economic growth. As indicated by Figure 1 and Figure 2, major ASEAN economies tend to demonstrate stable future growth rates in terms of nominal and real GDP.

[1] *ASEAN is a geo-political and economic organisation of ten countries located in Southeast Asia, which was formed by five major nations — Indonesia, Malaysia, Philippines, Singapore, and Thailand — and later expanded to include Brunei, Myanmar, Cambodia, Laos, and Vietnam.*

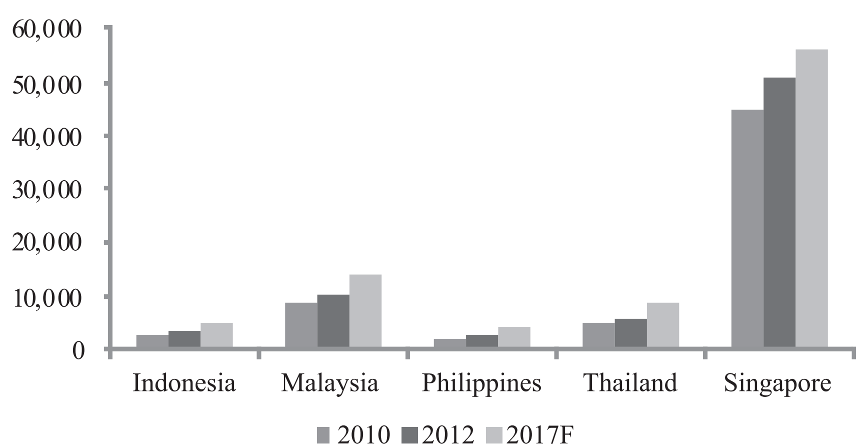
Figure 2: Real GDP Growth in Major ASEAN Economies, 2010–2017F



Source: IMF

Singapore's economy is expected to demonstrate sustainable growth from 2013 to 2017. As estimated by IMF, Singapore's real GDP is expected to grow at a compound annual growth rate ("CAGR") of 4.3% during the aforementioned period, and to show a robust overall growth of 18.5% to reach USD369.0 billion in 2017. The sustained growth in GDP is expected to fuel the housing demand in the country.

Figure 3: Nominal GDP per Capita in Major ASEAN Economies, in USD, 2010, 2012, and 2017

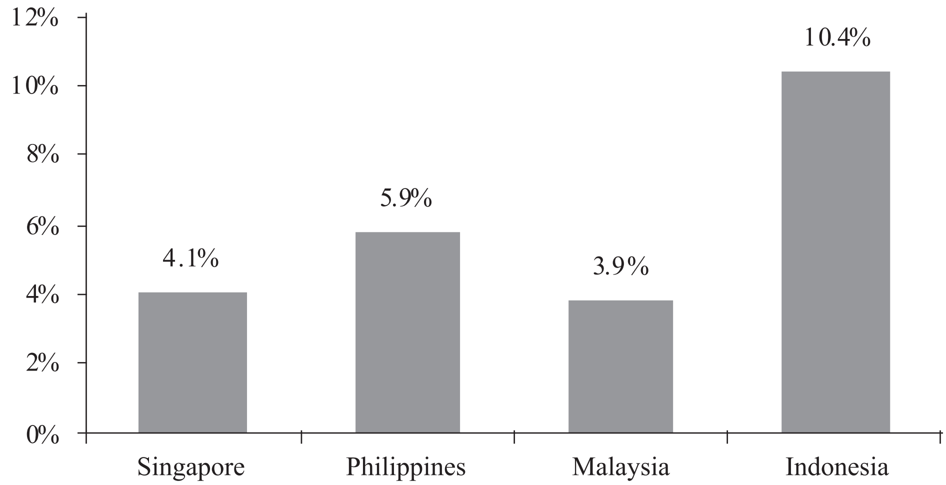


Source: IMF

Singapore has the highest GDP per capita amongst ASEAN economies. As per IMF estimate, Singapore's GDP per capita is expected to increase by almost 9.5% from 2012 to 2017 as a result of tremendous economic growth and lower population growth. The existing gap of GDP per capita between Singapore and other ASEAN nations is expected to widen as evident in Figure 3. High GDP per capita growth in Singapore is expected to fuel the market for increased home ownership, thereby fuelling markets related to the residential segment.

1.2 Contribution to GDP by Construction Sector

Figure 4: Contribution to GDP at current prices by Construction Sector in Major ASEAN Economies, in percentage, 2012



Source: National Statistics Bureaus

Singapore's construction sector contribution to GDP stands at 4.1% in 2012, which has been remaining stable over the past 2 years. Contribution of Singapore's construction sector to GDP is comparatively lower than other major ASEAN economies like Indonesia and Philippines. In general, the construction sector's contribution to GDP is higher for developing countries than developed countries, as more building and civil engineering work is required for developing economies.

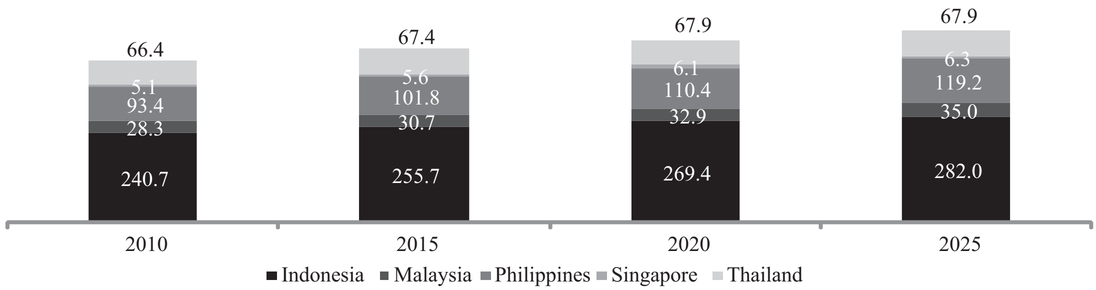
Singapore's construction sector has been remaining strong and stable during the past few years (2010–2012), constantly contributing approximately 4.0% to its overall GDP. This suggests a stable market for construction-related industries, including Electrical Engineering services industry.

1.3 Population

As a result of falling infant mortality rates in the last three decades, the population of ASEAN economies has seen a stable growth. Indonesia has seen its infant mortality rates fall by greater than 50.0%, while rates in Singapore, Malaysia, and Thailand have fallen by 25.0% over the last three decades. Health awareness and poverty eradication measures has been key to the decreasing mortality rate and this is in turn linked to role of Government sponsored programmes towards the changing the health status of individuals.

As shown in Figure 4, the population of Singapore is expected to grow at a CAGR of 1.5% from 5.1 million in 2010 to 6.3 million in 2025. The increase in population is likely to result in increased demand for both public and private housing. Singapore is viewed as a rewarding immigrant destination in Asia and immigrants are increasingly relocating to Singapore, thereby stimulating the demand for housing in the country.

Figure 4: Population in Major ASEAN Economies, in millions, 2010 to 2025F



Source: United Nations Department of Economic and Social Affairs

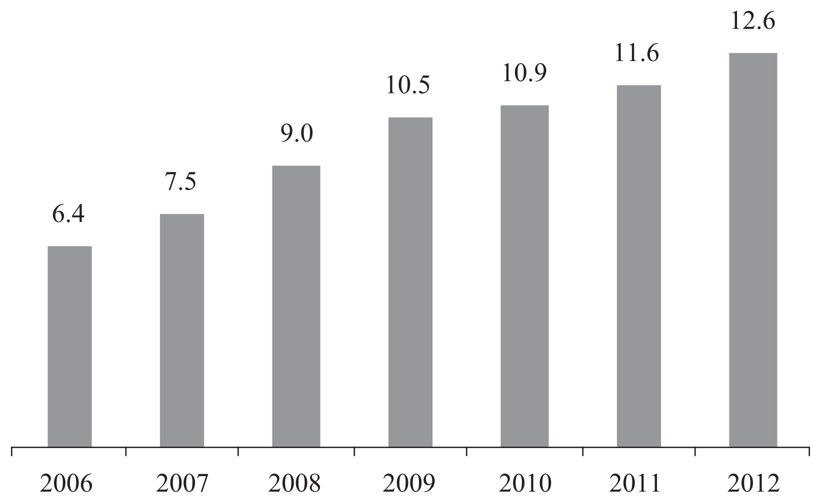
1.4 Urbanization

According to United Nations Department of Economic and Social Affairs, the urbanization rate in ASEAN is marginally lower as compared to other developing economies in Asia. Malaysia (73.4% urbanization rate 2012), Philippines (49.1%), Indonesia (51.4%) and Thailand (34.5%) have demonstrated urbanization patterns, where bulk of the development has occurred in and around a major city in the country. Singapore is unique as 100.0% of its population is urbanized, which gives the country leverage ahead of its counter parts. The demand for housing, which is linked to the percentage of urban population in a country, is the highest in Singapore.

2. OVERVIEW OF THE CONSTRUCTION INDUSTRY IN SINGAPORE

2.1 Historical Development and Recent Trends

Figure 5: Construction GDP in Singapore, in SGD billion, 2006 to 2012



Source: Singstat

Singapore's construction GDP grew at a CAGR of 11.8% from SGD6.4 billion in 2006 to SGD12.6 billion in 2012. However, the year-on-year growth has slowed down in recent years, which is attributable to the global economic uncertainty curtailing construction activities.

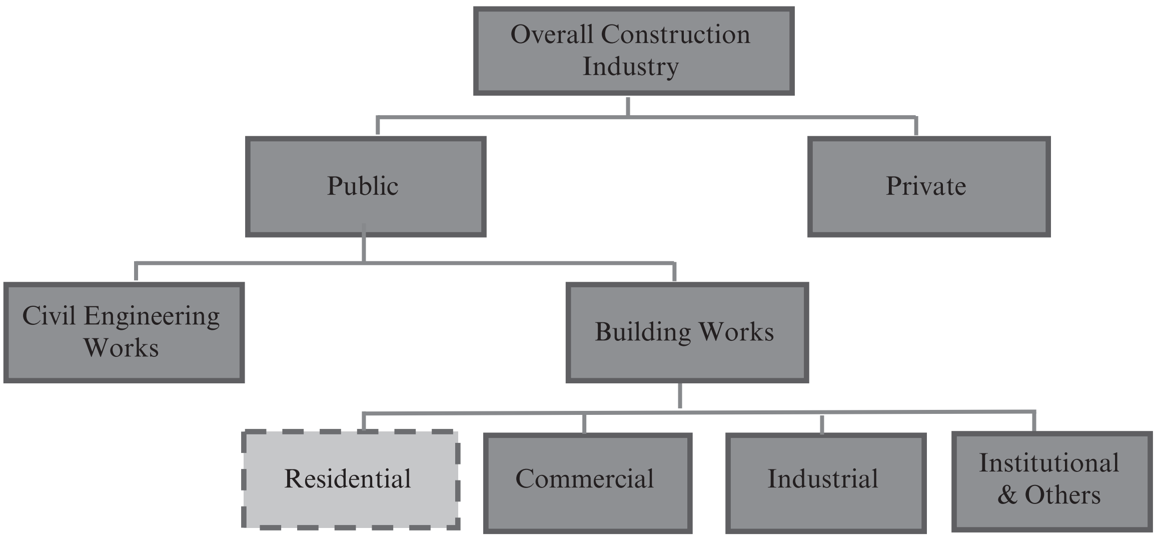
In March 2013, The Building and Construction Authority ("BCA")[2] has unveiled a plan to collaborate with various stakeholders in the construction industry. It aims to increase the productivity and GDP of the construction industry by adopting technologically advanced processes such as precast fabrication and volumetric construction.

[2] *The Building and Construction Authority ("BCA") is an agency under the Ministry of National Development, championing the development of a globally competent construction environment in Singapore.*

2.2 Industry Segmentation and Definition for Construction Industry in Singapore

For the purpose of this report, Frost & Sullivan defines the size of any segment of construction industry in terms of the value of contracts awarded for each segment or sub segment. The construction industry in Singapore is segmented as depicted in the figure below.

Figure 6: Segmentation of the Construction Industry in Singapore



Source: Frost & Sullivan

Note: The Company has a predominant part of its business in the industry sub-segment highlighted in dotted rectangle box in Figure 6.

Based on the Company's primary operations, the scope of this report is limited to the market emanating from Public Residential Building Works segment only, as highlighted in Figure 6 above.

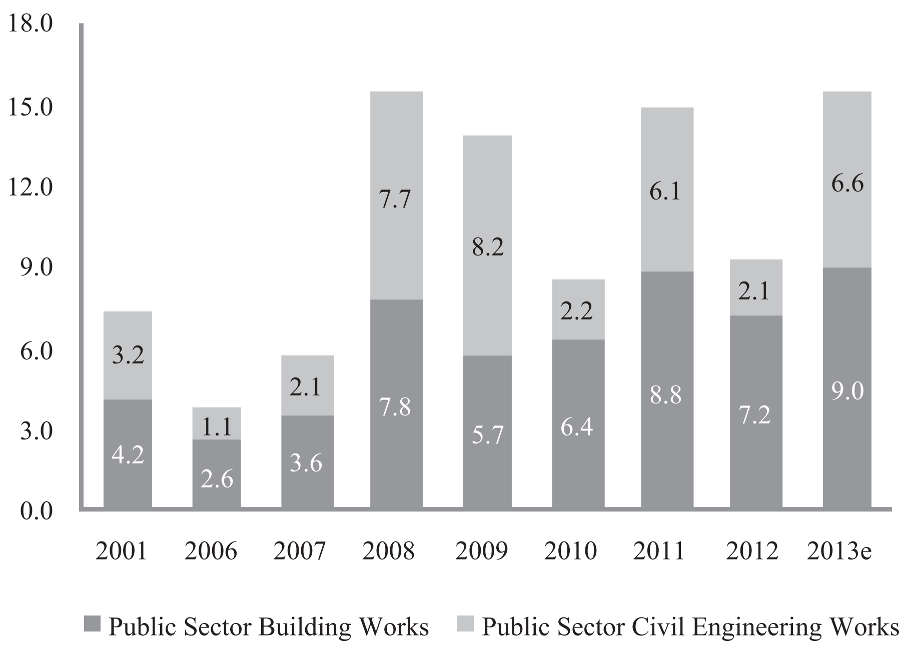
Public Sector Construction includes all construction activities related to the Government and its subsidiaries. It can be categorized into Public Sector Building Works and Public Sector Civil Engineering Works. Private Sector Construction includes all non-government construction activities.

Public Sector Civil Engineering Works include construction of roads and bridges, sewerage and drainage, MRT/LRT tracks, tunnelling, utilities, ports, and other infrastructure works.

Public Sector Residential Building Works include construction of public housing. The sole provider of public housing in Singapore is Housing Development Board ("HDB"). Public Sector Commercial Building Works include construction of offices, retail outlets and other commercial developments. Public Sector Industrial Building Works include construction of factories, warehouses, and industrial facilities such as petrochemical and pharmaceutical plants. Public Sector Institutional & Other Building Works comprise construction of school buildings, hospitals and polyclinics, religious and non-profit institutions, and other buildings such as airport terminals and multi-storey car parks.

2.3 Industry Size of the Public Sector Construction

Figure 7: Public Sector Construction by Value of Contracts Awarded, in SGD billion, 2001–2013E



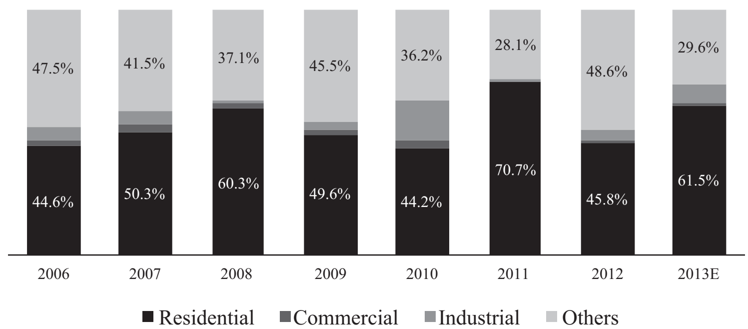
Source: Singstat, Frost & Sullivan Analysis

Public Sector Construction, contributing to more than one third of the value of the total contracts awarded in 2012, has been driving the overall construction industry in Singapore. In 2013, it is estimated that, Public Sector Construction's contribution may increase to more than half of the value of contracts awarded.

The value of public sector contracts awarded has increased from SGD7.4 billion in 2001 to SGD9.3 billion in 2012, and is estimated to reach SGD15.6 billion by end of 2013. This can be attributed to huge Government investment in public housing and utilities, and numerous contracts awarded in both Public Sector Building Works and Public Sector Civil Engineering Works segments.

2.4 Breakdown of Public Sector Building Works

Figure 8: Breakdown of Public Sector Building Works Segment by Value of Contracts Awarded, 2006–2013E



Source: Singstat, Frost & Sullivan Analysis

The value of contracts awarded for Public Sector Building Works has reached SGD7.2 billion in 2012. Public Residential segment forms a significant part of the overall Public Sector Building Works market by accounting for 45.8% market share in 2012. As highlighted in Figure 8, the share of Public Residential Building Works sector has never dropped below 40.0% in terms of value of contracts awarded between 2006 to 2012.

In 2013, "Residential" segment is expected to contribute 61.5% of the demand for Public Sector Building Works in terms of value of contracts awarded. In 2013, about 83.0% of Singapore's resident population lives in HDB flats. The Public Residential segment has played an instrumental role in fuelling the overall demand from the Public Sector Building Works.

3. ANALYSIS OF THE PUBLIC SECTOR RESIDENTIAL ELECTRICAL ENGINEERING SERVICES (EES) MARKET IN SINGAPORE

3.1 Market Definition and Segmentation

BCA controls and regulates all activities related to the constructions industry in Singapore. As per BCA, the contractors and hence, the work heads related to construction industry, can be categorized into four broad categories on the basis of their scope of work. These include:

- Construction
- Construction related
- Maintenance
- Mechanical & Engineering (M&E)

M&E category can be further classified into 15 work heads as listed in Figure 9. The Electrical Engineering Service (EES) work head is a part of the M&E category and is indicated by the code ME05.

Figure 9: Work Heads in the M&E Category

ME01	Air Conditioning, Refrigeration & Ventilation Works	ME09	Lift & Escalator Installation
ME02	Building Automation, Industrial & Process Control Systems	ME10	Line Plant Cabling/Wiring for Telecommunication
ME03	Solar PV System Integration	ME11	Mechanical Engineering
ME04	Communication & Security System	ME12	Plumbing and Sanitary Works
ME05	Electrical Engineering	ME13	Traffic Light Systems
ME06	Fire Prevention & Protection Systems	ME14	Underground Pipeline for Telecommunications
ME07	High & Low Tension Overhead Line Installation	ME15	Integrated Building Services
ME08	Internal Telephone Wiring For Telecommunication		

Source: BCA

For the purpose of this report, Frost & Sullivan defines the EES market as the work head ME05. As per the BCA, ME05 includes the installation, testing, commissioning, maintenance and repair of electrical based systems such as switchgears, transformers and large generators. It also includes the electrical installations in building and marine vessels. Applicants must employ a full-time employee who has a valid electrical license. Firms, which are suppliers of electrical equipment or materials, should register under the relevant supply heads. Additionally, for the purpose of this report, the EES market is limited to the Public Sector Residential segment of the construction industry as defined in section 2.2 of the report.

3.2 Market Structure

The EES market consists of main contractors and sub-contractors. The tenders are secured by main contractors and specific jobs under various work heads are sub-contracted to sub-contractors on a project-to-project basis. The relationship between main contractor and sub-contractor is non-exclusive and depends on the project specification. The main contractors select the sub-contractors on the basis of their previous work experience and financial performance, in addition to other qualifying tender requirements. The EES market is largely dominated by sub-contractors who procure sub-contracted work from the main contractor. The subcontractors may choose to further sub-contract the works or perform those using in-house staff.

3.3 Growth Drivers

Dominance of Public Housing over Private Housing

In 2013, it is estimated that 83.0% of Singapore's resident population resides in HDB flats. HDB's primary aim is to ensure that homebuyers in Singapore are able to afford quality housing, and it ensures HDB flats are available in a variety of sizes, locations, and for a wide income range. Certain measures are enforced by the Government to ensure prices stay well within the means of typical buyers from various income groups. This has made HDB the preferred choice by most Singaporeans[3], and strengthened the market demand of HDB units over the past few decades. Singapore has one of the highest home ownership rate in the world, 90.0% of the population own their own homes.

Government's Policy to Encourage Home Ownership

The Government of Singapore encourages the residents towards home ownership, which has raised the demand for public housing. The Government allows the savings from Central Provident Fund ("CPF") to be used for servicing housing loans, which has facilitated the local residents to opt for public housing and has increased the number of first-time home buyers. The integration of CPF system with HDB purchases has not only promoted high levels of home ownership in Singapore, but has also been an important source of financial security for Singaporeans. In 2013, the Government has announced multiple measures aiming at making HDB flats more affordable for middle-income first-time home buyers and low-income families upgrading to larger flats. Such measures include but are not limited to: Increasing the income ceiling for the Special CPF Housing Grant (SHG) from SGD2,250 to SGD6,500, to extend the SHG benefits to first time home buyers from low-income to middle-income families; offering SGD15,000 grants to families living in subsidised 2-room flats to help them upgrade to 3-room standard flats. The Government's determination in making HDB flats more affordable for its citizens is likely to increase the demand for HDB flats from Singaporeans.

Demand for HDB flats created by the growing number of Expats and Singapore Permanent Residents[4] (SPRs)

Singapore has been viewed as one of the most attractive immigrant destinations. According to Singapore Department of Statistics, the number of non-residents has been growing continuously from 1.0 million in 2007 to 1.5 million in 2013, registering a CAGR of 7.5%. The growth in the number of non-residents has created demand for

[3] *Singaporeans is defined as Singapore citizens who reside in Singapore or are away from Singapore for short periods of time.*

[4] *A Singapore Permanent Resident (SPR) refers to a non-citizen who has been granted permanent residence in Singapore. A valid Re-Entry Permit (REP) is necessary whenever a SPR wishes to travel out of Singapore. It will enable the SPR to retain his/her SPR status while away from Singapore. A SPR who remains outside Singapore without a valid REP will lose his/her SPR status.*

HDB flat rental market. According to HDB, the number of approvals for subletting whole HDB flats has increased from 12,808 in 2007 to 27,129 in 2012, at a CAGR of 16.2%.

Expats can apply for permanent residency after working for six months in Singapore. According to Singapore Department of Statistics, the number of SPRs has been growing continuously from 449,200 in 2007 to an estimated 531,200 in 2013, registering a CAGR of 2.8%. According to HDB, unlike Singaporeans who are allowed to buy newly built HDB flats, SPRs are not eligible to buy new HDB flats. Therefore, the growth in the number of SPRs has contributed to an increase in demand for resale HDB flats in Singapore, which is a popular housing option among SPRs due to its affordability compared to private condominiums. This has led the Government to enforce a new initiative in August 2013 to curb the demand for HDB flats from SPRs. The new initiative requires SPRs to wait three years before buying resale HDB flats. This is likely to lead to lower demand from SPRs in the short-term, however, Frost & Sullivan believes the demand for HDB flats from SPRs will continue to exist.

3.4 Growth Restraints

Lack of Labor Force due to Government's Restrictions on Foreign Worker Supply

The residential EES market is driven by skilled, and unskilled foreign workers as the local construction labour is limited and expensive. As announced in the 2013 Budget Statement, the eligibility requirements for foreign labours (S Pass Holders) will be tightened by the Ministry of Manpower in all sectors. Relevant measures for construction sector include:

- Raising S Pass Qualifying Salary: Since 1 July 2013, the qualifying salary to obtain S Pass has been increased from SGD2,000 to SGD2,200.

- Increasing Foreign Worker Levy (FWL)[5] rates: In 2013, the FWL rates for skilled and unskilled foreign worker in construction sector are SGD300 and SGD450 per month respectively. The rate for unskilled foreign worker will be raised up to SGD550 in 2014, then further up to SGD600 in 2015. The FWL rates are higher for MYE-waiver foreign workers[6], namely SGD600 and SGD750 per month respectively for skilled and unskilled foreign workers. These rates will be increased up to SGD750 and SGD1,050 in 2015.

[5] *FWL is a pricing mechanism to regulate the number of Foreign Workers (including Foreign Domestic Workers) in Singapore. Employers of foreign workers are liable to pay monthly levies to hire employees who hold Work Permits or S Passes.*

[6] *Companies have to apply for Man-Year Entitlements (MYE) if they wish to employ Work Permit holders from China and Non-Traditional Sources (NTS), namely India, Sri Lanka, Thailand, Bangladesh, Myanmar, and Philippines. Such Work Permit holders, who have worked with any employer in the Process Construction and Maintenance (PCM) sector for a cumulative period of two or more years, may be hired by another employer in the PCM sector without the need for MYE. A different levy rate will be imposed on these MYE waiver workers.*

- Reducing Dependency Ratio Ceilings (DRC)[7]: In 2013, the DRC ratio for construction sector is 87.5% or less, which means for every one Singaporean or SPR that a company hires, a company can only employ up to 7 foreign workers. Though this ratio is set to remain stable until 2015, this reflects the Singapore Government's intention in controlling the number of foreign workers in Singapore.

The aforementioned measures are expected to result into further shortage in the supply of foreign workers, thus significantly affecting the revenue and financial performance of EES players.

Eligibility for Buying HDB Flats

The Government doesn't allow foreigners to buy HDB flats in Singapore. The mid to high income foreigners are limited to buying private properties or renting out HDB flats from Singaporeans or SPRs. This cuts off the potential demand emerging from the foreigners. In addition to other eligibility restrictions, a recent regulation in August 2013 requires the SPRs to wait for 3 years from them attaining permanent residency, in order to become eligible for buying a HDB resale flat. This new regulation is likely to create a time lag in the demand emerging from new SPRs. At the same time the Government is giving high priority to Singaporeans, evident from the fact that only Singaporeans are allowed to buy newly built HDB flats. Given that Singaporeans are awarded grants by the Government to buy or upgrade their HDB flats, they have to fulfil certain conditions in the years after the home purchase, which in turn affects the rate of reselling HDB flats. Such measures taken by the Government to keep the domestic real estate market under control are perceived to be a restraint for the HDB market.

3.5 Challenges

Dependency on the cyclical construction industry and Government Policies for HDB projects

The construction industry is cyclical in nature and is governed by several factors such as Government policy changes, speculation in the market, state of the economy, etc. The public sector residential EES market is highly dependent on the HDB projects, which in 2012 accounted for 45.8% of the overall Public Sector Building Works in terms of value of contracts awarded in the public sector. However, the relative share of HDB projects has been fluctuating over the past few years primarily due to government decision of increasing or decreasing the value of contracts. The share of the residential contracts rose from 44.2% in 2010 to 70.7% in 2011 and dropped to 45.8% in 2012. This poses as a challenge to the consistent growth of the EES market.

[7] *DRC indicates the maximum number of foreign workers that can be hired, calculated as a percentage of the maximum total workforce allowed, depending on the sector.*

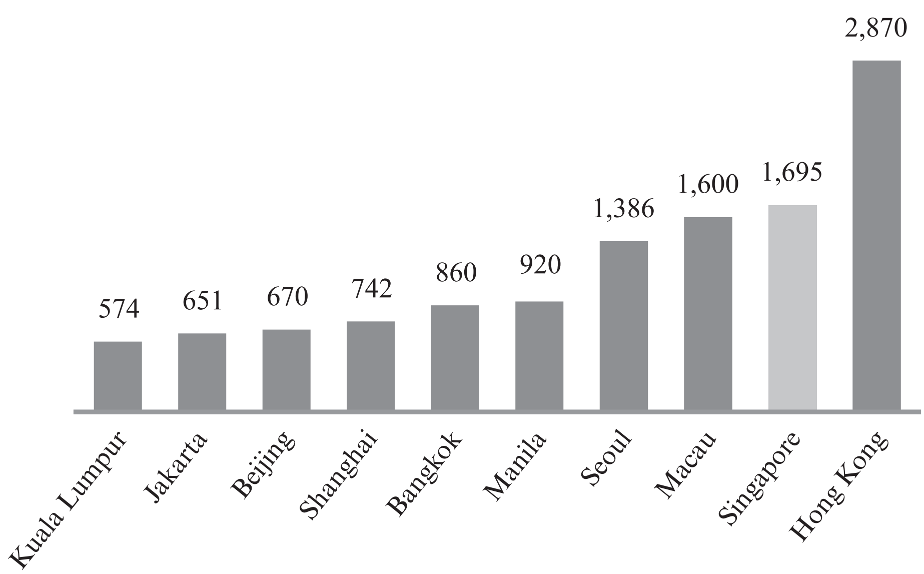
Stringent Regulatory Environment

The business and construction activities in Singapore are regulated by BCA and various other regulatory bodies. These regulatory bodies stipulate the criteria that must be satisfied before permits and licenses are granted to, and/or renewed for. Failure to abide by any of the regulatory conditions renders a company without a license and it loses its functionality in the EES market. The compliance with such a strict regulatory regime requires EES players to be equipped with proven qualifications to stay competitive in the market.

High Construction Cost and Fluctuation in Raw Material/Consumables Prices

The construction cost in Singapore stands at USD1,695 per square meter in 2013 and is the highest among its ASEAN counter parts, primarily due to the expensive and limited supply of local labour force. Other cities, such as Jakarta, Kuala Lumpur and Bangkok, have relatively lower construction cost because of the lower labour cost in that geographies. Labour cost accounts for around 30.0% to 40.0% of total construction cost.

Figure 10: Construction Costs for an Average High Rise Apartment, in USD per square meter, Q1 2013



Source: EC Harris LLP, Langdon & Seah Singapore Pte Ltd

Notes:

1. The costs for the respective categories given above are averages based on fixed price competitive tenders.

2. The actual cost of a building will depend upon the design and many other factors and may vary from the figure shown.

3. The costs per square meter are based on Construction Floor Areas measured to the outside face of the external walls/external perimeter including lift shafts, stairwells, balconies, plant rooms, water tanks, and the like.

4. All buildings are assumed to have no basements (except otherwise stated) and are built on flat ground, with normal soil and site condition.

5. The cost excludes site formation works, external works, land cost, professional fees, finance, and legal expenses.

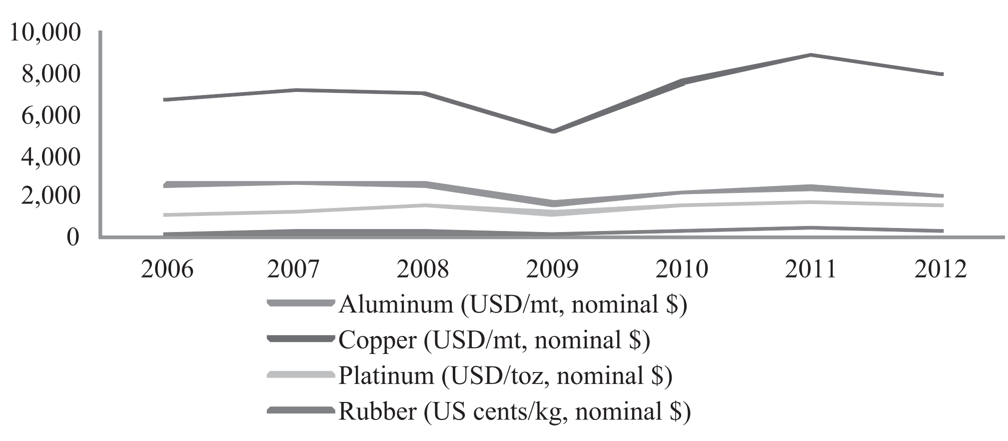
6. The standard for each category of building vary from country to country.

7. Fluctuation in exchange rate may lead to changes in construction costs expressed in USD

The Government policies restraining the entry of foreign labour has resulted in prolonged project durations and increased construction costs in Singapore. Additionally, the volatility in commodity prices and increase in crude oil price has further added fluctuation to the overall construction cost.

The historical prices of various commodities related to this market have been shown in Figure 12. It can be observed that over the past six years there has been significant fluctuation in the base metal prices. The price of copper has dropped by approximately 25.0% from USD6,722.1 per metric ton ("MT") in 2006 to USD5,149.7 per MT in 2009. However, it recovered and increased by almost 55.0% since 2009 to reach USD7,962.3 per MT in 2012. The fluctuation in the prices of metals is closely related to prices of consumables. This significantly hinders the planning, procurement, and inventory decisions thereby adversely affecting the financial performance of EES market players.

Figure 11: Prices of Major Commodities



Source: Global Economic Monitor (GEM) Commodities on the platform of World Bank

The major consumables used in the market include wires, cables, conduits, cable trays, switch boards, and are largely dependent on the prices of base metals and alloys in the international market. The fluctuation in the price of cables is linked to the price fluctuation of copper as copper accounts for around 60.0% to 80.0% of overall cost of cables. The price of consumables is not controlled or regulated by the Government. Most of the consumables such as sockets and switch boards are sourced from China and Malaysia.

Led by the increase in raw material prices, the suppliers of consumables have been under pressure to increase the price of consumables. The increased competition in the consumable supply market has also led to decreasing profit margins, thereby affecting the suppliers' financial position.

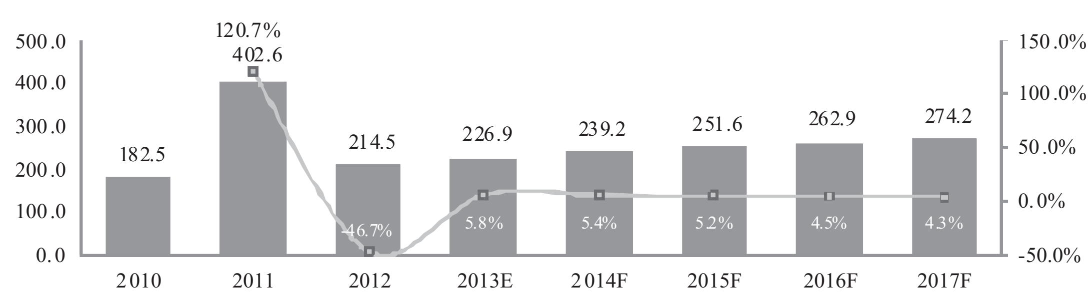
3.6 Barriers of Entry

The barriers to entry into the EES market are low. The market is not capital intensive and the technological superiority (which could stop players from entering the market) is not imperative for entry and sustenance in the market. This enables the easy entry of new players in the EES market, thereby increasing market competition.

3.7 Market Size Estimation

The public sector residential EES market is estimated to be of SGD226.9 million in 2013, growing from SGD182.5 million in 2010. Frost & Sullivan estimates the market size to reach SGD274.2 million by 2017, at a 2013–2017 CAGR of 4.9%. The market size of the public sector residential EES market is closely linked to the value of contracts awarded by HDB. Hence, the market growth rate is guided primarily by the value of the HDB contracts generated within a particular year.

Figure 14: Public Sector Residential EES Market Size, in SGD Million, 2010 to 2017F



Source: 2010 to 2013 estimation by Frost & Sullivan using valid assumptions and historical data from BCA; 2014 to 2017 forecast by Frost & Sullivan using their proprietary forecasting model.

Frost & Sullivan employs a rigorous and highly quantitative, proprietary Interactive Forecasting Model which is one of the tools of generating comprehensive forecasts. The uniqueness of this Interactive Forecasting Model lies in its ability to integrate both quantitative and qualitative variables to project the future of the subject industry/market. The impact of each driver and restraint is measured on a short-term, medium-term and long-term time frame. Such qualitative inputs regarding the impacts are then converted to quantitative data and used to calculate the future market sizes.

3.8 Competitive Landscape

Singapore's public residential EES market is relatively fragmented and is dominated by local companies. Hence it is characterized by low entry barriers, low levels of product innovation, strong competition, and absence of economies of scale. This leads to a competitive environment where players are operating at low margins and have low bargaining power with buyers or suppliers. Majority of the EES players are sub-contractors and are performing sub-contracted works delegated by main contractors, namely builders of HDB buildings.

Players in public residential ESS market are categorized with BCA grading ranging from L1 to L6 depending upon their skill, scope of services, financial capacity (paid up capital), previous experience and safety management certification. Key market players in the EES market are listed below in alphabetic order under each tier, with market share information in the public residential ESS market provided wherever available.

Key Tier 1 Players (Market players with BCA grade 6)

Cyclect Electrical Engineering Pte Ltd: Cyclect is one of the subsidiaries of the Cyclect Group, founded in 1943. It provides a variety of services mainly for marine and land industries. It is a global company with establishments in 8 countries and more than 500 staff. Accolades won by them include the TEC Innovator Award (twice won), and the prestigious Singapore Enterprise 50 Award (twice won as well).

Dle M&E Pte Ltd: Previously known as Double Lion Electrical Pte Ltd, Dle is a contracting company for mechanical and electrical projects in commercial, residential, industrial, and healthcare industries. Started as a small electrical and plumbing services firm in 1975, it grew quickly, earning the prestigious SME 500 status in Singapore in 2004.

Eme Enterprise Pte Ltd: Eme has had gained years of experience undertaking mechanical and electrical projects since its establishment in 2005. Its services include completing electrical installations in residential, commercial, and industrial buildings. Current projects of Eme include proposed public housing and condominiums all over Singapore. Eme was estimated to have a market share of approximately 3.7% in 2012.

Great Resources M&E Contractor Pte Ltd: Great Resources was established in 1997 as a subsidiary of China Construction (South Pacific) Development Co Pte Ltd. With approximately 150 staff, 80.0% of whom are technically qualified and experienced, and having been awarded BCA certificates, Great Resources has successfully completed multiple M&E projects. The market share of Great Resources in 2012 was estimated to be approximately 5.8%.

Kingbo Strike Limited: Kingbo identifies itself as an integrated mechanical and electrical engineering specialist, and was originally founded in 1983 as Strike Engineering Limited. As one of the first home-grown mechanical and electrical engineering specialists in Singapore, Kingbo has strong capabilities in providing Electrical Engineering Services (ME05), and is one of the major ME05 players in public residential sector. Kingbo also provides other mechanical and electrical services such as Fire Prevention and Protection Systems, Communication & Security Systems, Integrated Building Services and so on. It is estimated that Kingbo commanded a market share of approximately 7.3% in 2012.

King Wan Construction Pte Ltd: It is a subsidiary of King Wan Corporation Limited, with more than 30 years' experience. It provides services ranging from plumbing and sanitary projects, electrical engineering, communications and security systems, and underground pipeline communications systems. It is registered under the BCA of Singapore and is ISO certified. However, its differentiation from other companies is seen by being one of the founding members of the Singapore Green Building Council.

Propell Integrated Pte Ltd: Propell specializes in electrical engineering and integrated building services, and is certified in air conditioning, refrigeration and ventilation works, communication and security systems, and telecommunications systems. Propell provides M&E services for both construction and facilities management sectors in residential, commercial, industrial, and institutional industries.

Key Tier 2 Players (Market players with BCA grade 5)

Leng Aik Engineering Pte Ltd (LAE): LAE started as an electrical & engineering company in 1990. It has ventured into steel engineering in 2007. In 2009, it founded a new company, LAE Design Associates Pte Ltd (LAED), which delivers residential and commercial interior design consultancy and renovation work. Currently, LAE has over 90 employees.

Primeflux Engineering Pte Ltd: Primeflux specializes in providing Design and Build, Building Integral Services for industrial, commercial, and residential buildings and facilities. Primeflux plans to expand in 4 new sectors — pharmaceutical, electronics and semi-conductor, retail outlets, and office fit out. The market share of Primeflux in 2012 was estimated to be 1.6%.

Specialist Electric Pte Ltd: Specialist Electric is an electrical specialist with experience in residential and commercial property. Other than electrical engineering services, Specialist Electric also provides services such as cable and pipe laying and road reinstatement, internal telephone wiring for telecommunications, and high and low tension overhead line installation.

United Engineering Private Limited: United Engineering was established in 2006 specializing in electrical installation, and cabling work for residential, commercial, and industrial buildings. It has a total workforce of more than 200 staff. United Engineering is experienced in electrical engineering, security and fire alarm systems, solar systems, CATV systems as well as network cabling projects.

Key Tier 3 Players (Market players with BCA grade below 5)

Eliktrical Engineering Pte Ltd: Eliktrical is an electrical engineering contractor company, providing services for mechanical and electrical systems such as switchboards, cables and accessories, fire protection and detection systems, and even networking and telecommunication systems. Its experience is mainly based in residential and commercial properties. The market share of Eliktrical in 2012 was estimated to be 2.0%.

Khoon Engineering Contractor Pte Ltd: Khoon Engineering specializes in electrical projects; it has had experience providing its contractor services for residential and commercial properties. Khoon Engineering carries a L1 grade as a ME05 player under BCA directory.

Neela Electrical System: Neela provides Electrical Engineering work mainly for government projects. The company does electrical tasks such as replacement of switches, socket-outlets, circuit breakers, and lighting. Neela is currently a L1 ME05 player under BCA. The market share of Neela in 2012 was estimated to be 3.3%.

3.9 Competitive Advantages of the Company (Kingbo Strike Limited)

Reputation as a well-established EES player for public sector residential projects in Singapore: The Company is principally engaged in the provision of EES in Singapore under the ME05 work-head. It is one of the leading and established EES provider for the public sector residential projects in Singapore. The Company's key competitive advantage lies in its ability to provide EES solutions that is reliable and cost competitive.

Track record: The Company has operated in the public sector housing market and carved a niche for itself over a period of time. It has completed 12 projects during the three years period (1 July 2010 to 30 June 2013), 10 of which are for EES works for public sector residential projects. This has provided the Company with a track record which aids them in securing future projects.

Design and Project Management Skills: The Company is equipped with competent designing and project management skills to be able to compete and sustain in the residential EES market. Such skills provide the Company with necessary leverage during the contract evaluation stage in the tendering process.

Long-standing Relationships with EES Market Stakeholders: The Company has developed long standing relationships with various stakeholders in the EES market, which has enabled them to obtain competitive pricing at various stages of the value chain. It has also enabled the Company to offer its customers a flexible and customized pricing.

3.10 Market Outlook

Based on BCA findings the total construction demand in 2013 is estimated to be SGD 26.0 to 32.0 billion in terms of the value of contracts. Coupled with the increase in tender price index, it is expected that the construction sector will demonstrate sustainable growth in 2013. As per BCA estimates, the mid-range value for total demand shows an increase of 3.2% since the previous year. The demand from public sector is estimated to be SGD14.0 billion to 17.0 billion (approximately 53.0% of the total construction demand in 2013).

The increase in the residential demand is emanating from stronger demand in the public housing in the country. Additionally, the demand is strengthened by the rescheduling of some major public housing and civil engineering projects originally scheduled for tender in 2012 to be tendered out in 2013. Major upgrade works in the public housing are expected to further boost the demand.

The public housing construction demand is projected to increase to between SGD5.0 billion to 6.0 billion by value of contracts. Additionally, contracts from Home Improvement Programme which includes Enhancement for Active Seniors (EASE) as well as Neighbourhood Renewal Programme are expected to bolster the construction demand from public housing market segment.

The public residential demand has a direct impact on the EES market which is primarily dependent on the value of contracts awarded in this sector. Frost & Sullivan estimates that the public residential EES market will show sustainable growth during the forecasted period, with a CAGR of 4.9% from 2013 to 2017. It is expected that increasing labour costs, increasing raw material prices are likely to put pressure on the margins across the public residential EES market.

The potential size of Singapore's EES market is limiting the players from rapid expansion. The saturation status of the domestic market is expected to encourage large EES companies to look abroad for optimum growth. Singaporean participants are aiming to penetrate countries in Middle East and other destinations such as Hong Kong and India, anticipating lucrative profit due to the size of existing and potential market. The smaller participants remaining in the market will be required to be flexible and capable of grabbing opportunities in other market segments to stay competitive, such as the private residential segment as new high-rise apartments and condominiums are flooding the market.

REGULATIONS AND SUPERVISION OF OUR BUSINESS IN SINGAPORE

Save as disclosed below, as at the Latest Practicable Date, our business operations are not subject to any special legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore.

Contractors Registration System

The construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore's building and construction industry. 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 which may be further sub-classified into six to seven grades, depending on the category of registration. The differences in BCA gradings relate to the tendering limits for Singapore public sector projects.

Registration of a contractor with the BCA is dependent on the contractor fulfilling certain requirements such as personnel qualification and the value of previously completed projects. The grade assigned to each contractor is dependent on, amongst others, its minimum net worth and paid-up capital. 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.

Strike Singapore is currently registered with the BCA under the following workheads:

Workheads	Title	Scope of Work	Grade(1)	Expiry Date
CR07	Cable/Pipe Laying & Road Reinstatement	Installation of underground cables/pipes and the subsequent reinstatement of roads and other surfaces including detection of underground services.	L1	1 August 2016
ME01	Air-Conditioning, Refrigeration & Ventilation Works	The installation, commissioning, maintenance and repairs of air-conditioning, refrigeration, cold rooms, and ventilation systems.	L2	1 August 2016
ME04	Communication & Security Systems	(a) Installation and maintenance of communications system (e.g. intercom & wireless radio) and security systems (e.g. CCTV, security alarm, car park security control and card access system). (b) Installation and maintenance of Central Antenna Television (CATV) systems.	L3	1 August 2016

Workheads	Title	Scope of Work	Grade[1]	Expiry Date
ME05	Electrical Engineering	The installation, testing, commissioning, maintenance and repair of electrical based systems such as switchgears, transformers and large generators. It also includes the electrical installations in building and marine vessels.	L6	1 August 2016
ME06	Fire Prevention & Protection Systems	Installation and maintenance of fire alarm, prevention and protection systems. This head may include the supply of fire extinguishers and fire hoses if these items are part and parcel of the system installation or maintenance contract.	L3	1 August 2016
ME08	Internal Telephone Wiring for Telecommunications	Wiring work within a building for telecommunications purposes.	L1	1 August 2016
ME15[2]	Integrated Building Services[2]	The installation, commissioning, maintenance and repairs of building services.	L4	1 August 2016

Notes:

(1) The differences in BCA gradings relate to the tendering limits for Singapore public sector projects. L6 refers to unlimited tender values, L5 to S$13 million, L4 to S$6.5 million, L3 to S$4 million, L2 to S$1.3 million, and L1 to S$650,000; and

(2) To be registered under this workhead, firms must already be registered at L2 & above under ME01, ME05 and at least one other ME workhead registered in ME02, ME04, ME06, ME08, ME11 or ME12. Registration grade will be pegged at the higher grade of the compulsory M&E workheads (that is, ME01 & ME05) subject to a maximum of 2 grades higher than that of the lower workhead. The lowest registration grade shall be L2. Firms must also possess the following licences: a. A full-time employee who has a valid EMA electrical licence; and b. A valid IDA telecommunication wiring contractor's licence.

To maintain the existing BCA gradings of Strike Singapore, there are certain requirements to be complied with, including but not limited to the following:

Workhead/Title/Grade	Requirements	
CR07 Cable/Pipe Laying & Road Reinstatement Grade L1	Minimum Paid-Up Capital & Minimum Net Worth	S$10,000
	Management	To employ at least one technical personnel with a polytechnic diploma in Architecture, Building, Civil/Structural Engineering or a National Certificate in Construction Supervision (NCCS) or equivalent qualifications approved by BCA
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$100,000
ME01 Air-Conditioning, Refrigeration & Ventilation Works Grade L2	Minimum Paid-Up Capital & Minimum Net Worth	S$50,000
	Management	To employ at least one technical personnel with 3 years of relevant experience and having a recognised diploma in Electrical/ Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/Specialist Diplomas in M&E Coordination, with Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy. SMC (Safety Management Certification issued by BCA) or OHSAS18000
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$1.0 million

Workhead/Title/Grade	Requirements	
ME04 Communication & Security Systems Grade L3	Minimum Paid-Up Capital & Minimum Net Worth	S$150,000
	Management	To employ at least two technical personnel with recognised diplomas in Electrical/ Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/Specialist Diplomas in M&E Coordination. At least one of the technical personnel shall have a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$3.0 million

Workhead/Title/Grade	Requirements	
ME05 Electrical Engineering Grade L6	Minimum Paid-Up Capital & Minimum Net Worth	S$1.5 million
	Management	To employ at least 2 professional personnel, both with at least 5 years of relevant experience and having at least the following qualifications: • a minimum Professional qualification with a degree in Electrical/Electronics or Mechanical Engineering recognised by Professional Engineers Board (PEB) or equivalent qualifications approved by BCA (for Resident Engineer); or • a Professional qualification with a recognised degree in Electrical/ Electronics or Mechanical Engineering or equivalent SMC (Safety Management Certification issued by BCA) or OHSAS18000 At least one of the professional personnel shall have a certificate course in Construction Productivity Management conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$30.0 million of which S$7.5 million shall be in respect of projects executed in Singapore; S$3.0 million shall be in respect of main contracts (nominated sub-contracts may be included); and S$3.0 million shall be in respect of a minimum size single project (main/sub-contract) executed entirely by the applicant
	Licence Requirements	Applicants must employ a full-time employee who has a valid electrical licence

Workhead/Title/Grade	Requirements	
ME06 Fire Prevention & Protection Systems Grade L3	Minimum Paid-Up Capital & Minimum Net Worth	S$150,000
	Management	To employ at least two technical personnel with recognised diplomas in Electrical/ Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/Specialist Diplomas in M&E Coordination. SMC (Safety Management Certification issued by BCA) or OHSAS18000. At least one of the technical personnel shall have a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$3.0 million
ME08 Internal Telephone Wiring for Telecommunications Grade L1	Minimum Paid-Up Capital & Minimum Net Worth	S$10,000
	Management	To employ at least one technical personnel with a Technical qualification with a recognised diploma in Electrical/Electronics or Mechanical Engineering or equivalent, or a NTC2 in electrical trade, with Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$100,000
	Licence Requirements	Applicants must possess a valid IDA telecommunication wiring contractor's licence

Workhead/Title/Grade	Requirements	
ME15 Integrated Building Services Grade L4	Workhead	ME01 greater than or equal to L4, ME05 greater than or equal to L2 and one other ME workhead greater than or equal to L2 OR ME01 greater than or equal to L2, ME05 greater than or equal to L4 and one other ME workhead greater than or equal to L2
	Minimum Paid-Up Capital & Minimum Net Worth	S$250,000
	Management	To employ at least two technical personnel with Polytechnic Diplomas either in Electrical/Electronics, Mechanical Engineering, Building Service, or equivalent, with one personnel having at least 5 years of relevant experience and either one personnel being a full-time M&E coordination (MEC) personnel. Only the following MEC qualifications are acceptable: • Advance National Building Qualification (NBQ) awarded by BCA Academy or Certificate/Specialist Diploma in M&E Coordination awarded by CITI; • Diploma in Building Services Engineering awarded by Ngee Ann Polytechnic and • Diploma in Intelligent Building Technology awarded by Temasek Polytechnic At least one of the technical personnel shall have a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$5.0 million with a minimum size single project (main/sub-contract) of at least S$500,000 executed entirely by the applicant
	Licence Requirements	Applicant must possess a valid IDA telecommunication wiring contractor's licence and employ a full-time employee who has a valid EMA electrical licence

Telecommunication Wiring

Any party which intends to provide installation, maintenance or repair of any internal telecommunication wiring work connected to the Public Switch Telephone Network would be required to have (if a business, limited liability partnership or company) a Telecommunication Wiring Contractor's (Class) Licence; or (if any individual) a Telecommunication Wiring Installer's Licence. These licences are required to perform internal telecommunication wiring work.

A business, limited liability partnership or company shall be deemed to have been granted a Telecommunication Wiring Contractor's (Class) licence if it has (a) registered with the IDA; (b) submitted to the IDA upon registration the required information as detailed in the online registration form; and (c) paid to IDA the requisite onetime payment. To register for a Telecommunication Wiring Contractor's (Class) licence, business, limited liability partnership or company must be registered with the ACRA and must employ at least one licensed telecommunication wiring installer.

Building and Construction Industry Security of Payments

Under the Building and Construction Industry Security of Payment Act, Chapter 30B of Singapore ("BCISPA"), 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.

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 the foreign workers to the construction industry is also regulated by the MOM through the following policy instruments:

- 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

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, Macau, South Korea and Taiwan.

Construction companies must 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: (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.

The MOM requires all new workers in the construction sector from NTS countries and the PRC recruited under the PA scheme to possess either the Skills Evaluation Certificate ("SEC") or the Skills Evaluation Certificate (Knowledge) ("SEC(K)") before they are allowed to work in Singapore. The SEC and SEC(K) schemes are initiated by the BCA to raise the skill levels and productivity of the construction workforce, and enhance safety in the construction sector. All workers from NAS countries must possess either the SEC or SEC(K) and all Malaysian workers must possess either Secondary Four education or its equivalent, the SEC or the SEC(K) before they are allowed to work in Singapore. All SEC and SEC(K) must be issued or accepted by the BCA.

From 1 July 2012, with respect to NTS and PRC construction workers, basic skilled workers would be allowed to work up to a maximum of 10 years, while higher skilled workers would be allowed to work up to 18 years. As a transitional measure for existing basic skilled workers, MOM will grant an extension to the period of employment of all affected workers. Generally, employers will have at least two years to upgrade their workers from basic skilled to higher skilled. NAS and Malaysian work permit workers may work in Singapore up to 60 years of age.

In addition, for each individual's work permit, in-principle approvals have to be sought. Upon receipt of approval, 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"), a full-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; and (iii) ensure that they are aware of their rights and responsibilities under employment law. 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/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

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. The security bond must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed.

The employment of foreign workers is also subject to the payment of monthly levies. The levy is a pricing mechanism to regulate the number of foreign manpower in Singapore. For the construction sector, employers pay the requisite levy according to the qualification of the foreign workers employed.

Dependency ceilings

The dependency ceiling for the construction industry is currently set at a ratio of one full-time local worker to seven foreign workers. This means that for every full-time Singaporean or Singapore Permanent Resident employed by a company in the construction sector with regular full month CPF contributions made by the employer, the company can employ seven foreign workers.

MYE

The MYE allocation system is a work permit quota system relating to the employment of construction workers from NTS and the PRC. MYEs represent the total number of such workers that each main contractor is allocated for a specific construction project based on the value of the project or contract awarded by the developer or owner. The allocation of MYE is in the form of the number of "man-years" required to complete a project and only main contractors may apply for MYE. One man-year is equivalent to one year's employment under a work permit. 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. NTS or PRC construction workers who have worked with any employer for a cumulative period of two or more years in the construction industry, may be hired by main contractors without the need for MYE.

Employers are required to comply with the conditions of the work permits, such as the requirement to provide acceptable accommodation for their foreign workers. Other conditions of the work permits which employers of foreign construction workers are also required to comply with include the following:

- 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, except as provided for in the conditions;

- providing safe working conditions for their foreign workers; 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.

Apart from the EFMA, an employer of foreign workers is also subject to, amongst others, the provisions set out in:

- the Employment Act, Chapter 91 of Singapore (the "Employment Act"). The Employment Act sets out requirements with respect to, amongst others, the terms of contracts of service, the payment of salary, rest days, hours of work and other conditions of service (including overtime limits) which are applicable to an employer of foreign and local workers; and
- the Immigration Act, Chapter 133 of Singapore ("Immigration Act") and the regulations issued pursuant to the Immigration Act.

Workplace Safety and Health Safety Measures

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 a demerit points system for the construction sector. 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 infringement. A contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning from the MOM, while the continued accumulation of demerit points will result in more stringent corrective actions. If a contractor continues to commit workplace safety and health offences, applications from the company for new and renewal of all types of work passes for all foreign employees will be rejected by MOM. MOM escalates warnings and penalties to main contractors as they commit repeated offences and accumulate demerit points, as follows:

First Stage: A warning letter will be issued to the main contractor if the total points accumulated by the company exceed 18 demerit points within a 12-month rolling period.

Second Stage: The following will apply to an individual worksite if the total points accumulated by the worksite exceed 18 demerit points:

- Six-month MYE freeze for first occurrence;
- 12-month MYE freeze for second occurrence (within 12 months of the first occurrence); and
- 24-month MYE freeze for third or subsequent occurrences (within 12 months of the previous occurrence).

A main contractor will have its records cleared when all its worksites do not accumulate any demerit points for a rolling period of 12 months.

Third Stage: A 24-month MYE freeze will be extended to all worksites under the company if three of its worksites have each accumulated more than 18 demerit points within any 12-month period i.e. the company's MYE has been frozen three times within a year.

Applications from the company for new and renewal of all types of work passes for all foreign employees will also be rejected.

Workmen's Compensation

The Work Injury Compensation Act, Chapter 354 of Singapore ("WICA"), regulated by the MOM, applies to employees 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 an employee, 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 employer) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

Environmental laws and regulations

The Environmental Public Health Act, Chapter 95 of Singapore ("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.

TAXATION

Corporate Tax

The prevailing corporate tax rate in Singapore is 17% with effect from Year of Assessment 2010. In addition, 75% of up to the first S$10,000 of a company's normal chargeable income, and 50% of up to the next S$290,000 is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at 17%. For newly-incorporated entities, subject to meeting certain conditions, the first S$100,000 and one-half of up to the next S$200,000 of their normal chargeable income, excluding Singapore dividends, will be eligible for tax exemption. Further, it was announced during the Singapore Budget 2013 that companies will receive a 30% corporate income tax rebate for the Years of Assessment 2013, 2014 and 2015, subject to a cap of S$30,000 per year of assessment.

Dividend Distributions

(i) One Tier Corporate Taxation System

All Singapore tax resident companies are under the One-Tier Corporate Taxation System ("One-Tier System"). Under the One-Tier System, one-tier dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

(ii) Withholding Taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders. Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

Goods and Services Tax ("GST")

GST in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7%.

HISTORY

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 19 June 2013 and became the holding company of Strike Singapore pursuant to the Reorganisation completed on 29 June 2013. Our Group comprises our Company and Strike Singapore, a wholly-owned subsidiary of our Company. Our Group is founded by our Executive Director, Mr Yeo.

Our founder, Mr Yeo, began his career as an electrical apprentice in 1969 and gradually worked up the ranks to become a supervisor in 1977. In March 1983, he incorporated Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) with an Independent Third Party with a share capital of S$100,000, and Mr Yeo had 40,000 shares for a capital contribution of S$40,000 financed by personal resources. Over the years, Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) has built an established track record in HDB residential projects, and achieved a "L6" BCA grading in July 1997 for the provision of electrical engineering services. Our Executive Directors, Mr Yeo and Mr Sim, and our senior management built the business of Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) to be one of the established electrical engineering companies in undertaking electrical engineering works for public residential projects in Singapore. On 3 October 1997, the name of Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) was changed to Strike Engineering Pte Ltd. In 1999, Strike Engineering Pte Ltd (now known as Magnus Energy Group Ltd) changed its name to Strike Engineering Limited on 8 July 1999 and became a public company with its listing on the then Official List of the Stock Exchange of Singapore Dealing and Automated Quotation System ("SESDAQ") (now renamed as "Catalist Board"). As part of the reorganisation undertaken by Strike Engineering Limited (now known as Magnus Energy Group Ltd) for its listing on the then Official List of SESDAQ in 1999, Victrad became a wholly-owned subsidiary of Strike Engineering Limited (now known as Magnus Energy Group Ltd), carrying on the business of electrical engineering works. In November 2004, Strike Engineering Limited was renamed as Magnus Energy Group Ltd, taking on a focus in energy-related businesses.

On 26 April 2006, 1,980,000 shares of Victrad was transferred from Magnus Energy Group Ltd to Kingbo Strike Pte Ltd (currently a dormant Singapore-incorporated company) as a form of management buy-out for a consideration of S$2,070,000, based on a premium of 0.06% of the unaudited net asset value of Victrad as at 31 March 2006. S$135,000 was paid by cheque on 26 April 2006 and settled on 27 April 2006, S$1,015,000 was settled by cheque on 29 August 2006, and the remaining balance was set-off against amounts due from Magnus Energy Group Ltd. Before the management buy-out, Victrad was a wholly-owned subsidiary of Magnus Energy Group Ltd, carrying on the business of electrical engineering services. Victrad then continued to carry on the electrical engineering business after the management buy-out. Kingbo Strike Pte Ltd (currently a dormant Singapore-incorporated company) was then beneficially owned as to 124,999 shares, 124,999 shares, 1 share and 1 share by each of Mr Sim, Ms Chan Bee Fong, Mr Pang Cheng Jin and Ms Lim Poh Khim, respectively. Ms Chan Bee Fong and Ms Lim Poh Khim are the senior management of our Group. Mr Pang Cheng Jin is an Independent Third Party. Subsequently, on 1 June 2011, Kingbo Strike Pte Ltd (currently a dormant Singapore-incorporated company) transferred Victrad to Mr Sim and Mr Yeo for a consideration of

S$1,035,000 each based on the cost of investment of Kingbo Strike Pte Ltd. As advised by the legal adviser to our Company as to Singapore law, the abovementioned transfers had been properly and legally completed. Currently, 50% of the shareholding interests in Victrad is held by Mr Yeo and the other 50% held by Mr Sim.

Strike Singapore was incorporated in Singapore on 21 April 2009 with an issued share capital of S$10,000 with 10,000 shares which was subsequently paid up on 18 May 2009, all of which are beneficially owned by Victrad. On 21 May 2009, an additional 1,500,000 shares were allotted and issued to Victrad for S$1.5 million, in which S$998,873.94 was paid by cheques and the remaining balance was held as a fixed deposit by Victrad on trust for Strike Singapore. The share capital of Strike Singapore remained unchanged after the aforesaid allotment and issue of shares. Strike Singapore became our wholly-owned subsidiary pursuant to the Reorganisation, details of which are set out in the section headed "A. Further information about our Company — 4. Corporate reorganisation" in Appendix IV to this prospectus.

Commencing from 17 July 2009, following our Group's restructuring which was legal and valid, the electrical engineering business carried on by Victrad is carried on by Strike Singapore. Subsequent to the restructuring, Victrad became our investment holding company. Our Group's key personnel including Mr Yeo, Mr Sim, Ms Chan Bee Fong, Mr Poon Hiu Chuin, Ms Goey Lee Eng and Ms Lim Poh Khim, along with the majority of its staff, were retained with us after the abovementioned restructuring. As such, the reputation that the founder and the key personnel had built remained with our Group, which is known as an established electrical engineering company in undertaking electrical engineering works for public residential projects in Singapore. As at the Latest Practicable Date, our Group has a work force of 25 local staff, including qualified management staff, engineers, technicians, electricians and mechanics, and 106 foreign workers.

As the construction industry and electrical engineering sector in Singapore, is fragmented and competitive, our Executive Directors undertook a strategic decision to support its employees who have the capability and desire to set up their own electrical engineering business. Therefore, on 1 November 2010, YL was incorporated with an issued share capital of S$200,000 with 200,000 shares which was subsequently paid up on 15 November 2010. 100,000 shares were allotted and issued to each of Strike Singapore and Mr Loh Voon Sheng (an ex-employee and ex-director of Strike Singapore), which was paid by cheques of S$100,000 each. On 10 April 2013, an additional 50,000 shares were allotted and issued to each of Strike Singapore and Mr Loh Voon Sheng, which was paid by cheques of S$25,000 each. The respective shareholding of Strike Singapore and Mr Loh Voon Sheng in YL remained unchanged after the aforesaid allotment and issue of shares.

On 22 February 2011, NEK was incorporated with an issued share capital of S$200,000 with 200,000 shares which was subsequently paid up on 11 May 2011. 100,000 shares were allotted and issued to Strike Singapore, 50,000 shares were allotted and issued to Mr Tan Chan Huat (who held shares in an ex-subcontractor of Strike Singapore) and the remaining 50,000 shares were allotted and issued to Mr Ng Eng Khim (an ex-employee of Strike Singapore), which was paid by cheques of S$100,000, S$50,000 and S$50,000 respectively.

On 8 April 2011, SRM was incorporated with an issued share capital of S$100,000 with 100,000 shares which was subsequently paid up on 6 May 2011. 50,000 shares were allotted and issued to Strike Singapore, 30,000 shares were allotted and issued to Mr Low Tian Siang (an ex-employee of Strike Singapore) and 20,000 shares were allotted and issued to Mr Leong Fook Yew (an ex-employee of Strike Singapore), which was paid by cheques of S$50,000, S$30,000 and S$20,000 respectively. On 30 January 2012, an additional 100,000 shares were allotted and issued to each of Strike Singapore, Mr Low Tian Siang and Mr Leong Fook Yew as to 50,000 shares to Strike Singapore, 30,000 shares to Mr Low Tian Siang and 20,000 shares to Mr Leong Fook Yew, which was subsequently paid by cheques of S$50,000, S$30,000 and S$20,000, respectively. The respective shareholding of Strike Singapore, Mr Low Tian Siang and Mr Leong Fook Yew in SRM remained unchanged after the aforesaid allotment and issue of shares. Strike Singapore has neither board representation nor management control in each of YL, NEK and SRM. In connection with the setting up of YL, NEK and SRM, 20, 17 and 12 employees of Strike Singapore had joined YL, NEK and SRM respectively, with the consent of our management. Our Group had also subcontracted some electrical engineering works to YL, NEK and SRM, please refer to section headed "Business — Subcontractors" for further details of subcontracting arrangement between our Group and YL, NEK and SRM. Our Executive Directors considered our investment in YL, NEK and SRM to be favourable to our Group compared to the alternative situation whereby an employee resigns to set up his own business or to join a competing firm. Currently, YL has BCA "L4" grading, NEK has BCA "L1" grading and SRM has BCA "L1" grading in electrical engineering services. Further information about YL, NEK and SRM is set out in the section headed "Business — Our business strategies — Relationship with YL, NEK and SRM" in this prospectus.

The Company is seeking a listing in Hong Kong because it has a high level of internationalisation and maturity in the finance sector, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, the Company believes that there will be higher liquidity and valuation, and greater exposure to a broader analyst and investment community. The Group is not able to meet the listing requirements of the Mainboard of the Singapore Exchange Securities Trading Limited and to the best of the Directors' knowledge and belief, there is no impediment for the Company to list on the Catalist Board of the Singapore Exchange Securities Trading Limited although no application has been made or attempted since the Company had decided on listing in Hong Kong from the onset.

REORGANISATION

Our Company was incorporated on 19 June 2013 and purchased the shareholdings of Strike Singapore from Victrad on 29 June 2013 (please refer to the Reorganisation steps below), thus becoming the investment holding company of our Group. The legal advisers to our Company as to Cayman Islands law and Singapore law have confirmed that the change of shareholdings in Strike Singapore under the Reorganisation would not require any approval or permit from any relevant government authorities in the Cayman Islands or Singapore. Details of the Reorganisation are also set out in the section headed "A. Further information about our Company — 4. Corporate reorganisation" in Appendix IV to this prospectus. Save for the Capitalisation Issue and the Share Offer, no further changes in shareholding of our Company and its subsidiary will take place after the Reorganisation and at the time of Listing.

In preparation for the Listing, our Group has undergone the Reorganisation and the steps are as follows:

(i) Incorporation of our Company

On 19 June 2013, our Company was incorporated as an exempted company in the Cayman Islands with an authorised share capital of HK$300,000 divided into 300,000 shares of HK$1.00 each, of which one nil-paid share was allotted and issued to the first subscriber, Sharon Pierson, which was transferred to Victrad on the same day.

(ii) Acquisition of Strike Singapore

On 29 June 2013, pursuant to a sale and purchase agreement entered into between our Company and Victrad, the then shareholder of Strike Singapore, our Company acquired all the issued shares of Strike Singapore from Victrad, in the consideration of HK$23,013,833 (being the consolidated net asset value of Strike Singapore of S$3,749,647 as at 31 May 2013, based on the unaudited management accounts of Strike Singapore for the 11 months ended 31 May 2013 and the adopted exchange rate of SGD1 to HK$6.1376 as at 31 May 2013), which was satisfied by (i) the crediting of the one nil-paid share of our Company which was registered in the name of Victrad as fully paid; and (ii) our Company allotting and issuing 299,999 new shares of HK$1.00 each in the share capital of our Company to Victrad credited as fully paid. After completion of the above transaction, Strike Singapore is wholly-owned by our Company and our Company is wholly-owned by Victrad. The acquisition of Strike Singapore was properly and legally completed and settled.

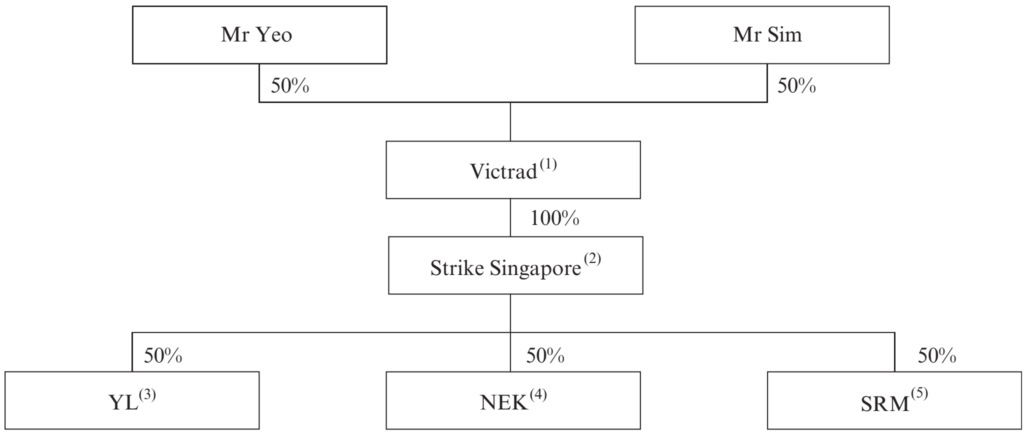
(iii) Subdivision of all issued shares and authorised but unissued shares and increase of authorised share capital of our Company

On 9 December 2013, each authorised and issued share of a par value of HK$1.00 in the capital of our Company was sub-divided into 100 Shares of a par value of HK$0.01 each (the "Share Sub-division").

On 9 December 2013, the authorised share capital of our Company was increased from HK$300,000 divided into 30,000,000 Shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 Shares of HK$0.01 each by the creation of an additional 4,970,000,000 Shares of HK$0.01 each to rank *pari passu* in all respects with the existing Shares.

GROUP STRUCTURE

The following diagram sets forth our corporate and shareholding structure (including YL, NEK and SRM) immediately prior to the implementation of the Reorganisation:



Notes:

(1) As at the Latest Practicable Date, the issued and paid-up share capital of Victrad comprised 1,980,000 shares of S$1 each and the directors of Victrad are Mr Yeo and Mr Sim. Victrad is an investment holding company.

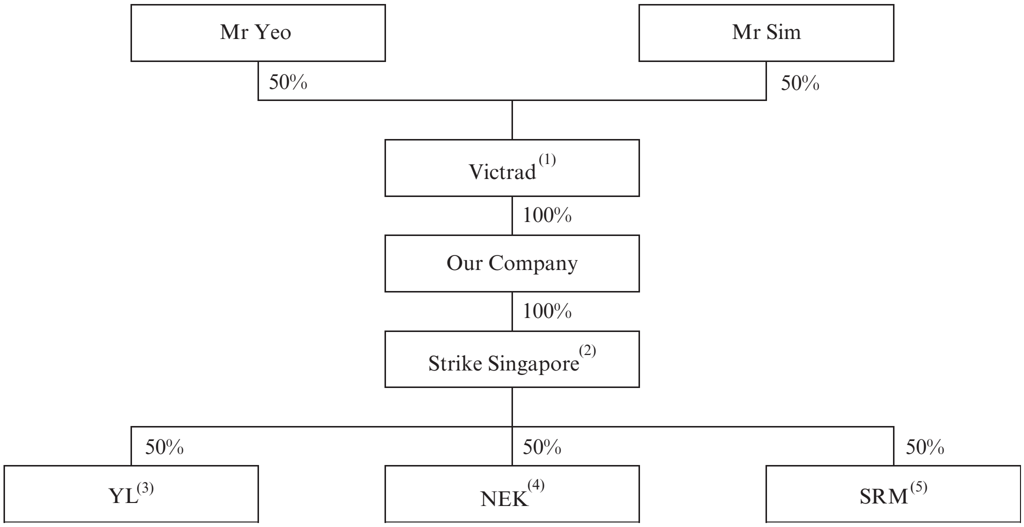
(2) As at the Latest Practicable Date, the issued and paid-up share capital of Strike Singapore comprised 1,510,000 shares of S$1 each and the directors of Strike Singapore are Mr Yeo and Mr Sim. Strike Singapore is the principal operating entity of our Group.

(3) The other 50% equity interest of YL is held by Mr Loh Voon Sheng, who was an employee and director of Strike Singapore until 29 May 2013. The sole director of YL is Mr Loh Voon Sheng.

(4) The other 50% equity interest of NEK is held by Independent Third Parties, of which 25% to Mr Tan Chan Huat (who held 50% shares in an ex-subcontractor of Strike Singapore) and 25% to Mr Ng Eng Khim (an employee of Strike Singapore until 31 December 2011). The directors of NEK are Mr Tan Chan Huat and Mr Ng Eng Khim.

(5) The other 50% equity interest of SRM is held by Independent Third Parties, of which 30% to Mr Low Tian Siang (an employee of Strike Singapore until 30 September 2011) and 20% to Mr Leong Fook Yew (an employee of Strike Singapore until 31 July 2012). The directors of SRM are Mr Low Tian Siang and Mr Leong Fook Yew.

The following diagram sets forth our corporate and shareholding structure (including YL, NEK and SRM) after the implementation of the Reorganisation but before the Listing:



Notes:

(1) As at the Latest Practicable Date, the issued and paid-up share capital of Victrad comprised 1,980,000 shares of S$1 each and the directors of Victrad are Mr Yeo and Mr Sim. Victrad is an investment holding company.

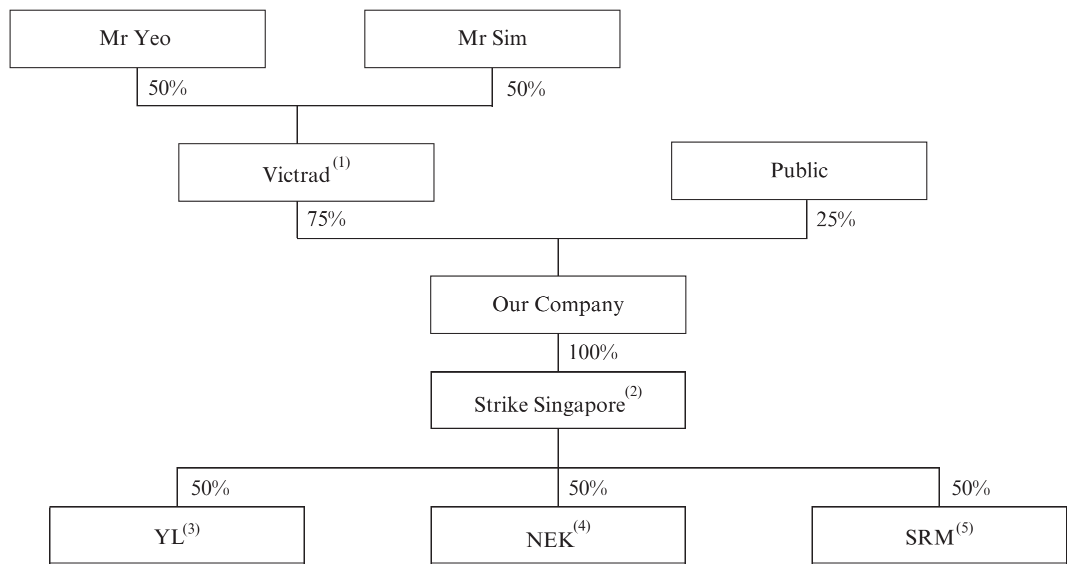
(2) As at the Latest Practicable Date, the issued and paid-up share capital of Strike Singapore comprised 1,510,000 shares of S$1 each and the directors of Strike Singapore are Mr Yeo and Mr Sim. Strike Singapore is the principal operating entity of our Group.

(3) The other 50% equity interest of YL is held by Mr Loh Voon Sheng, who was an employee and director of Strike Singapore until 29 May 2013. The sole director of YL is Mr Loh Voon Sheng.

(4) The other 50% equity interest of NEK is held by Independent Third Parties, of which 25% to Mr Tan Chan Huat (who held 50% shares in an ex-subcontractor of Strike Singapore) and 25% to Mr Ng Eng Khim (an employee of Strike Singapore until 31 December 2011). The directors of NEK are Mr Tan Chan Huat and Mr Ng Eng Khim.

(5) The other 50% equity interest of SRM is held by Independent Third Parties, of which 30% to Mr Low Tian Siang (an employee of Strike Singapore until 30 September 2011) and 20% to Mr Leong Fook Yew (an employee of Strike Singapore until 31 July 2012). The directors of SRM are Mr Low Tian Siang and Mr Leong Fook Yew.

The following diagram sets forth our corporate and shareholding structure (including YL, NEK and SRM) after the implementation of the Reorganisation and upon the Listing:



Notes:

(1) As at the Latest Practicable Date, the issued and paid-up share capital of Victrad comprised 1,980,000 shares of S$1 each and the directors of Victrad are Mr Yeo and Mr Sim. Victrad is an investment holding company.

(2) As at the Latest Practicable Date, the issued and paid-up share capital of Strike Singapore comprised 1,510,000 shares of S$1 each and the directors of Strike Singapore are Mr Yeo and Mr Sim. Strike Singapore is the principal operating entity of our Group.

(3) The other 50% equity interest of YL is held by Mr Loh Voon Sheng, who was an employee and director of Strike Singapore until 29 May 2013. The sole director of YL is Mr Loh Voon Sheng.

(4) The other 50% equity interest of NEK is held by Independent Third Parties, of which 25% to Mr Tan Chan Huat (who held 50% shares in an ex-subcontractor of Strike Singapore) and 25% to Mr Ng Eng Khim (an employee of Strike Singapore until 31 December 2011). The directors of NEK are Mr Tan Chan Huat and Mr Ng Eng Khim.

(5) The other 50% equity interest of SRM is held by Independent Third Parties, of which 30% to Mr Low Tian Siang (an employee of Strike Singapore until 30 September 2011) and 20% to Mr Leong Fook Yew (an employee of Strike Singapore until 31 July 2012). The directors of SRM are Mr Low Tian Siang and Mr Leong Fook Yew.

OVERVIEW

Our Group is principally engaged in the provision of electrical engineering services in Singapore. We are one of the established electrical engineering companies undertaking electrical engineering works for public residential projects in Singapore. During the Track Record Period, our Group had completed twelve projects, ten of which are electrical engineering works for public residential projects, one for electrical maintenance project and another for electrical engineering works for education institutions in Singapore. Our competitive advantage lies in our ability to provide an electrical engineering solution that is reliable and cost competitive. Our established track record and experienced management team provide us with a competitive edge during contract evaluation stage where reputation is a key consideration.

Our Group was founded by our Executive Director, Mr Yeo who is supported by Mr Sim, Executive Director, and Ms Chan Bee Fong, head of finance and administrative department. Mr Yeo is responsible for our Group's overall management, strategic planning and business development. Mr Sim oversees our Group's three operational departments, namely the project department, contract and tender department and purchasing department. Ms Chan is responsible for the financial and administrative aspects of our Group.

OUR COMPETITIVE STRENGTHS

We have a reputation as an established electrical engineering company for the public residential sector projects in Singapore

Our Group has earned itself a reputation as an established electrical engineering company for the public residential sector projects in Singapore and our key management staff have built up a successful track record. Our Directors believe that we have established a good rapport with our customers. We provide electrical engineering services mainly for new construction projects in the Singapore public residential sector, which made up approximately 95.9%, 92.5% and 88.8% of our total revenue for the three financial years ended 30 June 2013, respectively.

Our good relationships with suppliers enable us to obtain competitive pricing which in turn provides us the flexibility to price our services to customers

Our Group has established and maintained a good relationship with a network of suppliers and subcontractors, some of whom had known or worked with our key personnel for over 10 years. Our good relationships with our suppliers are partly based on our practice of prompt repayment of accounts payables which has enabled our Group to make purchases at a competitive pricing, which in turn, provides us the flexibility to price our services to our customers. Furthermore, as most of our projects' contract values are in the range of S$3 million to S$14 million, we enjoy economies of scale if the purchase order is sufficiently large due to size of a certain project or procuring for more than one project at the same time.

We have an experienced, dedicated and dynamic management team and each of our Executive Directors has approximately 30 years of experience in the electrical engineering industry

Each of our Executive Directors has approximately 30 years of experience in the electrical engineering industry, and each of our senior management has an average of 20 years of relevant experience in electrical engineering works. Our Directors believe that the combination of our management and project teams' collective expertise and knowledge of the industry, together with our qualified employees, have been and will continue to be our Group's valuable assets. Please refer to the section headed "Directors, senior management and employees" in this prospectus for detailed work experience of our directors and senior management team.

OUR BUSINESS STRATEGIES

Our corporate objective is to achieve sustainable growth in our current business and to create long-term shareholder's value. We intend to achieve this by implementing the following corporate strategies:

Expand our business and strengthen our market position in the public residential sector in Singapore

Our revenue attributable to the public residential sector in Singapore was approximately 95.9%, 92.5% and 88.8% of our total revenue for the three financial years ended 30 June 2013, respectively. According to HDB website, approximately 83% of the Singapore's resident population stays in public residence in 2013. The public residential sector is hence the largest property supplier in Singapore. According to the Singapore's population white paper in January 2013, Singapore's resident population amounted to 3.8 million as at June 2012 and the government plans to increase the Singapore's resident population to between 4.2 and 4.4 million in 2030. With this projected population growth, our Directors believe that there will be a constant flow of new public residential projects. With our established track record in the public residential sector, we expect to be invited to quote in more HDB projects by the main contractors, and more projects taken will strengthen our market position in this sector. As our Group increases the number and/or scale of projects we secure, we will be purchasing more materials and expanding our workforce.

Maintain our existing shareholding percentage in YL, NEK and SRM

We intend to maintain our existing shareholding percentage in them, which will allow us to (i) retain profits in the existing proportion, and (ii) reap the rewards of their growth. Given that the industry is fragmented and competitive, our Directors are of the view that the formation of YL, NEK and SRM will expand our market share as our Group and these companies can each expand its own customer and project list. Our Directors believe that expansion of business for YL, NEK and SRM will assist them to build their reputation in the electrical engineering industry, and also in part, assist them in the application for a BCA grading that allow them to take on public projects of higher value. Moreover, with increased capital, YL, NEK and SRM will have increased resources to secure more projects, purchase more materials and expand their workforce. Our Group intend to invest further to maintain our existing shareholding of 50% interest in YL, NEK and SRM by way of capital contribution so that we can maintain our existing share of profits.

Expand our market share and business portfolio through formation of new companies

We will evaluate the formation of new companies with external parties who have the requisite experience, business contacts and track record in projects and businesses that are synergistic and beneficial to our Group, including but not limited to companies in the construction industry (including the electrical engineering industry), so that our Group can expand our foothold to other sectors such as commercial, industrial or private residential sectors. As at the Latest Practicable Date, the companies formed under this business strategy are YL, NEK and SRM. Our Directors envisage that these new companies will be in the form of joint venture, jointly-controlled entities or subsidiaries, and thus this strategy can serve to (i) increase our revenue or profits; (ii) increase our competitive edge by acquiring experienced project management team; (iii) expand the sectors covered by our Group if the team in the new company has track record in other than public residential sector; and (iv) expand our business portfolio. We have not yet identified any potential target for the formation of new companies and intend to form such new companies by way of capital contribution.

We intend to use approximately 69.2% of the net proceeds obtained from the Share Offer for business expansion (including purchase of materials and expansion of workforce), 10.4% to maintain our existing shareholding percentage in YL, NEK and SRM and 10.4% to expand our market share through formation of new companies. Such amounts are expected to be utilised by the end of the financial year ending 30 June 2016. For further details, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

Relationship with YL, NEK and SRM

Strike Singapore, our Company's operating subsidiary, is holding 50% equity interests in each of YL, NEK and SRM. The remaining 50% equity interests of each of NEK and SRM are held by Independent Third Parties, who are former employees and a shareholder of an ex-subcontractor of Strike Singapore, whereas the remaining 50% equity interests of YL are held by a former employee and director of Strike Singapore, who resigned as a director on 29 May 2013. YL, NEK and SRM are not subsidiaries of our Group due to the reasons that (i) Strike Singapore has no control over the composition of the board of directors of YL, NEK and SRM; (ii) Strike Singapore does not hold more than one half of the issued share capital of each of YL, NEK and SRM; and (iii) Strike Singapore does not control more than one half of the voting power of each of YL, NEK and SRM. Strike Singapore does not participate in the day-to-day operations of these three companies. The employees of YL, NEK and SRM are independent of Strike Singapore. Irrespective of the shareholdings, Strike Singapore has not appointed any director to the boards of directors of YL, NEK and SRM since their incorporation. Strike Singapore has no intention to appoint any director in the future.

In YL's arrangement, since there are only 2 shareholders with equal shareholding of 50% each, unanimous agreement on financial and operating decisions from both shareholders is required. The Memorandum and Articles of Association of YL sets out that decisions and resolutions, are decided based on voting by shareholders in proportion to their shareholdings, which effectively demonstrated, amongst other factors, an arrangement of joint control over YL between the 2 shareholders, resulting in none of the 2 shareholders having unilateral control over YL's economic activities.

In the case of NEK and SRM, Strike Singapore does not have outright majority shareholding and hence does not have more than half the voting power of NEK and SRM. The Company has also considered the presence of de facto control by Strike Singapore given that Strike Singapore is the largest shareholder of NEK and SRM. However, the size of Strike's voting interest and its size relative to the other shareholdings are insufficient to conclude that Strike Singapore has the power to unilaterally control NEK and SRM's economic activities. The co-operation of the other 2 shareholders will be sufficient to prevent Strike Singapore from directing the relevant activities of NEK and SRM.

All three companies, namely YL, NEK and SRM, are accounted for using the equity method of accounting. The terminology is merely a result of distinction used in line with the relevant financial reporting standards. There is no shareholders' agreement or joint venture agreement entered into by our Group in respect of these three companies.

YL, NEK and SRM are incorporated in November 2010, February 2011 and April 2011 respectively and are principally engaged in the provision of electrical engineering services in Singapore. The Board considers that the potential competition between each of YL, NEK and SRM and our Company is remote due to the following reasons:

(i) Strike Singapore is equipped with a "L6" grading licence for provision of electrical engineering service whereas YL only possesses a "L4" grading licence and each of NEK and SRM only possesses a "L1" grading licence for the provision of electrical engineering service. The possession of "L6" grading licence means that Strike Singapore can submit a tender with unlimited tendering limit for all public projects whereas YL, with the possession of "L4" grading licence, can only submit a tender with a tendering limit of not more than S$6,500,000 and each of NEK and SRM, with the possession of "L1" grading licence, can only submit a tender with a tendering limit of not more than S$650,000;

(ii) the majority of the projects undertaken by Strike Singapore are of larger contract values, typically where subcontractors are expected to have a "L5" or "L6" grading in the BCA "electrical engineering" workhead category. On the other hand, YL typically undertakes projects that require subcontractors to have "L3" or "L4" grading, while NEK and SRM are currently undertaking smaller size projects that require subcontractors to have a "L1" grading. It is also impracticable for each of YL, NEK and SRM to compete with Strike Singapore for "L6" grading projects as they are not qualified or do not have the requisite licence and staffing to carry out "L6" grading projects;

(iii) the management of each of YL, NEK and SRM is independent of those of our Group. Any potential conflict of interests arising from the likelihood that YL, NEK and SRM would compete with our business would be effectively mitigated given that the operations of YL, NEK and SRM and our Group would be run independently with the respective boards of directors performing their fiduciary duties and providing their oversight to safeguard the interests of the respective shareholders of our Group and YL, NEK and SRM. Save for the initial capital contribution, each of YL, NEK and SRM is financially independent of our Group and no financial assistance has been made by our Group to each of YL, NEK and SRM in daily operation;

(iv) each of YL, NEK and SRM, being an electrical engineering services provider, is also a subcontractor of our Group and the provision of services by each of YL, NEK and SRM to our Group as a subcontractor is value adding to our Group. For more details of the subcontracting arrangements, please refer to the section headed "Business — Subcontractors" in this prospectus. The Directors understand that YL, NEK and SRM also explore their own customer bases, meaning the market share of our Company would be expanded as well. YL, NEK and SRM focus on, *inter alia*, both private and public projects; and

(v) Should our Group come across projects which we do not intend to take on based on the contract or tender requirements, we may refer such project opportunities to YL, NEK and SRM who will assess independently whether they should take on such opportunity.

OUR BUSINESS MODEL

Our principal business activities

Our Group's principal business activity is the provision of electrical engineering services, mainly for public residential projects in Singapore. Our Group also has the capability to provide electrical engineering services to private residential, commercial and industrial sectors. Electrical engineering services provided by our Group include but are not limited to the installation of copper wiring, switchboards, fire prevention and protection systems, CATV and fixed-line telecommunication systems.

Main qualifications and licences

The following table sets out a summary of our main qualifications and licences that Strike Singapore has for the carrying out of our business and operations in Singapore:

Relevant authority/ organisation	Relevant list/category	Qualification/ Licence/ Grading(1)	Date of first grant/registration	Date of expiry
BCA	ME05, electrical engineering	L6	17 July 2009(2)	1 August 2016
BCA	ME15, integrated building services	L4	17 July 2009(2)	1 August 2016
BCA	ME04, communication and security systems	L3	17 July 2009(2)	1 August 2016
BCA	ME06, fire prevention and protection systems	L3	17 July 2009(2)	1 August 2016
BCA	ME01, air-conditioning, refrigeration and ventilation works	L2	17 July 2009(2)	1 August 2016
BCA	CR07, cable/pipe laying and road reinstatement	L1	17 July 2009(2)	1 August 2016
BCA	ME08, internal telephone wiring for telecommunications	L1	17 July 2009(2)	1 August 2016
IDA	Wiring contractor (class) licence	Wiring contractor (class) licence	11 June 2009	Not applicable
The Institution of Engineers Singapore	Qualified electrical contractors	Qualified electrical contractors	1 July 2010	30 June 2016

Relevant authority/ organisation	Relevant list/category	Qualification/ Licence/ Grading(1)	Date of first grant/registration	Date of expiry
Quality and Environmental Certification Ltd	Provision of mechanical and electrical engineering services	OHSAS 18001:2007	1 March 2011	3 December 2016
Workplace and Safety Health Council	bizSAFE	Star	25 January 2011	3 December 2016

Notes:

(1) The differences in BCA gradings relate to the tendering limits for Singapore public sector projects. As at the Latest Practicable Date, L6 refers to unlimited tender values, L5 up to S$13 million, L4 up to S$6.5 million, L3 up to S$4 million, L2 up to S$1.3 million and L1 up to S$650,000. bizSafe levels indicate different level of commitment to promote workplace safety and Star is the highest level of commitment.

(2) This refers to the date of transfer from Victrad.

Our Group has not encountered any downgrading of our BCA grading due to regulatory non-compliance. However, in July 2013, our Group downgraded our BCA grading for two of the work head categories as detailed below.

Work heads	BCA grading before July 2013	BCA grading after July 2013
ME01	L4	L2
ME15	L6	L4

The differences between L4 and L2 of ME01 are (i) different requirements to be met to obtain the relevant grade, and (ii) different tender limits, namely:

ME01	L4	L2
Minimum Paid-Up Capital and Minimum Net Worth	S$250,000	S$50,000

ME01	L4	L2
Management	To employ at least two technical personnel having a recognised diploma in Electrical/Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/ Specialist Diplomas in M&E Coordination, at least one personnel with 5 years of relevant experience, and at least one personnel with Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy, SMC (Safety Management Certification issued by BCA) or OHSAS18000	To employ at least one technical personnel with 3 years of relevant experience and having a recognised diploma in Electrical/ Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/Specialist Diplomas in M&E Coordination, with Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy, SMC (Safety Management Certification issued by BCA) or OHSAS18000
Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$5.0 million with a minimum size single project (main/subcontract) of at least S$500,000 executed entirely by the applicant	To secure projects with an aggregate contract value of at least S$1.0 million
Tendering Limits	S$6.5 million	S$1.3 million

The differences between L6 and L4 of ME15 are (i) different requirements to be met to obtain the relevant grade, and (ii) different tender limits, namely:

ME15	**L6**	**L4**
Workhead	ME01 equal to L6, ME05 greater than or equal to L4 and one other ME workhead greater than or equal to L2	ME01 greater than or equal to L4, ME05 greater than or equal to L2 and one other ME workhead greater than or equal to L2
	OR	OR
	ME01 greater than or equal to L4, ME05 equal to L6 and one other ME workhead greater than or equal to L2	ME01 greater than or equal to L2, ME05 greater than or equal to L4 and one other ME workhead greater than or equal to L2
Minimum Paid-Up Capital and Minimum Net Worth	S$1.5 million	S$250,000

ME15	**L6**	**L4**
Management	To employ at least two professional personnel, both with at least 5 years of relevant experience and having at least the following qualifications: • a minimum Professional qualification with a degree in Electrical/ Electronics or Mechanical Engineering recognised by Professional Engineers Board (PEB) or equivalent qualifications approved by BCA (for Resident Engineer); or • a Professional qualification with a recognised degree in Electrical/Electronics or Mechanical Engineering or equivalent One of the professional personnel shall be a full-time M&E coordination (MEC) personnel. Only the following MEC qualifications are acceptable: • Advance National Building Qualification (NBQ) awarded by BCA Academy or Certificate/ Specialist Diploma in M&E Coordination awarded by CITI	To employ at least two technical personnel with Polytechnic Diplomas either in Electrical/Electronics, Mechanical Engineering, Building Service, or equivalent, with one personnel having at least 5 years of relevant experience and either one personnel being a full-time M&E coordination (MEC) personnel. Only the following MEC qualifications are acceptable: • Advance National Building Qualification (NBQ) awarded by BCA Academy or Certificate/ Specialist Diploma in M&E Coordination awarded by CITI • Diploma in Building Services Engineering awarded by Ngee Ann Polytechnic and • Diploma in Intelligent Building Technology awarded by Temasek Polytechnic At least one of the technical personnel shall have a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy

ME15	L6	L4
	• Diploma in Building Services Engineering awarded by Ngee Ann Polytechnic and • Diploma in Intelligent Building Technology awarded by Temasek Polytechnic At least one of the professional personnel shall have a certificate course in Construction Productivity Management conducted by BCA Academy	
Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S$30.0 million of which S$7.5 million shall be in respect of projects executed in Singapore; S$3.0 million shall be in respect of main contracts (nominated sub-contracts may be included); and S$3.0 million shall be in respect of a minimum size single project (main/subcontract) executed entirely by the applicant	To secure projects with an aggregate contract value of at least S$5.0 million with a minimum size single project (main/subcontract) of at least S$500,000 executed entirely by the applicant
Licence Requirements	Applicant must possess a valid IDA telecommunication wiring contractor's licence and employ a full time employee who has a valid EMA electrical licence	Applicant must possess a valid IDA telecommunication wiring contractor's licence and employ a full time employee who has a valid EMA electrical licence
Tendering Limits	Unlimited	S$6.5 million

The main reason for the downgrading is that our Group principally focuses on its ME05 work head category of electrical engineering services, and the other work head categories are ancillary qualifications which enable our Group to take on particular projects where these categories are required. During the Track Record Period, our Group had completed twelve projects, eleven of which specifically required ME05 work head while only one specifically required ME15 work head. None of the project completed required ME01 work head. Given the low requirement for ME01 work head, our Group has decided to downgrade our ME01 grading from L4 to L2. With the downgrading of our ME01 grading, our Group has also downgraded our ME15 grading from L6 (which requires amongst others, ME01 L4 grading) to L4 (which requires amongst others, ME01 L2 grading). Should our Group require a higher grading to carry out our projects in the future, our Group will secure sufficient projects which specifically require the relevant work heads to build up the track record to apply for such higher grading. Our Directors believe that the downgrading of two of the seven work head grading in July 2013 has no reputation risks to our Group and did not impose any restrictions on the scope of work that can undertake by our Group as (i) the downgrading does not affect the ability of our Group in fulfilling its core ME05 work head contracts; and (ii) our Group has achieved and continues to hold the highest grading under ME05 work head which can tender unlimited value of contract. In addition, our Group benefitted from a lower cost of holding a lower but practical grading for ME01 and ME15, namely, (i) lower processing fee for renewal of BCA L2 and L4 grading (of S$675 and S$918 respectively) as compared to L4 and L6 grading (of S$918 and S$2,142 respectively); and (ii) our Group only need to employ one technical staff instead of two for the current L2 grading of ME01.

Our Executive Directors are of the view that our existing BCA gradings are adequate for our business needs and do not affect our competitiveness. Our Group has no plans to downgrade our other work head categories in the near future. Our current renewed BCA work heads and grading are valid till 1 August 2016.

Our Group has a member of staff who, together with Mr Yeo, regularly review our Group's contracts on hand so as to ensure that the volume of work conducted and the number of technical staff required by our Group can sustain our BCA gradings.

We will apply for the renewal of our qualifications and licences before their respective expiry dates. In the event that our Group fails to renew our qualifications and licences set out above, we will not be able to participate the tender for the project which require such qualifications and licences. However, our Group can continue to provide electrical engineering work services to the main contractor who does not require such qualifications and licences from us. Our Group had not experienced any refusal of renewal of the qualifications and licences necessary for our operations during the Track Record Period. Our Directors confirm that our Group has as at the Latest Practicable Date obtained all the necessary qualifications and licences which are required to carry on our principal business activities in Singapore and confirm that our Group has been in compliance with all relevant laws and regulations during the Track Record Period and up to the Latest Practicable Date.

The legal adviser to our Company as to Singapore law has advised us that Strike Singapore has as at the Latest Practicable Date obtained all the necessary licences issued by appropriate Singapore governmental or regulatory authorities which are required to carry on Strike Singapore's business in Singapore.

For details of the licensing requirements for M&E engineering companies, please refer to the section headed "Regulatory overview" in this prospectus. In the absence of any non-compliance, and provided that our Group meets the requirements for the specific grading, there should not be any impediment for the renewal of our licences.

Our projects

The following table sets forth new projects secured from 1 July 2013 to the Latest Practicable Date:

Project	Contract value	Expected completion date(2)	Percentage of completion as at 31 October 2013(3)	Expected revenue to be recognised(4) 30 June 2014	30 June 2015	30 June 2016	On or after 1 July 2016
	(S$ million) (approximate)		*(%)*		*(S$ million)* (approximate)		
Gross margin above 20%(1)							
Public residential — standard flats(5)	9.4	November 2017	—	0.5	2.3	3.8	2.8

Notes:

(1) Based on existing budgets.

(2) Expected completion date in general refers to the expected completion date as specified in the relevant contract, and if an application for extension of time has been submitted and approved by the customers, such extended completion date would be taken as the expected completion date. Where no expected completion date is specified in a contract, expected completion date refers to the completion date to the best estimation of the management of our Group.

(3) Percentage of completion is calculated based on revenue recognised divided by contract value.

(4) Assumes the project progresses according to the schedule as specified in the relevant contract.

(5) We have entered into a pre-bid agreement dated 17 June 2013 with the main contractor. The pre-bid agreement formed part of the main contractor's proposal submitted to HDB to bid for the project. The main contractor has informed our Group that HDB has awarded the project to the main contractor. In accordance with the pre-bid agreement, the main contractor will be subcontracting the electrical engineering works to us.

(6) None of the above project is outsourced to third parties.

The following table sets forth our projects that were in progress as at 30 June 2013:

Project	Contract value	Expected completion date[2]	Percentage of completion as at 30 June 2013[3]	Revenue recognised[4] 30 June 2012	30 June 2013	Track Record Period	Percentage of completion as at 31 October 2013[3]	Revenue to be recognised[5] 30 June 2014	30 June 2015	30 June 2016	On or after 1 July 2016
	(S$ million) (approximate)		*(%)*		*(S$ million)* (approximate)		*(%)*		*(S$ million)* (approximate)		
Gross margin above 20%[1]											
Public residential — standard flats	5.3	7 October 2014	6	0.1	0.2	0.3	14	4.9	0.1	—	—
Public residential — standard flats[7]	5.9	7 October 2017	0.3	—	0.02	0.02	5	1.7	1.6	1.8	0.9
Gross margin below 20%[1]											
HDB industrial — improvement works[6]	3.0	31 August 2013	67	—	2.0	2.0	100	1.0	—	—	—
Public residential — standard flats[6]	6.4	14 March 2014	29	0.1	1.7	1.8	53	4.6	—	—	—
Public residential — standard flats[6]	9.1	16 April 2014	61	0.3	5.2	5.5	76	3.6	—	—	—
Public residential — Executive condominium	9.8	1 July 2014	59	1.2	4.6	5.8	88	4.0	—	—	—
Public residential — DBSS	5.2	31 January 2014	62	0.4	2.8	3.2	76	2.0	—	—	—
Public residential — standard flats[6]	9.6	31 December 2014	8	0.2	0.6	0.8	20	5.0	3.8	—	—
Total	54.3			2.3	17.1	19.4		26.8	5.5	1.8	0.9

Notes:

(1) Based on existing budgets.

(2) Expected completion date in general refers to the expected completion date as specified in the relevant contract, and if an application for extension of time has been submitted and approved by the customers, such extended completion date would be taken as the expected completion date. Where no expected completion date is specified in a contract, expected completion date refers to the completion date to the best estimation of the management of our Group.

(3) Percentage of completion is calculated based on revenue recognised divided by contract value.

(4) No revenue recognised in the financial year ended 30 June 2011 as these projects were secured after 30 June 2011.

(5) Assumes the projects progress according to the schedule as specified in the relevant contracts.

(6) Subcontracted to jointly-controlled entity and associated companies.

(7) The sum of the revenue recognised and the revenue to be recognised does not add up to the contract value due to rounding differences.

Other than those disclosed in (6) above, all projects are executed by our Group. None of the projects are outsourced to third parties. During the Track Record Period, out of about 98 private and open tender applications submitted, we have been awarded 10 contracts. Our success rates for quotations submitted were approximately 10.0%, 11.5% and 9.4% for the three financial years ended 30 June 2011, 2012 and 2013 respectively.

The following table sets forth our projects that were completed during the Track Record Period:

Project	Contract value (approximate) *(S$ million)*[1]	Month and year of completion[2]	Revenue recognised *(S$ million)* (approximate) For the financial year ended 30 June 2011	30 June 2012	30 June 2013	Track Record Period
Public residential — standard flats	5.3	November 2010	0.1	—	0.02	0.12
Education institution	0.4	March 2010	0.03	—	—	0.03
Public residential — standard flats	8.6	April 2012	4.1	0.6	0.0009	4.70
Public residential — standard flats	5.0	April 2011	1.2	—	0.03	1.23
Public residential — standard flats	14.4	June 2012	7.3	4.8	0.02	12.12
Public residential — DBSS	10.4	July 2012	4.8	2.4	0.7	7.9
Public residential — standard flats	5.3	August 2011	2.5	0.1	0.1	2.7
Public residential — standard flats	3.6	February 2011	1.0	—	—	1.0
Public residential — standard flats	3.4	June 2011	1.8	—	—	1.8
Public residential — standard flats	9.6	October 2012	5.0	4.1	0.5	9.6
Education institution	2.8	June 2012	1.1	1.0	—	2.1[3]
Public residential — standard flats	3.6	September 2011	3.3	0.1	—	3.4
Total	72.4		32.23	13.1	1.37	46.7

Notes:

(1) The contract value includes additional works or variation orders (where applicable).

(2) The year of completion is based on completion of works done for the project.

(3) The revenue recognised during the Track Record Period exceeded the contract value, due to additional scope of electrical engineering services.

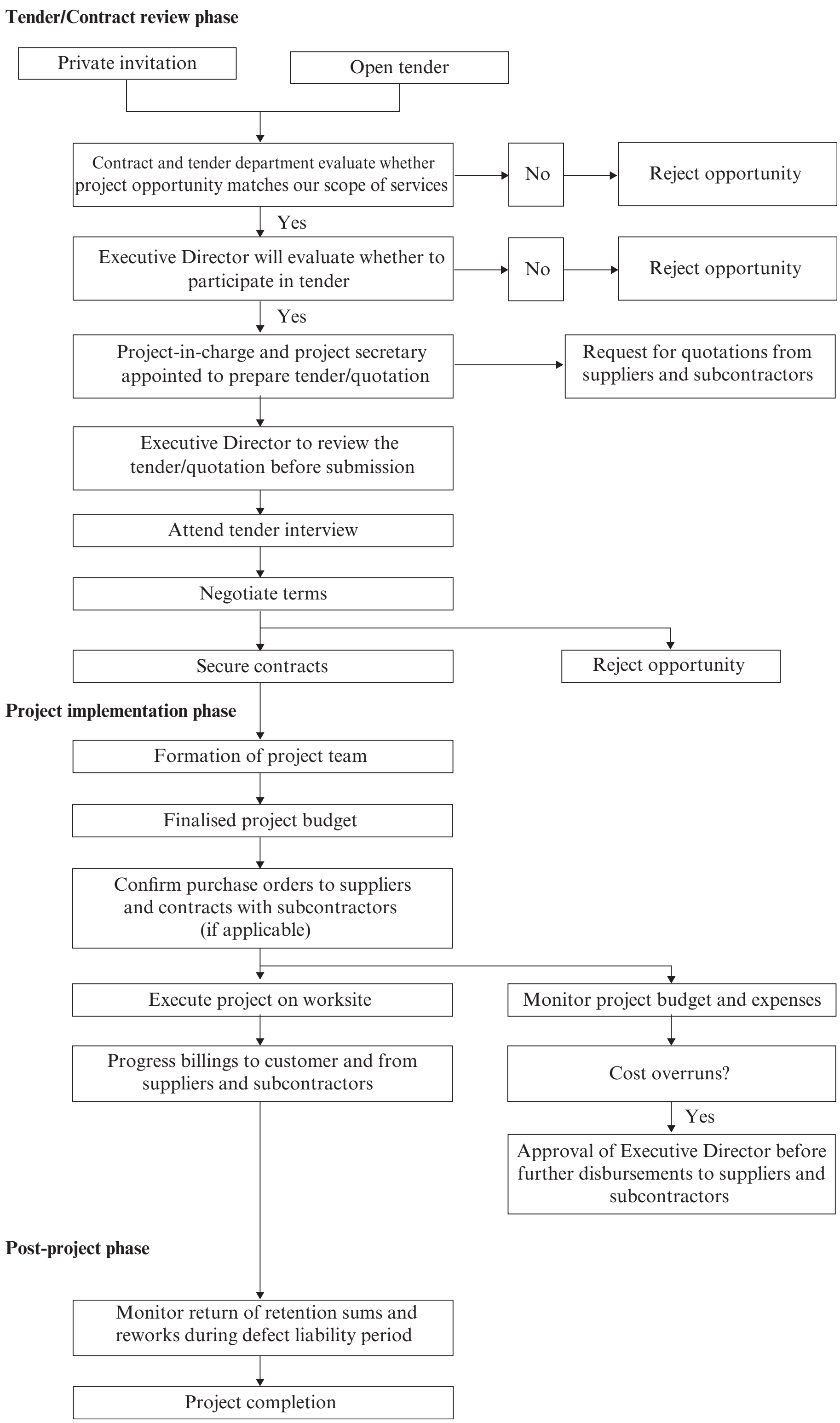
Majority of our Group's projects are secured via private invitation. Only two projects carried out during the Track Record Period were secured via open tender (namely one education institution project and one HDB industrial — improvement works project as disclosed in the above tables) and the aggregate contract value of these two projects was approximately S$5.8 million.

Pricing for our projects

When we prepare our quotation for the project, we will include a budgeted gross margin. The gross profit margin in a project is dependent on various factors, including but not limited to the scale, complexity and specifications of the projects, our capacity, and the competitive conditions at the contract negotiation stage. Relevant employees from either the project department or contract and tender department will be appointed as the project-in-charge and project secretary to assist in the preparation of the tender. He or she will possess skills to analyse the tender or project requirements, to be able to understand the material, labour and time required for the potential contract. Supporting quotations from suppliers and/or subcontractors will be obtained. An Executive Director will make the final decision on the pricing. Our quotation is valid for a period of 30 days, subject to further negotiation between the parties. Once the contract is signed, no pricing adjustment is allowed.

Project management

The following diagram illustrates the general steps undertaken by us throughout project execution:



Tender/Contract review phase

Our Group secures its projects either through private invitation to quote or through open tender. For private invitation for public residential projects, HDB will award the construction project to main contractors, who will in turn subcontract to various subcontractors for different aspects of the project. We are invited by main contractors to provide our quotation for electrical engineering works which they will take into consideration in their submission of their quotation and contract proposal to HDB.

We are also able to participate directly in open tenders via the GeBIZ system, which is the Singapore Government's one-stop procurement portal. The GeBIZ system is applicable when we explore opportunities to submit our quotation for projects that substantially comprise electrical works (as opposed to a construction project for which only the construction firm can tender). We can tender for the electrical engineering projects as we have the BCA gradings in the relevant categories.

For each project opportunity, our contract and tender department will evaluate such project based on whether it matches with our electrical engineering services scope of work. If the opportunity fits our scope of services, the project opportunity will be brought to our Executive Director who will evaluate whether to participate in the tender. Relevant employees from either the project department or contract and tender department will be appointed as the project-in-charge and project secretary to assist in the preparation of the tender. An Executive Director will make the final decision on whether to submit the quotation, based on factors, including but not limited to, the capacity and resources available to our Group, the estimated gross profit margin, the relationship and reputation of the potential customer, and prevailing competitive and market conditions.

This review process includes:

— Understanding the scope of work required;

— Studying the tender documents, drawings and specifications to assess the feasibility of undertaking such project based on the technical requirements, expected completion time and possible risk factors associated with such project; and

— Resolving any ambiguities and discrepancies arising from the stipulated tender documents, drawings and specifications by understanding the actual needs of the potential customer.

Subsequent to the submission of quotation or tender, we will answer queries on the submitted documents and either assist the main contractor in their tender interview or attend the tender interview (in instance where we submit the tender directly). Should the customer selects us to provide the electrical engineering services, we will proceed to review and negotiate the contract terms.

Project implementation phase

The duration of a project, which usually ranges between 24 and 48 months, depends on (i) the complexity and scale of the project; (ii) the schedule set up by our customer, the main contractor; and (iii) any updates to timing of the project depending on the project management of the main contractor. The project implementation phase starts with the formation of a project team which will carry out the project and procurement of materials and subcontract services if necessary. A project team will generally be led by an appointed project-in-charge, who is responsible for the overall management of the project and who has the requisite electrical engineering background and experience to manage the project. The project-in-charge will also decide on the scope of services to be completed in-house and to be subcontracted. Our in-house project team will comprise project engineer and project supervisor; the project engineer will oversee that the electrical engineering works performed meet technical requirements, and are tested and commissioned. The project supervisor is in charge of overseeing the materials on-site. On-site inspection is conducted by qualified staff and engineers to ensure that there is quality control for our electrical engineering works. Please refer to the section headed "Business — Quality control" in this prospectus for further information.

Our purchasing department will coordinate with the project team to ensure that materials required for the project arrive as per project schedule, and are sourced from a reliable supplier. Typically, we will request for supplier quotation during the preparation of our quotation, and should we be awarded the contract, we will follow-up with the supplier who has provided us with the competitive pricing and also one who we have worked with, or known to be reputable and reliable. Our purchasing department will negotiate on pricing and contract terms with the supplier, and once a purchase order is issued, the supplier is obligated to fulfil the delivery at the contracted price and in accordance to the project schedule. We maintain good working relationship with our suppliers and do not foresee any material difficulties in sourcing materials in the future.

Our Group has a detailed budget for each project, under the supervision of the head of contract and tender department. The project-in-charge will monitor the progress of the project, and notify the purchasing, and finance and administrative departments in order that they can monitor the budget based on actual billings received and payments made, and purchase orders and invoices. The approval of our Executive Director must be obtained before further disbursement is made in relation to a project that has cost overrun. Furthermore, meetings are held between either of our Director, Mr Yeo or Mr Sim, and the relevant key personnel, to ensure that project costs are effectively managed and to minimise the instances and quantum of cost overruns. Our Group had not experienced cost overrun during the Track Record Period.

During the project implementation, there may be instances of variation orders where specification and scope of works are amended from that originally contracted. A variation order may increase, omit or vary the original scope of work and alter the original contract sum. Should the amendment in the variation order require us to amend our purchases with our suppliers or our agreed terms with our subcontractors, these will be separately negotiated.

Apart from the project and purchasing departments, our finance and administrative department is responsible to monitor accounts payables, monthly progress claims and receivables. We will make monthly progress claims to our customers, and typically 10% of each progress claim will be retained by our customer, and up to a maximum of 5% of the contract value. Upon receiving our progress claim, our Directors understand that our customer will have its own personnel to confirm that the progress milestone has been met. We will then be requested to issue an invoice to our customer, for which, they will make payment to us within the agreed period as stated in the contract, which is generally within 30 to 90 days of the issuance of our invoice or monthly payment claim. Similarly, we will make payment to our suppliers and subcontractors within the credit term of 30 to 90 days; for subcontractors, they will submit progress claim to us and we will ascertain the completion of the progress milestone. Once ascertained, we will request for their invoice and make payment within the credit term. In instances where our customers require performance bonds with an insurer made in favour to them for the amount stipulated in the contract, our contract and tender department will coordinate with the insurer and ensure that it is appropriately discharged at the end of the project.

Post-project phase

Pursuant to the contract, a certificate of practical completion is to be issued, which indicates that our electrical engineering works have been completed, tested and approved. From the date of practical completion, the defect liability period commences and we are required to attend to matters brought up to us during this period at our own expense. We will, from time to time, also monitor our receipts and the returns of retention monies. Upon practical completion, 2.5% of the contract amount shall be released to us and the balance upon expiry of the defect liability period.

QUALITY CONTROL

We have an established track record and reputation in the public residential sector specialising in electrical engineering works and quality control is built into our project management process. For each project, our project-in-charge and project engineer are in charge of quality control. Our project-in-charge is either Mr Sim or Mr Poon Hiu Chuin; Mr Sim has approximately 30 years of industry experience. Mr Poon has a bachelor's degree (honours) in electrical and electronic engineering and has been licensed as electrical technician by the EMA since July 2003. Our engineer is Mr Chua Koh Ming who has a bachelor's degree in electrical engineering and has been licensed as professional engineer by the Professional Engineers Board of Singapore, and licensed as electrical engineer by the EMA since 1995. Each of Mr Poon and Mr Chua has approximately 20 years of experience respectively.

Currently, our projects are closely monitored on site by the project-in-charge, who will ensure that (i) contractual and regulatory quality requirements are identified; (ii) electrical engineering works performed and materials used are in compliance with the contract and quality standards specified; and (iii) monitoring on-site is regularly carried out, and testing and commissioning are properly conducted. We conduct quality control checks in various stages of the project through on-site regular inspection by qualified staff, and also before the handover of the project by our project engineer, and each time complying with the standards set by the end customer. Our project-in-charge and qualified staff assigned for on-site inspection will also inspect the works of our subcontractors. For further information, refer to the section headed "Business — Subcontractors" in this prospectus. Our Directors understand that our customers will also conduct their own quality checks at each project milestone prior to making payment to us and also prior to the issue of the final statement of accounts to us.

For our purchases, and also for subcontractors who are required to purchase materials for their subcontract works, the materials must be purchased from the approved list of suppliers set out by the end customer (typically HDB). During our electrical installation, we will check that materials are of the right specifications and therefore, any defective supplies are promptly reported. Our Group has the OHSAS 18001:2007 certification and bizSafe Star certification, for further information, please refer to the section headed "Business — Workplace safety and health policy" in this prospectus.

Our Group has not experienced any material disputes on its projects relating to the quality of services rendered nor significant delay in the delivery of the projects during the Track Record Period and up to the Latest Practicable Date.

MARKETING

For our industry, referrals to tender for projects come from word-of-mouth, reputation and established track record rather than advertising and promotion. Our Group does not spend on advertising and promotion but instead focus on our execution of projects, and relationships with our customers are maintained by our Executive Directors.

CUSTOMERS

Our customers comprise mainly main contractors of public residential projects in Singapore, who will subcontract the electrical engineering works of the project to us. Public residential projects are awarded by HDB which has various criteria for its selection of main contractors, including the BCA grading. Only BCA approved construction companies under the construction workhead CW01 are eligible to tender as main contractors for public residential projects in Singapore. As at the Latest Practicable Date, there are more than 1,000 BCA approved construction companies under the construction workhead CW01. Similarly, these construction companies have different BCA gradings which relates the tendering limits for public sector projects. A1 refers to unlimited tender values, A2 up to S$85 million, B1 up to S$40 million, B2 up to S$13 million, C1 up to S$4 million, C2 up to S$1.3 million and C3 up to S$650,000. Our customers include construction companies of various BCA gradings. We had 16, 14 and 10 customers for the three financial years ended 30 June 2013, respectively, of which HDB residential projects accounted for approximately 95.9%, 92.5% and 88.8% of our total revenue, respectively. Our projects usually span more than one financial year, for duration ranging between 24 and 48 months. Repeat customers made up approximately 75.0%, 64.3% and 80.0% of our total revenue in the three financial years ended 30 June 2013 respectively.

Over the years, we have built a solid track record for providing reliable and cost competitive electrical engineering works for public residential projects in Singapore, and have a good reputation with our customers. There is no long-term agreement with any customer and contracts are signed on a project by project basis. For the three financial years ended 30 June 2013, revenue from our five largest customers amounted to approximately S$31.3 million, S$15.4 million and S$18.6 million, and accounted for approximately 96.2%, 99.0% and 99.7% of our total revenue, respectively. Revenue from our largest customer for the three financial years ended 30 June 2013 amounted to approximately S$14.6 million, S$9.1 million and S$13.5 million, and accounted for approximately 45.0%, 58.6% and 72.1% of our total revenue, respectively. Our resources and capacity currently limits the number of projects that we can take on at any one time and this is the reason that we had a concentration of customers during the Track Record Period as those projects had fully utilised our capacity. We had been approached by other customers during the Track Record Period but given our full capacity, we were unable to take up these further projects. However, after the Listing, we anticipate that we can take up additional projects from a more diversified field of customers thereby expanding our customer base and revenue source. None of our customers during the Track Record Period is our supplier or subcontractor.

The following table sets forth our five (5) largest customers for each of the three financial years ended 30 June 2013, respectively:

For the financial year ended 30 June 2011

Background of customer	Approximate years of relationship[(1)]	Number of projects undertaken and scope of services provided by our Group	Contract values (approximate) *(S$ million)*	Payment and credit terms granted /Payment method	Project period: Project commence date	Project period: Project/Expected[(2)] completion date	Revenue contribution: Aggregate amount (approximate) *(S$ million)*	Revenue contribution: Approximate % of total revenue of our Group
Customer A The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 4 Scope of services: Electrical engineering services in relation to public residential flats and DBSS	Contract values from S$2.5 million to S$14.4 million	Payable at respective project progress milestones, 35 days due upon issuance of invoice Payment by cheque	April 2006 October 2008 November 2008 September 2008	May 2009 June 2012 July 2012 August 2011	14.6	45.0%
Customer B The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 3 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$3.6 million to S$9.6 million	Payable at respective project progress milestones, 30 days due upon issuance of payment certificate Payment by cheque	September 2008 February 2010 July 2009	April 2011 October 2012 September 2011	9.5	29.2%
Customer C The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 3 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$2.0 million to S$8.6 million	Payable at respective project progress milestones, 35 days due upon issuance of payment certificate Payment by cheque	March 2006 March 2007 May 2008	June 2008 November 2010 April 2012	4.3	13.2%
Customer D The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 1 Scope of services: Electrical engineering services in relation to public residential flats	S$3.4 million	Payable at respective project progress milestones, 35 days due upon issuance of payment certificate Payment by cheque	February 2009	June 2011	1.8	5.5%
Customer E The customer is an educational institution.	4	Number of projects: 1 Scope of services: Electrical engineering services for the educational institution	S$2.8 million	Payable at respective project progress milestones, 30 days due upon issuance of payment certificate Payment by bank transfer	December 2009	June 2012	1.1	3.3%
Total							31.3	96.2%

Notes:

(1) As Strike Singapore was incorporated from 2009, our relationship with our customers will not be reflected as more than four years notwithstanding some of our customers had worked with Strike Electrical Pte Ltd.

(2) Expected completion date in general refers to the expected completion date as specified in the relevant contract, and if an application for extension of time has been submitted and approved by the customers, such extended completion date would be taken as the expected completion date. Where no expected completion date is specified in a contract, expected completion date refers to the completion date to the best estimation of the management of our Group.

For the financial year ended 30 June 2012

					Project period		Revenue contribution	
Background of customer	Approximate years of relationship[1]	Number of projects undertaken and scope of services provided by our Group	Contract values (approximate) *(S$ million)*	Payment and credit terms granted/ Payment method	Project commence date	Project/Expected[2] completion date	Amount (approximate) *(S$ million)*	Approximate % of total revenue of our Group
Customer A The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 6 Scope of services: Electrical engineering services in relation to public residential flats, DBSS and executive condominiums	Contract values from S$5.2 million to S$14.4 million	Payable at respective project progress milestones, 35 days due upon issuance of invoice Payment by cheque	October 2008 November 2008 September 2008 September 2011 July 2011 August 2011	June 2012 July 2012 August 2011 July 2014 January 2014 April 2014	9.1	58.6%
Customer B The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 2 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$3.6 million to S$9.6 million	Payable at respective project progress milestones, 30 days due upon issuance of payment certificate Payment by cheque	February 2010 July 2009	October 2012 September 2011	4.2	27.1%
Customer E The customer is an educational institution.	4	Number of projects: 1 Scope of services: Electrical engineering services for the education institution	S$2.8 million	Payable at respective project progress milestones, 30 days due upon issuance of payment certificate Payment by bank transfer	December 2009	June 2012	1.0	6.5%
Customer C The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 3 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$0.3 million to S$8.6 million	Payable at respective project progress milestones, 35 days due upon issuance of payment certificate Payment by cheque	August 2005 December 2006 May 2008	June 2008 December 2007 April 2012	0.7	4.4%
Customer F The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 3 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$5.3 million to S$9.6 million	Payable at respective project progress milestones, 90 days due upon issuance of monthly payment claim Payment by cheque	November 2011 December 2011 April 2012	December 2014 March 2014 October 2014	0.4	2.5%
Total							15.4[3]	99.0%[3]

Notes:

(1) As Strike Singapore was incorporated from 2009, our relationship with our customers will not be reflected as more than four years notwithstanding some of our customers had worked with Strike Electrical Pte Ltd.

(2) Expected completion date in general refers to the expected completion date as specified in the relevant contract, and if an application for extension of time has been submitted and approved by the customers, such extended completion date would be taken as the expected completion date. Where no expected completion date is specified in a contract, expected completion date refers to the completion date to the best estimation of the management of our Group.

(3) The sum of figures does not add up to total due to rounding differences.

For the financial year ended 30 June 2013

Background of customer	Approximate years of relationship[1]	Number of projects undertaken and scope of services provided by our Group	Contract values (approximate) (S$ million)	Payment and credit terms granted/ Payment method	Project period: Project commence date	Project period: Project/Expected[2] completion date	Revenue contribution: Amount (approximate) (S$ million)	Revenue contribution: Approximate % of total revenue of our Group
Customer A The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 6 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$5.2 million to S$14.4 million	Payable at respective project progress milestones, 35 days due upon issuance of invoice Payment by cheque	October 2008 November 2008 September 2008 September 2011 July 2011 August 2011	June 2012 July 2012 August 2011 July 2014 January 2014 April 2014	13.5	72.1%
Customer F The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 3 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$5.3 million to S$9.6 million	Payable at respective project progress milestones, 90 days due upon issuance of monthly payment claim Payment by cheque	November 2011 December 2011 April 2012	December 2014 March 2014 October 2014	2.5	13.5%
Customer G The customer is statutory board of Singapore	0.5	Number of projects: 1	S$3.0 million	Payable at respective project progress milestones, 21 days due upon issuance of payment certificate Payment by bank transfer	December 2012	August 2013	2.0	10.9%
Customer B The customer is a private company incorporated in Singapore, which provides main contracting services.	4	Number of projects: 2 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$5.0 million to S$9.6 million	Payable at respective project progress milestones, 30 days due upon issuance of payment certificate Payment by cheque	September 2008 February 2010	April 2011 October 2012	0.5	2.8%
Customer C The customer is a private company incorporated in Singapore, which provides main contracting services	4	Number of projects: 3 Scope of services: Electrical engineering services in relation to public residential flats	Contract values from S$3.3 million to S$8.6 million	Payable at respective project progress milestones, 30 days due upon issuance of payment certificate Payment by cheque	August 2005 March 2007 May 2008	June 2008 November 2010 April 2012	0.05	0.3 %
Total							18.6[3]	99.7%[3]

Notes:

(1) As Strike Singapore was incorporated from 2009, our relationship with our customers will not be reflected as more than four years notwithstanding some of our customers had worked with Strike Electrical Pte Ltd.

(2) Expected completion date in general refers to the expected completion date as specified in the relevant contract, and if an application for extension of time has been submitted and approved by the customers, such extended completion date would be taken as the expected completion date. Where no expected completion date is specified in a contract, expected completion date refers to the completion date to the best estimation of the management of our Group.

(3) The sum of figures does not add up to total due to rounding differences.

None of our Directors, their respective associates or Shareholders who own more than 5% of the issued share capital of our Company (immediately following completion of the Share Offer) had any interest in any of the five largest customers of our Group during the Track Record Period.

KEY CONTRACT TERMS

Generally the contracts with our customers contain terms relating to the contract price, the scope of work, the payment terms, retention money, defect liability period provisions, variation orders, performance bonds, liquidated damages and termination.

Progress payments

We make monthly progress claims to our customers in respect of the value of the work we have performed in the preceding month, and subject to our customer's confirmation, thereafter we will proceed to issue the invoices that are usually repaid within the agreed period as stated in the contract, which is generally within 30 to 90 days of the issuance of our invoice or monthly payment claim. Under the Building and Construction Industry Security of Payment Act, Chapter 30B of Singapore ("BCISPA"), 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. Therefore, we have the right to the progress claim that we made in accordance with the work that we carried out and based on the agreed contract terms with our customer.

Retention money

Our contracts typically provide for a retention sum of 10% with each progress payment, up to a maximum of 5% of the contract value. Half of this retention sum shall be released upon the receipt of the practical completion certificate, and the balance amount shall be released upon the receipt of final completion certificate. The practical and final completion certificates are certificates issued by the main contractor to us to acknowledge that the projects are completed. Practical completion implies that the works to be completed under the contract have been duly completed, and that there is no apparent defect. It is the start of the defect liability period. Final completion implies that acceptance by the customer of all our obligations under the contract, and is usually issued after the end of the defect liability period.

Defect liability period

Our contracts will include a defect liability period, during which we are responsible to rectify works defects. The defect liability period is typically for a period of one (1) year from the date of practical completion. If the materials used are defective, we will replace during the defect liability period or request our suppliers or subcontractors to do so. There was no material claim which was brought against our Group by our customers during the Track Record Period. Cost incurred to rectify defective works or products during the Track Record Period was immaterial. There was no significant customer complaint during the Track Record Period.

Variation orders

We may be given variation orders where our customers amend the specification and scope of works from that originally contracted. A variation order may increase, omit or vary the original scope of work and alter the original contract sum. The scope for the variation order will be agreed by our customer and us. The rights and obligations under the variation order will be same as that under the contract.

Performance bonds

For certain of our contracts, we are required to have stipulated value of performance bonds with an insurer made in favour to our customer, which will remain in effect until the return of the performance bond or upon expiry of the bond, which is upon completion of the project. The customer may utilise the performance bond to make good any loss or damages sustained as a result of any breach of the contract with them due to us, including any liquidated damages. There was no claim on the performance bonds during the Track Record Period.

Liquidated damages

Our contracts typically include a liquidated damages clause where if we fail to complete the work scope within the stipulated time and/or cause unnecessary delay to the entire project that result in liquidated damages imposed on our customer, we shall reimburse the customer for some or all of the incurred liquidated damages. There was no material liquidated damage paid by our Group during the Track Record Period.

Termination

Our contracts can typically be terminated, *inter alia*, if our performance is found to be unsatisfactory, or if we become bankrupt or insolvent, or for any reason the main contractor's contract for the project has been terminated.

SUPPLIERS

We engage suppliers in Singapore for the fulfilment of our electrical engineering services. Electrical cable, switchboard and light fittings suppliers are the main suppliers of our Group. In selecting our suppliers, we take into account a number of criteria: (i) its financial condition; (ii) its track record in respect of its on time delivery; (iii) quality of materials; and (iv) whether they are on the approved list of suppliers by the main contractor or end customer (if applicable). We will only engage suppliers who can satisfy all our criteria. There are no long term contracts with our suppliers, and we make our purchases based on the requirements of each project. We will normally issue a purchase order approximately within 6 months from the date we obtained the contract for the project. Subsequent to the issue of purchase order to our suppliers, they will supply the specified item in accordance with the project schedule at the contracted price. Our Group has good relationships with our suppliers and has over the years established strong rapport with them. For the three financial years ended 30 June 2013, purchases from our five largest suppliers amounted to approximately S$4.7 million, S$3.0 million and S$1.1 million, and accounted for approximately 50.4%, 61.0% and 65.9%, respectively, of our total purchases. Purchases from our largest supplier for the three financial years ended 30 June 2013 amounted to approximately S$1.4 million, S$1.0 million and S$0.4 million, and accounted for approximately 14.9%, 19.9% and 24.0%, respectively, of our total purchases.

The following table sets forth our five (5) largest suppliers in Singapore for each of the three financial years ended 30 June 2013, respectively:

For the financial year ended 30 June 2011

Ranking	Name of supplier	Principal business	Credit terms	Payment method	Supply amount (approximate) *(S$ million)*	Approximate percentage of our Group's total purchases *%*	Length of relationship as at the Latest Practicable Date *(approximate number of years)*[(1)]
1	Supplier A	Production and sale of switchgear equipment	90 days	Payment by cheque	1.4	14.9%	4
2	Supplier B	Production and sale of electrical cables	60 days	Payment by cheque	1.2	13.0%	4
3	Supplier C	Production and sale of electrical cables	60 days	Payment by cheque	1.0	10.7%	4
4	Supplier D	Sale of electrical accessories	60 days	Payment by cheque	0.6	6.2%	4
5	Supplier E	Production and sale of electrical cables	60 days	Payment by cheque	0.5	5.6%	4
Total					4.7	50.4%	

Note:

(1) As Strike Singapore was incorporated in 2009, our relationship with our suppliers will not be reflected as more than four years notwithstanding some of our suppliers had worked with Strike Electrical Pte Ltd.

For the financial year ended 30 June 2012

Ranking	Name of supplier	Principal business	Credit terms	Payment method	Supply amount (approximate) *(S$ million)*	Approximate percentage of our Group's total purchases *%*	Length of relationship as at the Latest Practicable Date *(approximate number of years)*[(1)]
1	Supplier B	Production and sale of electrical cables	60 days	Payment by cheque	1.0	19.9%	4
2	Supplier C	Production and sale of electrical cables	60 days	Payment by cheque	0.6	12.5%	4
3	Supplier A	Production and sale of switchgear equipment	90 days	Payment by cheque	0.5	10.6%	4
4	Supplier D	Sale of electrical accessories	60 days	Payment by cheque	0.5	10.1%	4
5	Supplier F	Sale of light fittings	60 Days	Payment by cheque	0.4	7.9%	
Total					3.0	61.0%	

Notes:

(1) As Strike Singapore was incorporated in 2009, our relationship with our suppliers will not be reflected as more than four years notwithstanding some of our suppliers had worked with Strike Electrical Pte Ltd.

For the financial year ended 30 June 2013

Ranking	Name of supplier	Principal business	Credit terms	Payment method	Supply amount (approximate) *(S$ million)*	Approximate percentage of our Group's total purchases *%*	Length of relationship as at the Latest Practicable Date *(approximate number of years)*[(1)]
1	Supplier C	Production and sale of electrical cables	60 days	Payment by cheque	0.4	24.0%	4
2	Supplier B	Production and sale of electrical cables	60 days	Payment by cheque	0.2	12.2%	4
3	Supplier G	Production and sale of electrical accessories	30 days	Payment by cheque	0.2	11.9%	4
4	Supplier A	Production and sales of switchgear equipment	90 days	Payment by cheque	0.1	9.1%	4
5	Supplier H	Production and sales of switchgear equipment	60 days	Payment by cheque	0.1	8.8%	4
Total					1.1[(2)]	65.9%[(2)]	

Notes:

(1) As Strike Singapore was incorporated in 2009, our relationship with our suppliers will not be reflected as more than four years notwithstanding some of our suppliers had worked with Strike Electrical Pte Ltd.

(2) The sum of figures does not add up to total due to rounding differences.

We do not have long-term contract with our suppliers, and are not reliant on any single supplier. Our purchases are mainly for electrical cable, switchboard, and light fittings used in our projects. These supplies are generally available from a few suppliers, including suppliers who are in the approved list provided by the end customer, namely the HDB. We have not experienced any shortage of materials during the Track Record Period. We do not carry inventory of more than aggregate value of S$100,000. None of our Directors, their respective associates or Shareholders who own more than 5% of the issued share capital of our Company (immediately following completion of the Share Offer) had any interest in any of the five largest suppliers of our Group during the Track Record Period.

SUBCONTRACTORS

We subcontract a certain portion of the project, such as the installation of underground piping system and cable ready system to the respective subcontractors who have the requisite expertise to install these specialised systems. In general, we are liable to our customers for the performance of our subcontractors including but not limited to defects, delay in the project schedule and violation of rules or regulations. We select our subcontractors based on (i) track record in respect of their reliability; (ii) past working experience; and (iii) financial condition. The subcontracting fees are determined based on the estimate of market rate for comparable projects, taking into account their scope, size, complexity and contract value. Our Group has good relationships with our subcontractors and has over the years established strong rapport with them. During the Track Record Period, we have also subcontracted to YL, NEK and SRM, when we have assessed them to be capable of fulfilling the requirements of the particular subcontract. The following table set forth of our five (5) largest subcontractors for each of the three financial years ended 30 June 2013:

For the financial year ended 30 June 2011

Five largest subcontractors	Background of subcontractor	Subcontracting fees *(S$ million)*	Approximate percentage of our Group's total cost of sales *(%)*	Length of relationship as at the Latest Practicable Date *(Approximate number of years)*[(1)]	Relationship with our Group
Subcontractor 1	Subcontractor for electrical engineering services	1.6	6.3	4	Independent Third Party
Subcontractor 2	Subcontractor for electrical engineering services	1.2	4.8	4	Independent Third Party
Subcontractor 3	Subcontractor for electrical engineering services	0.7	2.7	4	Independent Third Party
Subcontractor 4	Subcontractor for electrical engineering services	0.7	2.7	4	Independent Third Party
Subcontractor 5	Subcontractor for electrical engineering services	0.5	2.0	4	Independent Third Party

For the financial year ended 30 June 2012

Five largest subcontractors	Background of subcontractor	Subcontracting fees *(S$ million)*	Approximate percentage of our Group's total cost of sales *(%)*	Length of relationship as at the Latest Practicable Date *(Approximate number of years)*[(1)]	Relationship with our Group
Subcontractor 4	Subcontractor for electrical engineering services	0.9	8.5	4	Independent Third Party
Subcontractor 2	Subcontractor for electrical engineering services	0.6	5.8	4	Independent Third Party
Subcontractor 1	Subcontractor for electrical engineering services	0.3	3.0	4	Independent Third Party
Subcontractor 3	Subcontractor for electrical engineering services	0.3	2.7	4	Independent Third Party
Subcontractor 6	Subcontractor for electrical engineering services	0.3	2.5	2	Independent Third Party

For the financial year ended 30 June 2013

Five largest subcontractors	Background of subcontractor	Subcontracting fees *(S$ million)*	Approximate percentage of our Group's total cost of sales *(%)*	Length of relationship as at the Latest Practicable Date *(Approximate number of years)*[(1)]	Relationship with our Group
NEK	Subcontractor for electrical engineering services	3.6	34.9	3	Associated Company
YL	Subcontractor for electrical engineering services	2.2	21.0	3	Jointly-controlled entity and connected person
SRM	Subcontractor for electrical engineering services	0.2	1.9	3	Associated Company
Subcontractor 4	Subcontractor for electrical engineering services	0.1	0.8	4	Independent Third Party
Subcontractor 5	Subcontractor for electrical engineering services	0.03	0.3	4	Independent Third Party

Note:

(1) As Strike Singapore was incorporated from 2009, our relationship with our subcontractors will not be reflected as more than four years notwithstanding some of our subcontractors had worked with Strike Electrical Pte Ltd.

The contracts we have with our subcontractors are on a non-exclusive basis. Our subcontractors have the responsibility to ensure that all works performed must satisfy the requirements as imposed by HDB. The duration of these subcontracts are typically in accordance with the main contractor schedule. For those subcontractors who are required to source for materials as part of their subcontract services, the specifications for these materials are obtained from the main contractor, or specified by end customer (typically HDB) and provided to our subcontractors. The basis of the subcontractor fees are based on tender quotation for the project.

The subcontracts typically have a (i) payment term, which set out monthly progress claim to be certified and paid within 30 days upon certification by us, with a retention of a maximum of 5% of the subcontract sum, reduced to 2.5% upon issue of practical completion certificate and returns of all retention sums upon expiration of defects liability period; (ii) prohibition from hiring illegal immigrant clause; and (iii) a period of contract which is in accordance with the project schedule set by the main contractor.

In order to monitor our subcontractors, we typically:

(i) Request that our subcontractors ensure that their workmen follow strictly to the 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 the subcontractor, and workers who fail to comply shall be denied entry to the worksite;

(ii) Hold meetings or communicate from time to time between our project-in-charge and the subcontractors to ensure their understanding of our requirements and concerns; and

(iii) Inspect and test the subcontractors' works.

To avoid over-reliance on a few subcontractors, we typically maintain a list of subcontractors and at least more than one for a particular expertise. During the Track Record Period, none of the subcontractors had conducted any material non-performance.

If our customer defaults in making payment, we remain liable to settle the subcontractors fees should the subcontracting works had already been performed. During the Track Record Period, there had been no default in making payment by our customer to us in relation to the works performed by our subcontractors. On the other hand, payments to our subcontractors are assessed by our qualified staff, to check if they have fulfilled the relevant milestones.

CREDIT MANAGEMENT

During the tender review process, we will consider the credit worthiness of the customer and the key contract terms, including progress payment and retention money. Our Group generally extends a 30 to 90 day credit term to customers upon issuance of our invoice or monthly payment claim and during the Track Record Period, there is no bad or doubtful debt.

The credit terms granted by our suppliers and subcontractors vary from 30 to 90 days, and payment to them is by cheque. Our Group has a policy of repaying its suppliers before credit is due and making prompt payment as this is enabled us to secure competitive pricing. For our subcontractors, we will pay their progress claims (net of retention money) within 30 days upon receipt of their monthly progress claim, after verification of the progress claim and ensuring that the subcontracting works have been satisfactorily completed.

INVENTORY MANAGEMENT

It is our Group's practice to maintain a low inventory level to prevent any diminution in stock value. The project in-charge is responsible for the overall scheduling of orders and deliveries of the raw materials, so as to match raw material deliveries with the site's requirements. Purchase orders issued to suppliers would indicate the different tentative delivery dates that match with the project schedule.

However, our Group does keep a certain level of commonly used materials in our warehouse such as switches and lighting, maintained for wear and tear during the defect liability period. Due to the insignificant level of our inventory, we do not need an inventory policy except that we do not carry inventory of more than aggregate value of S$100,000. For the three financial years ended 30 June 2013, the average inventory turnover days[(1)] were 1 to 2 days due to insignificant level of inventory, and our inventory balance was S$69,870, S$63,442 and S$57,694, respectively.

Note:

(1) Average inventory turnover days is calculated by dividing the average inventories (average of its opening and closing balances) by the revenue for the financial year and multiply by 365 days.

WORKPLACE SAFETY AND HEALTH POLICY

Due to the nature of the construction industry, incidents at the worksites may have detrimental effects on the health and safety of our workers, and our workers are valuable to our Group and to the successful execution of the electrical engineering projects. Our customer, the main contractor of the construction project, will have established the workplace safety and health procedures which all their subcontractors, including us and our subcontractors, are required to comply with on-site. For every project, our on-site supervisor will ensure that work place safety procedures are adhered to by our employees and by the employees of our subcontractors in conjunction with the safety officers of the main contractors. The names and positions of our on-site supervisors for project supervised by them during the Track Record Period are set out below:

Name	Position
Poon Hiu Chuin	Project Director
Liong Yat Loon	Senior Manager
Seow Kah Ghee	Assist Project Manager
Tee Hock Chuan	Assist Project Manager
Teo Yeo Kiong	Project Engineer
Min Thike Aung	Project Engineer
Chia Soon Yew	Senior Project Supervisor
Choong Yoke Chee	Senior Project Supervisor
Yap Beng Lee	Senior Project Supervisor
Goh Teck Chai	Senior Project Supervisor
See Swee Keng	Senior Project Supervisor
Phua Choon Huat	Site Supervisor
Chia Sheng Zhi	Site Supervisor
Tan Han Ming	Assist Supervisor

All our on-site supervisors attended courses on building construction safety for supervisors which are approved or accredited by the Ministry of Manpower. These courses are organised by the Ministry of Manpower, Singapore Polytechnic, BCA Academy and Singapore Contractors Association Ltd. Our on-site supervisors have attended the courses (usually 30 hours) and passed the prescribed test approved by the Occupational Safety & Health Division, Ministry of Manpower.

We have established a set of occupational, health and safety ("OHS") policies with the objectives of:

(i) Prevention of accidents, incidents, ill health, OHS hazards and related risks;

(ii) Compliance of applicable laws, regulations, standards and practices governing OHS;

(iii) Continual improvement and prevention of accidents/incidents; and

(iv) Promotion of awareness amongst employees, suppliers and contractors through education, training and publicity program on environment.

Our OHS procedures comprise 12 steps, and we have engaged an approved external consultant to set up the OHS policy, and who will also audit our compliance with the OHS procedures every three years. The 12 steps include:

(1) Identification of hazards, assessment of risks and determination of controls; we establish and maintain a procedure to identify the OHS hazards and risks under routine, non-routine and emergency operating conditions. At the project level, a site register of OHS hazards and risks is then compiled accordingly. A review of the registers will be conducted every three years.

(2) Evaluation of our compliance with legal and other regulations; we compile and maintain a summary of applicable legal requirements and other regulations.

(3) Communication, participation and consultation with relevant parties; we communicate and/or consult our employees, contractors and any interested parties on changes that affect OHS hazards and risks via email, memorandum, briefings or meetings.

(4) Performance measurement and monitoring of OHS operational controls; we will issue and follow-up on corrective and preventive actions taken. Regular internal and external OHS audits are conducted to evaluate the status of compliance and conformance. Reports of the results of the audit will be made to our Executive Directors.

(5) Investigation and reporting of incidents; we record, investigate and analyse incidents in order to determine underlying OHS deficiencies, identify the need for corrective action, identify opportunities for preventive action and continual improvement, and communicate the results of such investigations. A form is used to record and facilitate such investigation, and to date, no material incident had been reported.

(6) Preparation and readiness for emergency; we identify potential accidents and emergency situations to ensure effective response and to prevent or mitigate the significant OHS hazards and risks. We ensure that employees, contractors and any interested parties are familiar with emergency requirements and procedures. We will also review the need for changes in the procedures after an emergency exercise or event.

(7) Review by management of our OHS system; we ensure that the OHS system is effective and relevant, and conducted on a regular basis to discuss and evaluate any changes to the OHS system.

(8) Record, analysis, resolution and monitoring of nonconformity; we record the non-conformity, analyse the factors resulting in the non-conformity, and monitor the recurrence of such nonconformities to that the appropriate corrective and prevention actions can be taken.

(9) Control of documents to ensure only authorised changes are made to controlled documents; we control all documents and data relating to OHS and documents are made available at locations where operations essential to the effective functioning of the OHS system are performed.

(10) Control of records to ensure proper establishment and storage of records; we control and maintain our OHS records and establish, implement and maintain a procedure for the identification, storage, protection, retrieval, retention and disposal of records.

(11) Internal audit are planned and conducted; OHS audits are conducted at least annually, and our management shall determine the need for additional audits based on significant OHS hazards and risks or results of any audits. All audit findings are reported to our Executive Directors, and prompt and appropriate corrective and preventive actions are taken to address any non-conformance.

(12) Adequate training to ensure competence and awareness of OHS impact; we maintain the level of competence of the staff and identify training needs on a continual basis. New staff are trained on OHS requirements, procedures and operational control procedures.

Our subcontractors must also ensure that their workmen follow strictly to the main contractor's workplace safety enforcement on site, and have to employ workers who have safety orientation certificates. Such safety orientation certificate is issued after the attendance of safety courses. All foreign workers in the construction sector must attend the Construction Safety Orientation Course ("CSOC"), a full-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, and (iii) ensure that they are aware of their rights and responsibilities under employment law. Safety equipment such as safety helmets/safety boots and safety belts shall be provided by the subcontractor, and workers who fail to comply shall be removed from the worksite.

Our Directors believe the above OHS policy has assisted us to obtain our OHSAS 18001:2007 certification, which is required for bizSafe Star certification and to maintain our BCA "L6" grading. Our compliance to OHS policy assists us in obtaining a wider scope of projects by customers who are focused on our workplace safety related certifications.

The most recent annual internal audit on our compliance with the OHS procedures took place in February 2013. The most recent external audit on our compliance with the OHS procedures took place in November 2013. No material non-compliance has been identified. All remedial measures for the immaterial non-compliance have been taken.

There is no material accident or claim for workplace safety during the Track Record Period.

INSURANCE

We have a work injury compensation policy for all our foreign workers, as stipulated by MOM, renewed annually, and for each of the three financial years ended 30 June 2013, the total amount of insurance premium paid by our Group for work injury compensation was S$2,926, S$3,288 and S$16,009, respectively. We also have foreign worker medical insurance, as stipulated by MOM, renewed annually, and for each of the three financial years ended 30 June 2013, the total amount of insurance premium paid by our Group for foreign worker medical insurance was S$14,584, S$10,020 and S$6,270 respectively. We also have security bonds for our foreign workers which are required by MOM for new applications of their work permits, and for each of the three financial years ended 30 June 2013, the total amount of premiums on security bonds paid by our Group was approximately nil, S$9,178 and S$1,625 respectively. 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, failing which entry into Singapore will not be allowed.

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. Our Directors believe that there is no material risk in connection with our business which is not covered by the abovementioned insurance. As at the Latest Practicable Date, we had not made nor been the subject of any material insurance claims.

PROPERTY INTEREST

Our Head Office

We rent an office premises for our head office from Victrad, a connected person of our Company, as Lessor on 1 August 2013, the details are as follows:

Address	Leased Area	Continuing Connected Transactions	Rates	Tenure
22 Tagore Lane Singapore 787480	453.8 square meter	Yes — landlord is Victrad, which is a substantial shareholder of our Company	Annual rent of S$114,000	Period of two years commencing from 1 August 2013 and expiring on 31 July 2015

During the Track Record Period and prior to entering into of the lease, there was no lease for the rental of office premise and no rental had been paid for our use of the premise during the period as the landlord had allowed our Group to use the premise at no cost. For further details of the rental agreement with Victrad, please refer to the section headed "Connected transactions" in this prospectus.

As at the Latest Practicable Date, our Directors (i) were not aware of any investigations, notices, pending litigation, breaches of law or title defects; and (ii) had no plan in relation to construction, renovation, improvement, development or change the use, of the leased properties of our Group.

INTELLECTUAL PROPERTY RIGHTS

As at the Latest Practicable Date, we do not own any intellectual property rights.

COMPETITION

According to the Frost & Sullivan Report, the electrical engineering services market for the public residential sector is estimated to be approximately S$226.9 million in 2013, expanding from approximately S$182.5 million in 2010 and estimated to reach S$274.2 million by 2017, at a compound annual growth rate of 4.9% from 2013 to 2017. The electrical engineering services market size for the public residential sector is closely linked to the value of contracts awarded by HDB. Hence, the market growth rate is guided primarily by the value of HDB contracts generated within a particular year.

According to the Frost & Sullivan Report, the electrical engineering sector for the public residential market is relatively fragmented and dominated by local companies. Furthermore, it is characterised by low entry barriers, low levels of product innovation, strong competition, and absence of economies of scale. The competitors are categorised with BCA grading ranging from L1 to L6, and there are six other companies (other than our

Company) listed as “key tier 1 players with BCA grading L6”. There are four competitors listed as “key tier 2 players with BCA grading L5” and there are three competitors listed as “key tier 3 players with BCA grading below L5” in the Frost & Sullivan Report.

Based on the Frost & Sullivan Report, it is estimated that our Group has approximately 7.3% share in the public residential electrical engineering services market in 2012. Our Directors regard contractors specialising in electrical engineering works within the same grading category as our main competitors. There are a total of fourteen specialised services categorised under the M&E engineering sector, of which Strike Singapore is capable of undertaking six different services. Please refer to the section headed “Business — Our business model — Main qualifications and licences” in this prospectus for our BCA gradings.

INTERNAL CONTROL

We intend to set up an internal audit department as a separate independent function as soon as possible upon Listing which shall be led by Ms Goey Lee Eng, who is the Contract Manager of our Group. The internal audit department shall be responsible for the monitoring and overseeing the daily operation of internal control matters and to review the effectiveness of the internal control policies and procedures adopted by our Group from time to time. The internal audit department will seek legal opinions as and when necessary and will report to the audit committee of our Company on a regular basis to ensure that our Group’s operations are in compliance with the applicable laws, rules and regulations. The internal audit department shall also be responsible for the implementation of remedial plans recommended by the audit committee of our Company.

RISK MANAGEMENT

In the course of conducting our business, we are exposed to various types of risks, including project management risks and regulatory risks, which are further elaborated below.

Save for establishing and implementing internal control procedures as mentioned above, our Executive Directors are responsible for overseeing and reviewing the implementation of our Group’s internal control and risk management measures.

Project risk management

Projects and customers

We recognise the continuous intake of new orders is vital for our financial performance and business continuity. In this regard, we maintain good working relationship with a group of customers who are very active in HDB projects. We will also ensure that sufficient resources and capacities are made available whenever opportunities arise from this group of customers so as to constantly secure new projects. Furthermore, with the proceeds we obtain from the Listing, our Group will increase our financial and operational capacities in order to expand the number of customers.

We have also established procedures for assessing and monitoring project risk. In our preparation of quotations and tendering of projects, our project tendering team will consider and evaluate our customers' financial status, payment records and the adequacy of our internal resources and capacity for the duration of the said project before a decision is made. Final approval from Executive Directors is needed before any issue of quotation or tender and this will ensure that our exposure against any single customer would be limited.

Due to the long project implementation time (which usually ranges between 24 and 48 months), our financial exposure with our customer is limited at any point in time as our projects on hand are likely in different stages with various payment progress. Furthermore, the 30 to 90 days credit terms granted to our customers will limit our financial risks and our project team also monitors the payment pattern of our customers regularly and closely. Our Executive Directors will review the situation and evaluate project opportunities with new/other customers if there are signs of slowdown in securing projects and/or changes in payment pattern from the existing customers.

Suppliers and subcontractors

Our Group has adopted a policy of maintaining good working relationship with a group of reliable suppliers and subcontractors with on-time payments. This will ensure that any non-performance from any suppliers or subcontractors can be easily resolved without causing any great impact on our project implementation.

Loss of key personnel

Our Executive Directors will ensure that suitable and sufficient numbers of staff are properly appointed and assigned to manage each project and work as a project team. This will ensure that sufficient experience and technical knowledge are available within the project team and any loss of any team member will have limited impact on the continuity of project implementation.

Regulatory risk management

Our Group keeps abreast of any changes in government policies, regulations, licensing requirement and permits and safety requirements and we are aware that any non-compliance of the above may impact on our operation and business. We will ensure that all changes in government policies, regulations, licensing requirement and permits and safety requirements are closely monitored and communicated to our project-in-charge, head of project department and Executive Directors for proper implementation and compliance.

Foreign labour

We believe that inability to employ foreign labour may materially affect our operation and financial performance. In order to mitigate the impact of foreign labour shortages arising from changes in relevant laws, rules and regulations in Singapore and/or other countries where the foreign labour originated, our management has adopted a policy to employ foreign labour from more than one countries including India, Bangladesh, Thailand and Myanmar.

Our Directors confirm that as at the Latest Practicable Date, they are not aware of any impending changes in the relevant laws, rules and regulations that would affect our Group.

LITIGATION

During the Track Record Period and up to the Latest Practicable Date, there was no litigation or arbitration proceeding pending or threatened against our Group or any of our Directors which could have a material adverse effect on our Group's financial condition or results of operations.

REGULATORY COMPLIANCE

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, our Group has complied with all applicable rules and regulations for our business activities and operations in all material aspects.

The legal adviser to our Company as to Singapore law has confirmed that up to the Latest Practicable Date, Strike Singapore had complied with all applicable Singapore laws and regulations in all material respects in relation to its business in Singapore, including obtaining all necessary permits and licences.

NON-COMPLIANCE INCIDENTS

During the Track Record Period and up to the Latest Practicable Date, we had no non-compliant incident.

INDEMNITY FROM MR YEO AND VICTRAD

Mr Yeo and Victrad have executed the Deed of Indemnity in favour of our Group whereby they will jointly and severally indemnify each member of our Group against, among others, all expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs (among others, but not limited to, legal and other professional costs), charges, liabilities, fines, penalties and tax which any member of our Group may incur, suffer or accrue, as a result of directly or indirectly or in connection with, or in consequence of any non-compliance with or breach of any applicable laws, rules or regulations in any jurisdiction by any member of our Group on or before the Listing. Please refer to the section headed "D. Other information — 1. Estate duty, tax and other indemnities" in Appendix IV to this prospectus for further details of the Deed of Indemnity.

CONNECTED TRANSACTIONS

Prior to the Listing, our Group has entered into certain transactions with its connected persons during the Track Record Period. Some of these transactions has completed or ceased and some of them will continue after the Listing and constitute continuing connected transactions (as defined under the Listing Rules) of our Company. Details of these transactions are as follows:

CONNECTED PERSONS

YL is owned as to 50% by Strike Singapore and as to 50% by a former employee and ex-director of Strike Singapore, who resigned as a director on 29 May 2013. YL, being an associate of a former director of Strike Singapore, is a connected person of our Company. From 29 May 2014, being twelve months from the date on which the former director of Strike Singapore resigned, YL will no longer be a connected person of our Company and any arrangement to be entered into between Strike Singapore and YL thereafter will no longer constitute continuing connected transactions of our Company.

Victrad, being our Controlling Shareholder, is a connected person of our Company.

DISCONTINUED CONNECTED TRANSACTIONS

(a) Sale of motor vehicle

On 17 May 2012, Strike Singapore sold a motor vehicle to YL in the total consideration of S$16,150 (equivalent to approximately HK$98,515). The motor vehicle was previously used by an ex-employee of Strike Singapore, who resigned with Strike Singapore and joined YL on 31 May 2011. As a result of the ex-employee joining YL, Strike Singapore sold the motor vehicle to YL for his use with YL.

Our Directors consider that the transaction was arrived at after arm's length negotiation and that the transaction was fair and reasonable and in the interest of our Company and our Shareholders as a whole.

(b) Subcontracting arrangements

On 8 June 2012, Strike Singapore and Victrad entered into an arrangement pursuant to which Strike Singapore agreed to engage Victrad as a subcontractor to supply labour, materials and equipment for electrical, CATV and other relevant works for a HDB project in Singapore at a total consideration of approximately S$5.0 million (equivalent to approximately HK$30.5 million). As at 31 March 2013, Victrad had only completed a minor part of the project, representing approximately 3.5% of the total work done, and the subcontracting arrangement was subsequently terminated when our Group underwent the Reorganisation to prepare for the Listing. Strike Singapore has undertaken all the remaining works of the project. As such, S$50,288 had been paid by Strike Singapore to Victrad as the subcontracting fee incurred. There were no other compensation paid to Victrad for early termination of the subcontracting arrangement. As at 31 October 2013, approximately 14% of the project was completed. The project is expected to be completed by October 2014. This subcontract arrangement with Victrad was made in the ordinary course of our business and as part of the internal restructuring. The consideration was determined based on the estimate of market rate for comparable projects, taking into account their scope, size, complexity and contract value. There were no other early termination of subcontracting arrangement due to the Reorganisation.

Our Directors consider that the above arrangement was arrived at after arm's length negotiation and that the terms of the arrangement were fair and reasonable and in the interest of our Company and our Shareholders as a whole.

On 17 December 2012, Strike Singapore and YL entered into an arrangement pursuant to which Strike Singapore agreed to engage YL as a subcontractor to supply labour, materials and equipment for electrical works and other relevant works for a HDB project in Singapore at a total consideration of approximately S$3.0 million (equivalent to approximately HK$18.3 million). The HDB project had been substantially completed on 31 August 2013 and accordingly the subcontracting arrangement between Strike Singapore and YL had been completed. This subcontract arrangement with YL was made in the ordinary course of our business, taking into consideration our capacity and after an evaluation of subcontractors as described in the section headed "Business — Subcontractors" in this prospectus. The consideration was determined based on the estimate of market rate for comparable projects, taking into account their scope, size, complexity and contract value.

Our Directors consider that the above arrangement was arrived at after arm's length negotiation and that the terms of the arrangement were fair and reasonable and in the interest of our Company and our Shareholders as a whole. S$2.8 million out of the contract value under the subcontracting agreement was settled by cheque as at 31 October 2013.

(c) Supply of raw materials

During the Track Record Period, Strike Singapore had supplied raw materials such as PVC, electrical accessories and stationery to YL. The transactions between Strike Singapore and YL in relation to the supply of raw materials amounted to S$13,128, S$3,226 and S$19,262 (equivalent to approximately HK$80,081, HK$19,679 and HK$117,498) respectively for each of the financial years ended 30 June 2011, 30 June 2012 and 30 June 2013. Such transactions took place as and when YL was in need of such raw materials from time to time.

Our Directors consider that the transactions were arrived at after arm's length negotiation and that the terms of the transactions were fair and reasonable and in the interest of our Company and our Shareholders as a whole.

No agreement has been entered into between Strike Singapore and YL to cater for any further supply of raw materials. With respect to any supply of raw material by Strike Singapore to YL upon Listing, our Company will comply with the Listing Rules and make the relevant disclosure if and when necessary.

(d) Utilities and telephone charges arrangement

During the Track Record Period and prior to the entering into of the Lease Agreement (as defined below in this section), Victrad agreed to allow Strike Singapore to use the premises situated at 22 Tagore Lane Singapore 787480 at nil consideration. However, utilities and telephone charges for the premises were recharged by Victrad from Strike Singapore. The amount recharged by Victrad from Strike Singapore amounted to S$22,495, S$26,128 and S$25,636 (equivalent to approximately HK$137,220, HK$159,381 and HK$156,380) respectively for each of the financial years ended 30 June 2011, 30 June 2012 and 30 June 2013. Our Directors consider that such back to back arrangements were fair and reasonable and in the interest of our Company and our Shareholders as a whole. From 1 August 2013, being the date of entering into of the Lease Agreement (as defined below in this section), the arrangements in relation to utilities and telephone charges for the premises have been covered by the Lease Agreement (as defined below in this section) which constitutes continuing connected transactions of our Company.

(e) Engagement of staffs

Subsequent to the incorporation of YL and during the Track Record Period, Strike Singapore continued to engage the services of various ex-employees who became staffs and a shareholder of YL. Their services were engaged for projects which they were involved in while in employment with Strike Singapore and such engagement was completed on 18 January 2013 after the related projects had been completed. As a result of the engagement, management fee was charged by YL to Strike Singapore and the amount charged by YL to Strike Singapore in relation to these projects amounted to S$6,000, S$91,656 and S$79,184 (equivalent to approximately HK$36,600, HK$559,102 and HK$483,022) respectively for each of the financial years ended 30 June 2011, 30 June 2012 and 30 June 2013.

During the Track Record Period, in a project subcontracted by Strike Singapore to YL, Strike Singapore provided services of the related project team to YL. The project team had prior involvement in the project before the project was subcontracted. As a result of the provision of services of the related project team, management fees were charged by Strike Singapore to YL and the amount charged by Strike Singapore to YL amounted to S$12,383 and S$3,663 (equivalent to approximately HK$75,536 and HK$22,344) respectively for each of the financial years ended 30 June 2012 and 30 June 2013. The provision of services of the related project team was completed when the transfer of the project team from Strike Singapore to YL was completed on 27 June 2012.

During the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore, Strike Singapore engaged the management team and the project team of Victrad to work for the projects which were transferred from Victrad to Strike Singapore. As a result of the engagement, salaries of the management team and the project team were charged by Victrad to Strike Singapore and the amount charged by Victrad to Strike Singapore amounted to S$1,154,582, S$1,154,928 and S$182,915 (equivalent to approximately HK$7.0 million, HK$7.0 million and HK$1.1

million) respectively for each of the financial years ended 30 June 2011, 30 June 2012 and 30 June 2013. On 1 April 2013, the transfer of management team and the project team from Victrad to Strike Singapore have been completed.

Our Directors consider that the above arrangements were arrived at after arm's length negotiation and that the terms of the arrangement were fair and reasonable and in the interest of our Company and our Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions exempt from reporting, announcement and independent shareholders' approval requirements

On 1 August 2013, Strike Singapore and Victrad entered into a lease agreement (the "Lease Agreement") pursuant to which Victrad (as landlord) agreed to lease the premises situated at 22 Tagore Lane Singapore 787480 with a total gross floor area of approximately 453.8 square meter to Strike Singapore (as tenant), for a period of two years commencing from 1 August 2013 and expiring on 31 July 2015, at a total annual rent of S$114,000 (equivalent to approximately HK$695,400). Pursuant to the Lease Agreement, Strike Singapore agreed to pay all utilities and telephone charges for the premises.

The annual rent under the Lease Agreement was determined on an arm's length basis between Strike Singapore and Victrad. The Inland Revenue Authority of Singapore has assessed the annual value of the premises under the Lease Agreement to be at S$125,000 (equivalent to approximately HK$762,500) with effect from 1 July 2013 in line with market rents.

The Directors (including the Independent Non-Executive Directors) have confirmed that the Lease Agreement has been and will be conducted in the ordinary and usual course of business of our Group on normal commercial terms. As such the Directors considered that the entering into of the Lease Agreement is fair and reasonable and in the interests of our Group and the Shareholders as a whole.

As the total amount payable under the Lease Agreement (including the estimated utilities and telephone charges) by Strike Singapore to Victrad for each of the two financial years ending 30 June 2015 will be S$126,500 and S$138,000 (equivalent to approximately HK$771,650 and HK$841,800 respectively), which is less than HK$1,000,000 per annum and the percentage ratios mentioned in Rule 14.07 of the Listing Rules is less than 5%, the total annual rent payable under the Lease Agreement fall below the de minimis threshold under Rule 14A.33(3)(c) of the Listing Rules and thus is not subject to any reporting, announcement or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Non-exempt continuing connected transactions

On 27 February 2012, Strike Singapore and YL entered into an arrangement (the "YL Agreement") pursuant to which Strike Singapore agreed to engage YL as a subcontractor to supply labour, materials and equipment for electrical works and other relevant works for a public residential project at a total consideration of S$6,081,195 (equivalent to approximately HK$37.1 million) for a period of 25 months commencing from March 2012 to March 2014, in accordance with our main contract with our customer. The YL Agreement was entered into with YL in the ordinary course of our business, taking into consideration our capacity and after an evaluation of subcontractors as described in the section headed "Business — Subcontractors" in this prospectus. The consideration was determined based on the estimate of market rate for comparable projects, taking into account their scope, size, complexity and contract value.

For each of the two financial years ended 30 June 2013, the annual amounts paid by Strike Singapore to YL under the YL Agreement were as follows:

	S$	*HK$*
Financial year ended 30 June 2012	86,555	527,986
Financial year ended 30 June 2013	661,663	4,036,144

For the financial year ending 30 June 2014, the annual amount payable by Strike Singapore to YL under the YL Agreement (the "Annual Cap") is as follows:

	S$ *(approximate)*	*HK$* *(approximate)*
Financial year ending 30 June 2014	5.33 million	32.51 million

The Annual Cap is calculated based on the total consideration of the YL Agreement minus the amounts already paid by Strike Singapore to YL under the YL Agreement for the two financial years ended 30 June 2013.

Our Directors (including our Independent Non-Executive Directors) are of the view that the entering into of the YL Agreement is in the ordinary and usual course of business of our Group, the YL Agreement including the Annual Cap is on normal commercial terms, and the terms of the YL Agreement including the Annual Cap are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Given the annual amount payable by Strike Singapore, the YL Agreement, which constitutes continuing connected transactions of our Company, falls within the ambit of Rule 14A.35 of the Listing Rules and is subject to the reporting, announcement and independent Shareholders' approval requirements of the Listing Rules and the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules.

REASONS FOR THE WAIVER APPLICATION

Pursuant to Rule 14A.42 of the Listing Rules, the Stock Exchange may consider granting a waiver from the reporting, announcement and independent Shareholders' approval requirements set out in Rule 14A.35 of the Listing Rules in relation to the YL Agreement. Since the details of the YL Agreement have been included in this prospectus, our Directors consider that strict compliance with the requirements set out in Rule 14A.35

of the Listing Rules would add additional and unnecessary costs to our Company. Therefore, our Directors consider that the waiver from the requirements set out in Rule 14A.35 of the Listing Rules in connection with the YL Agreement is in the interests of our Company and our Shareholders as a whole. Our Company will comply with the relevant requirements under Chapter 14A of the Listing Rules, including the Annual Cap, and will re-comply with the relevant rules of Chapter 14A of the Listing Rules (including independent Shareholders' approval requirement) if the waiver from the Stock Exchange expires or the Annual Cap is exceeded, or when the YL Agreement is renewed or when there is a material change to the terms of the YL Agreement.

Having reviewed the terms of the YL Agreement, the Sole Sponsor concurs with the view of our Directors (including our Independent Non-Executive Directors) that the entering into of the YL Agreement is in the ordinary and usual course of business of our Group, the YL Agreement including the Annual Cap is on normal commercial terms, and the terms of the YL Agreement including the Annual Cap are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

WAIVER SOUGHT AND THE PROPOSED CONDITIONS RELATED THERETO

Pursuant to Rule 14A.42 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements set out in Rule 14A.35 of the Listing Rules for the YL Agreement subject to the Sole Sponsor and the Directors, including the Independent Non-Executive Directors, confirming that in their views:

(a) the transactions under the YL Agreement has been and shall be entered into:

  (i) in the ordinary and usual course of the business of our Group;

  (ii) on normal commercial terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and

(b) the Annual Cap is fair and reasonable and in the interests of our Company and our Shareholders as a whole.

If any terms of the transactions under the YL Agreement are altered or if our Company enters into any new agreements with any connected persons in the future, our Company will fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless it applies for and obtains a separate waiver from the Stock Exchange.

RELATED PARTY TRANSACTIONS

Save for the exempt continuing connected transactions disclosed above, we also entered into certain related party transactions during the Track Record Period which are contained in Note 25 to the accountants' report in Appendix I to this prospectus.

CONFIRMATION FROM OUR DIRECTORS

Our Directors consider that it is in the interests of our Company to continue with these continuing connected transactions after the Listing. They also consider that all the continuing connected transactions as set out above are in the interests of our Company and our Shareholders as a whole and are in the ordinary and usual course of our business. Our Directors are also of the view that all of the continuing connected transactions above have been and will be entered into on normal commercial terms and the annual caps are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

Save as disclosed in this section, our Directors currently do not expect that immediately following the Listing, there will be any transaction which will constitute a continuing connected transaction of our Company under the Listing Rules.

CONFIRMATION FROM SOLE SPONSOR

After review of the relevant documentation and historical figures provided by us, the Sole Sponsor is of the opinion that the terms of the continuing connected transactions referred to above have been and will be entered into in the ordinary and usual course of business of our Company and on normal commercial terms which are fair and reasonable and in the interests of our Company and the Shareholders as a whole; and the annual cap for the YL Agreement referred above are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

Our Board of Directors consists of two Executive Directors, and three independent Non-Executive Directors. The following table sets forth the information concerning our Directors and senior management:

Name	Age	Address	Position	Date of joining/ appointment	Roles and responsibilities	Relationship with other Directors and senior management
Executive Directors						
Mr Yeo Jiew Yew (岑有孝)	58	11 Ardmore Park, #05-03 Singapore 259957	Executive Director and Managing director	9 December 2013	Overall management, strategic planning and business development and member of the Remuneration Committee and Nomination Committee	Brother of Mr Sim
Mr Sim Yew Heng (岑有興)	52	Block 7, Thomson lane, #28-05 Singapore 297725	Executive Director	9 December 2013	Lead operational departments and provide guidance and management experience in project management and contract negotiation.	Brother of Mr Yeo

Name	Age	Address	Position	Date of joining/ appointment	Roles and responsibilities	Relationship with other Directors and senior management
Independent Non-Executive Directors						
Mr Ng Tiow Swee (黃朝瑞)	56	Block 244, Lorong Chuan, #23-02, Singapore 556745	Chairman and Independent Non-Executive Director	9 December 2013	Chairman of the Remuneration and Nomination Committees, member of the Audit Committee, overseeing our Group's compliance, internal control, corporate governance, but not participating in the day-to-day management of our business operation	None
Ms Wong Siew Chuan (黃秀娟)	47	96 Flora Road, #04-54, Singapore 507007	Independent Non-Executive Director	9 December 2013	Chairman of the Audit Committee, member of the Nomination Committee, overseeing our Group's compliance, internal control, corporate governance, but not participating in the day-to-day management of our business operation	None
Mr Chen Jianyuan, Edwin (陳建元)	31	Block 635, Bedok Reservoir Road, #13-17, Singapore 410635	Independent Non-Executive Director	9 December 2013	Member of the Audit Committee and Remuneration Committee, overseeing our Group's compliance, internal control, corporate governance, but not participating in the day-to-day management of our business operation	None

Name	Age	Address	Position	Date of joining	Roles and responsibilities	Relationship with our Directors and senior management
Senior management						
Ms Chan Bee Fong	45	Block 252, Compassvale street, #13-11 Singapore 540252	Senior Finance Manager	April 2013	Responsible for overseeing the financial, accounting, taxation and secretarial affairs of our Group	None
Mr Poon Hiu Chuin	45	Block 666B, Jurong West street 65, #04-209, Singapore 642666	Project Director	May 2009	Responsible for overseeing the project department, which include managing, executing and coordinating the entire electrical engineering project.	None
Ms Lim Poh Khim	47	Block 790, Yishun Avenue 2, #08-1457, Singapore 760790	Purchasing Manager	April 2013	Responsible for overseeing the purchasing department, which handles negotiations and communications with suppliers, inventory management, and ensuring that suppliers deliver on-time to ensure that each project is carried out smoothly.	None
Ms Goey Lee Eng	45	54, Canberra Drive, #07-26, Singapore 768440	Contract Manager	May 2009	Responsible for overseeing the contract and tender department, tasked to review tender and contract terms, contract negotiation, project budget review and supporting the project department in administrative matters relating to the awarded project.	None

DIRECTORS

Executive Directors

Mr Yeo Jiew Yew (岑有孝), aged 58, founder of our Group, was appointed as our Director on 19 June 2013 and re-designated as our Executive Director, managing director, member of Remuneration Committee and Nomination Committee on 9 December 2013. Mr Yeo is also the director of Strike Singapore, appointed on 21 April 2009. Mr Yeo is responsible for our Group's overall management, strategic planning and business development. He has approximately 30 years of experience in the electrical engineering industry.

Mr Yeo started his career as an electrical apprentice in 1969. In 1977, he was promoted to be a supervisor in charge of electricians and subcontractors. Upon acquiring the necessary skills and knowledge of the electrical engineering business, Mr Yeo founded Victrad in 1981 and served as its managing director. Victrad was primarily involved in the supply of building materials to contractors and undertook electrical engineering projects.

In 1983, he incorporated Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) to undertake more and larger M&E engineering projects from the public sector. In 1997, Strike Electrical Pte Ltd was renamed as Strike Engineering Pte Ltd (now known as Magnus Energy Group Ltd). In 1999, Strike Engineering Pte Ltd converted into a public limited company known as Strike Engineering Limited, and was listed on the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ). Immediately prior to its listing, Victrad became a wholly-owned subsidiary of Strike Engineering Limited.

Mr Yeo served as the director of Strike Engineering Limited from its incorporation in 1983 until 2006 and was the managing director from 1993 to 2006. Strike Engineering Limited took on a new business focus in energy related businesses and was renamed as Magnus Energy Group Ltd in 2004. As managing director, Mr Yeo was responsible for the overall strategic planning and, corporate and business development of Strike Engineering Limited and its group of companies.

Upon the change in business focus, Mr Yeo organised a divestment of Magnus Energy Group's electrical engineering business via a management buyout of Victrad from Magnus Energy Group Ltd in 2006. Thereafter, Mr Yeo continued to serve as its managing director.

In 2009, Strike Singapore was incorporated as a wholly-owned subsidiary of Victrad and the entire electrical engineering business of Victrad was transferred to Strike Singapore with Mr Yeo serving as the managing director. Subsequently, our Company became the holding company of Strike Singapore in 2013 pursuant to the Reorganisation with Mr Yeo becoming an Executive Director of our Company.

Mr Yeo is a non-executive director of Lantrovision (S) Ltd, a company listed on the Singapore Exchange Securities Trading Limited engaged in business of providing information technology infrastructure, cabling services and selling structured cabling systems and components since 28 August 2008. He was a managing director of Magnus Energy Group Ltd, a company listed on the Stock Exchange of Singapore, from August 1999 to May 2006.

Mr Yeo is a member of the school management committee of Pei Chun Public School, a primary school in Singapore since 1996. Mr Yeo is the brother of Mr Sim.

Sometime in 1996, Mr Yeo was charged under Section 19 of the Employment of Foreign Workers Act of Singapore (Cap 91A, 1991 ed.) (the "Charge") for abetting the commission of an offence under the said Act. The cause for the Charge resulted from the misallocation and misuse by the former foreign worker agent of Strike Electrical Pte Ltd of the foreign workers hired by Strike Electrical Pte Ltd, for other clients of that agent. At the relevant time, Mr Yeo was the managing director of Strike Electrical Pte Ltd. According to Mr Yeo, he was not aware of such act of the foreign worker agent until he was informed by the MOM, as the misallocation and misuse of foreign workers was solely the act of the former foreign worker agent and Mr Yeo was not personally involved in nor did he participate in such act. The offence was subsequently compounded by Mr Yeo by the payment of a sum of money without any admission of liability on his part, so that no further action can be taken by the prosecuting authority against him on the offence compounded.

Mr Sim Yew Heng (岑有興), aged 52, was appointed as our Director on 19 June 2013 and redesignated as our Executive Director on 9 December 2013. Mr Sim is also a director of Strike Singapore, appointed on 21 April 2009. Mr Sim is responsible for leading our operational departments and providing guidance and management experience in project management and contract negotiation.

He has approximately 30 years of experience in the electrical engineering industry, and capable of handling large-scale projects, including analyses in tenders for potential projects.

Mr Sim started his career in 1976 as an electrical apprentice with an electrical engineering subcontractor. In 1979, he was promoted to the position of a supervisor responsible for organising and leading a team of electricians on projects. In 1984 and 1988, he became a director of Victrad and Strike Electrical Pte Ltd (subsequently renamed as Strike Engineering Pte Ltd in 1997) respectively. At the point of the listing of Strike Engineering Limited on SESDAQ, Mr Sim was the general manager of Strike Engineering Limited with his responsibilities including project tendering and overseeing and managing a total workforce of 220 staff. Mr Sim was part of the management buyout of all of the electrical engineering business of Magnus Energy Group Ltd in 2006 through the acquisition of Victrad from Magnus Energy Group Ltd. Thereafter, Mr Sim continued to serve as a director of Victrad. Subsequently, Mr Sim became a director of Strike Singapore and a Director of our Company upon their respective incorporations.

Mr Sim does not have any current or past directorships in any listed companies in the last three years. Mr Sim is the brother of Mr Yeo.

Independent Non-Executive Directors

Mr Ng Tiow Swee (黃朝瑞), age 56, was appointed as our chairman of the Board, Independent Non-Executive Director, Chairman of Remuneration Committee and Nomination Committee and member of Audit Committee on 9 December 2013, and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of our Company. Mr Ng graduated in 26 May 1981 from the National University of Singapore with a degree in Business Administration. Mr Ng has 30 years of working experience in the sales and distribution of electrical installation equipment business in Singapore. The following table summarises Mr Ng's working experience prior to joining our Group:

Company name	Principal business activities of the company	Last position held	Responsibilities	Period of services
Delta Switchgear Pte Ltd	Distribution of electrical switchgear	Sales and marketing manager	Responsible for overall sales and marketing activities	November 1982 to December 1995
ITE Electric Co Ltd (listed on the Catalist board of the Singapore Exchange Securities Trading Limited (stock code: 581))	Manufacturing and distribution of electrical switchgear equipment	General manager	Responsible for the overall management and business development in the domestic and overseas markets	January 1996 to July 2008
ITE Electric Systems Co Pte Ltd (subsidiary of ITE Electric Co Ltd)	Manufacturing and distribution of electrical switchgear equipment	General manager	Responsible for the overall management and business development in the domestic and overseas markets	August 2008 to August 2012

Ms Wong Siew Chuan (黃秀娟), *FCA*, age 47, was appointed as our Independent Non-Executive Director, Chairman of Audit Committee and member of Nomination Committee on 9 December 2013 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of our Company. Ms Wong graduated from the National University of Singapore with a Bachelor of Accountancy degree in 1988 and is a non-practising Fellow Chartered Public Accountant Singapore with the Institute of Certified Public Accountants of Singapore. Ms Wong has more than 20 years of experience in accounting and finance. The following table summarises Ms Wong's professional experience prior to joining our Company:

Company name	Principal business activities of the company	Last/current position held	Responsibilities	Period of services
Ernst & Young LLP	Chartered Accountants	Audit Assistant Manager	Audit of trading, service, manufacturing companies and financial institutions	March 1990 to January 1995
Oversea-Chinese Banking Corporation Limited	Commercial bank	Senior Assistant Manager	Internal audit	February 1995 to February 1998
Measurex Engineering Pte Ltd	Investment holding and general trading company	Accounts Manager	Responsible for financial and management reporting	February 1998 to April 1999
Magnus Energy Group Ltd (listed on Catalist board of Singapore Exchange Securities Trading Limited (stock code: 576))	Investment holding company	Chief Financial Officer	Responsible for financial and management reporting; liaising with the Singapore Exchange Securities Trading Limited	June 1999 to September 2009
Eastgate Technology Ltd (listed on Main Board of Singapore Exchange Securities Trading Limited (stock code: N0L))	Investment holding company	Chief Financial Officer	Responsible for financial and management reporting; liaising with Singapore Exchange Securities Trading Limited	October 2009 to present

Mr Chen Jianyuan, Edwin (陳建元), aged 31, was appointed as our Independent Non-Executive Director, member of Audit Committee and Remuneration Committee on 9 December 2013 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of our Company. Mr Chen graduated from Monash University. Australia, with a honours degree in bachelor of business, specialising in banking and finance in July 2006. Mr Chen has accumulated approximately 6 years of corporate finance experience in Singapore and Hong Kong. The following table summarises Mr Chen's professional experience prior to joining our Group:

Company name	Principal business activities of the company	Last/current position held	Responsibilities	Period of services
Platinum Securities Co., Ltd	Corporate finance and advisory	Senior Executive	Deal execution and advisory on compliance to Listing Rules	December 2006 to September 2009
VC Capital Limited, a subsidiary of Value Convergence Holdings Limited (listed on the Main Board of the Stock Exchange (Stock code: 821)	Corporate finance and advisory	Senior Manager	Deal execution and advisory on compliance to Listing Rules	July 2010 to August 2012
C.T.G Granite Industrial Sendirian Berhad	Manufacturing of granite product and monuments	Executive Director	Deal negotiation and equipment sourcing	August 2013 to present

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial Shareholders of our Company as at the Latest Practicable Date; and (iii) did not hold any other directorships in public listed companies in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save as disclosed in the section headed "Substantial Shareholders" and the section headed "C. Further information about our Directors and substantial Shareholders" in Appendix IV to this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed in this prospectus, none of our Directors have any interests in any business apart from business of our Group which competes or is likely to compete, either directly or indirectly, with business of our Group. Please refer to Appendix IV to this prospectus for further information about our Directors, including details of the interest of our Directors in the Shares and underlying shares of our Company (within the meaning of Part XV of the SFO) and particular of their service contract and remuneration.

Except as disclosed in this prospectus, each of our Directors has confirmed that there are no other matters relating to his or her appointment as a Director that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

Ms Chan Bee Fong, aged 45, was appointed as the Senior Finance Manager of our Group on 1 July 2013. Ms Chan is responsible for overseeing the financial, accounting, taxation and secretarial affairs of our Group. She has approximately 20 years of experience in the electrical engineering industry. Ms Chan has a London Chamber of Commerce Diploma in Management Accounting in 1989.

The following table summarises Ms Chan's working experience:

Company name	Principal business activities of the company	Last/current position held	Responsibilities	Period of services
Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd, a company listed on Catalist board of Singapore Exchange Securities Trading Limited (stock code: 576))	Electrical engineering firm	Administration and personnel manager	Management of the finance and personnel department	July 1992 to April 2006
Victrad	Electrical engineering firm	Administration and personnel manager	Overseeing the financial, accounting, taxation and secretarial affairs	May 2006 to March 2013
Strike Singapore	Electrical engineering firm	Senior Finance Manager	Overseeing the financial, accounting, taxation and secretarial affairs	April 2013 to present

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

Mr Poon Hiu Chuin, aged 45, was appointed as the Project Director of our Group on 1 July 2013. He is responsible for overseeing the project department of our Group, which comprises project engineers, technicians and foreign workers on site. His roles include managing, executing and coordinating the entire electrical engineering project.

He obtained a bachelor's degree (honours) in electrical engineering from Queen's University of Belfast in July 1996. He has been qualified as a licensed electrical technician by the EMA since July 2003.

The following table summarises Mr Poon's working experience:

Company name	Principal business activities of the company	Last/current position held	Responsibilities	Period of services
Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd, a company listed on Catalist board of Singapore Exchange Securities Trading Limited (stock code: 576)))	Electrical engineering firm	Project manager	Overseeing the project department, include managing, executing and coordinating the entire electrical engineering project	November 1996 to October 2004
Victrad	Electrical engineering firm	Project manager	Overseeing the project department, include managing, executing and coordinating the entire electrical engineering project	November 2004 to April 2009
Strike Singapore	Electrical engineering firm	Project Director	Overseeing the project department, include managing, executing and coordinating the entire electrical engineering project	May 2009 to present

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

Ms Lim Poh Khim, aged 47, was appointed as the Purchasing Manager of our Group on 1 July 2013. She is responsible for overseeing the purchasing department of our Group, which handles negotiations and communications with suppliers, inventory management, and ensuring that suppliers deliver on-time to ensure that each project is carried out smoothly.

The following table summarises Ms Lim's working experience:

Company name	Principal business activities of the company	Last/current position held	Responsibilities	Period of services
Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd, a company listed on Catalist board of Singapore Exchange Securities Trading Limited (stock code: 576))	Electrical engineering firm	Deputy Purchasing Manger	Overseeing the purchasing department, which handles negotiations and communications with suppliers, inventory management, and ensuring that suppliers deliver on-time to ensure that each project is carried out smoothly	July 1990 to February 2006
Victrad	Electrical engineering firm	Deputy Purchasing Manager	Overseeing the purchasing department, which handles negotiations and communications with suppliers, inventory management, and ensuring that suppliers deliver on-time to ensure that each project is carried out smoothly	March 2006 to March 2013
Strike Singapore	Electrical engineering firm	Purchasing Manager	Overseeing the purchasing department, which handles negotiations and communications with suppliers, inventory management, and ensuring that suppliers deliver on-time to ensure that each project is carried out smoothly	April 2013 to present

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

Ms Goey Lee Eng, aged 45, was appointed as the Contract Manager of our Group on 1 July 2013. She is responsible for overseeing the contract and tender department, tasked to review tender and contract terms, contract negotiation, project budget review and supporting the project department in administrative matters relating to the awarded project.

The following table summarises Ms Goey's working experience:

Company name	Principal business activities of the company	Last/current position held	Responsibilities	Period of services
Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd, a company listed on Catalist board of Singapore Exchange Securities Trading Limited (stock code: 576))	Electrical engineering firm	Deputy Contract Manager	Overseeing a group of contract executives	February 1992 to March 2004
Victrad	Electrical engineering firm	Deputy Contract Manager	Overseeing the contract and tender department, tasked to review tender and contract terms, contract negotiation, project budget review and supporting the project department in administrative matters relating to the awarded project	April 2004 to April 2009
Strike Singapore	Electrical engineering firm	Contract Manager	Overseeing the contract and tender department, tasked to review tender and contract terms, contract negotiation, project budget review and supporting the project department in administrative matters relating to the awarded project	May 2009 to present

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

COMPANY SECRETARY

Mr Li Chi Chung, aged 45, is the company secretary of our Company. Mr Li is currently a solicitor practising in Hong Kong. Mr Li obtained a Bachelor Degree in Laws from The University of Sheffield in England in 1990. Mr Li was admitted as a solicitor of the High Court of Hong Kong in 1993 and his practice has been focusing on commercial related matters. At present, Mr Li is an independent non-executive director of Kenford Group Holdings Limited (Stock Code: 00464) and PINE Technology Holdings Limited (Stock Code: 01079), which are companies listed on the Main Board. Mr Li is the company secretary of China Financial International Investments Limited (Stock Code: 00721) and China Environmental Investment Holdings Limited (Stock Code: 00260), which are companies listed on the Main Board, and TLT Lottotainment Group Limited (Stock Code: 08022) and China Nonferrous Metals Company Limited (Stock Code: 08306), which are companies listed on the Growth Enterprise Market of the Stock Exchange. From 23 March 2007 to 12 December 2011, Mr Li was a non-executive director of Richfield Group Holdings Limited (Stock Code: 00183); from 1 March 2011 to 20 December 2011, Mr Li was the company secretary of Infinity Chemical Holdings Company Limited (Stock Code: 00640); from 21 April 2011 to 26 June 2012, Mr Li was the company secretary of China Water Property Group Limited (Stock Code: 02349); and from November 2002 to 27 February 2013, Mr Li was an independent non-executive director of Eagle Nice (International) Holdings Limited (Stock Code: 02368), all companies are listed on the Main Board.

We have appointed Mr Li Chi Chung as our company secretary for the purpose of Rule 8.17 of the Listing Rules, whose brief biographic details are set out in the paragraph above.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company will comply with the Corporate Governance Code in Appendix 14 to the Listing Rules.

Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year and comply with the “comply or explain” principle in our corporate governance report which will be included in our annual reports upon the Listing.

BOARD COMMITTEES

Audit Committee

We have established an audit committee on 9 December 2013 with effect from the Listing with written terms of reference in compliance with the Listing Rules. The audit committee consists of all of the independent non-executive Directors, namely, Ms Wong Siew Chuan, Mr Ng Tiow Swee and Mr Chen Jianyuan, Edwin. Ms Wong Siew Chuan is the chairman of the audit committee. The primary duties of the audit committee are, among other things, to review and supervise the financial reporting process and the internal control systems of our Group.

Remuneration Committee

We have established a remuneration committee on 9 December 2013 with effect from the Listing with written terms of reference in compliance with the Listing Rules. The remuneration committee consists of 3 members, namely Mr Ng Tiow Swee, Mr Chen Jianyuan Edwin and Mr Yeo. Mr Ng Tiow Swee is the chairman of the remuneration committee. The primary functions of the remuneration committee are to make recommendations to our Board on the remuneration of our Directors and senior management and determine on behalf of our Board regarding specific remuneration packages and conditions of employment for our Directors and senior management.

Nomination Committee

We have established a nomination committee on 9 December 2013 with effect from the Listing with written terms of reference in compliance with the Listing Rules. The nomination committee consists of 3 members, namely Mr Ng Tiow Swee, Ms Wong Siew Chuan and Mr Yeo. Mr Ng Tiow Swee is the chairman of the nomination committee. The primary duties of the nomination committee are to make recommendations to our Board regarding candidates to fill vacancies on our Board and senior management.

STAFF

There were 131 full-time staff in our Group as at the Latest Practicable Date of which approximately 19% were local employees and approximately 81% were foreign workers. All our employees are based in Singapore.

The following sets forth the number of our staff in the respective functions of our Group (excluding our Executive Directors) as at the Latest Practicable Date:

	Number of local employees	Number of foreign workers	Total number of staff
Finance and Administration	4	—	4
Project	15	106	121
Contract and Tender	2	—	2
Purchasing	2	—	2
Total	23	106	129

Our foreign workers are sourced and recruited through an Independent Third Party agency. The supply of foreign workers in Singapore is subject to various regulations and policies. Please see the section headed "Regulatory overview" in this prospectus for further details. As at the Latest Practicable Date, as a company operating in the Singapore construction sector with Man-Year Entitlement (MYE) quotas for each of the construction projects we partake in, Strike Singapore is subject to a monthly FWL of S$450 and S$300, respectively, for each basic skilled foreign worker and higher skilled foreign worker employed by it. In the Singapore Government's budget released in 2013, it was announced that FWL for unskilled foreign workers in the construction sector for the calendar years 2014 and 2015 will be increased to S$600 by July 2015. Should our Group employs foreign workers exempted from the MYE quotas, the monthly FWL is expected to increase to S$1050 and S$750, respectively, for unskilled foreign workers and skilled foreign workers, by July 2015.

Our Group complies with strict immigration policies for our foreign workers. In view of these stringent requirements, our Group faces a possible shortage of foreign workers. To mitigate the increasing expenses incurred with employing foreign workers, our Group will either hire skilled foreign workers (whose FWL are lower), or provide external training for unskilled foreign workers. After sufficient training, our Group would then apply to the BCA Academy to qualify them as a higher skilled foreign workers so as to benefit from the lower FWL. In our recruitment exercise, our Group also makes it a point to hire more skilled foreign workers as they are normally more productive and incur a lower FWL.

Out of the 131 staff, 4 have qualifications in electrical engineering, 1 is a licenced electrician, 15 attended foremen and supervisor courses under CoreTrade (which is the Construction Registration of Tradesmen under the BCA), 24 attended worker courses under CoreTrade and 106 attended safety courses. CoreTrade's objective is to assist construction-related companies in Singapore to build a core group of competent and experienced workers. The completion of relevant CoreTrade courses will certify that our workers are skilled, and therefore, be subject to a lower foreign work levy. Moreover, such certification is beneficial to our business as they ensure the requisite level of competency for each level.

The amount of expenditure incurred in relation to staff training for during the Track Record Period as a percentage of our Group's total revenue has been insignificant. All foreign workers undergo safety orientation courses.

Relationships with our employees

During the Track Record Period, we did not experience any significant problems with employees or other labour disturbances to our operations and we did not experience any difficulties in the recruitment and retention of experienced staff. We believe we have a good working relationship with our employees.

Compensation of Directors and senior management

During the three financial years ended 30 June 2013, the aggregate amount of compensation paid (basic salary, performance-based compensation and retirement-based contribution) by our Company to our five highest paid individuals were approximately S$0.6 million, S$0.6 million and S$0.7 million, respectively.

The Executive Directors are also employees of our Company and receive, in their capacity as employees of our Company, compensation in the form of salaries and other allowances and benefits in kind. Our Company reimburses our Directors for expenses which are necessarily and reasonably incurred for providing services to our Company or executing their functions in relation to the operations of our Company.

During the three financial years ended 30 June 2013, the aggregate amount of compensation paid (basic salary, performance-based compensation and retirement-based contribution) by our Company to our Directors were approximately S$0.3 million, S$0.2 million and S$0.4 million, respectively.

Our Directors' remuneration is determined with reference to salaries paid by comparable companies, experience, responsibilities and performance of our Group.

During the Track Record Period, no remuneration was paid by our Group to, or receivable by, our Directors or the five largest paid individuals as an inducement to join or upon joining our Group. No compensation was paid by our Group to, or receivable by, our Directors, past Directors or the five highest paid individuals for each of the three financial years ended 30 June 2013 for the loss of any office in connection with the management of the affairs of any subsidiary of our Group.

None of our Directors waived any emoluments for any of the last three years. Save as disclosed in this paragraph headed "Compensation of Directors and senior management", no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors and the five highest paid individuals during the Track Record Period.

Employees' remuneration and benefits

Our employees are remunerated according to their job scope and responsibilities. Our local employees are also entitled to discretionary bonus depending on their respective performance. Our foreign workers are typically employed on one year basis and are remunerated according to their work skills. Our Group provides insurance coverage for our foreign workers. Please refer to the section headed "Business — Insurance" in this prospectus for further information.

RETIREMENT BENEFIT SCHEME

Our Group participates in the mandatory provident fund for our employees in accordance with the Central Provident Fund (which law of Singapore). Our Group has paid the relevant contributions in accordance with the aforesaid laws and regulations.

COMPLIANCE ADVISER

We intend to appoint Grand Vinco Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules to provide advisory services to our Company. It is expected that the compliance adviser will, amongst other things, advise our Company with due care and skill on the following matters:

— before the publication of any regulatory announcement, circular or financial report;

— where a transaction, which might be a notifiable or connected transaction, is contemplated including shares issue;

— where we propose to use the proceeds from the Share Offer in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information of this prospectus; and

— where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

AUTHORISED AND ISSUED SHARE CAPITAL

The following is a description of the authorised and issued share capital of our Company immediately following completion of the Capitalisation Issue and the Share Offer:

Authorised:		*HK$*
5,000,000,000	Shares of HK$0.01 each	50,000,000
Shares issued and to be issued, fully paid or credited as fully paid:		
30,000,000	Shares in issue upon completion of the Share Sub-division	300,000
482,000,000	Shares to be issued under the Capitalisation Issue(1)	4,820,000
112,000,000	New Shares to be placed pursuant to the Placing	1,120,000
16,000,000	New Shares to be issued under the Public Offer	160,000
640,000,000	Shares in total	6,400,000

Note:

(1) Pursuant to the written resolutions of the sole member of our Company passed on 9 December 2013, conditional upon the share premium account of our Company being credited as a result of the Share Offer, the Directors were authorised to capitalise the amount of HK$4,820,000 from the amount standing to the credit of the share premium account of our Company and to apply such amount in paying up in full at par 482,000,000 Shares for allotment and issue to Victrad, as the sole shareholder of our Company at 4:00 p.m. on 9 December 2013, of which 32,000,000 Shares are Sale Shares.

Assumptions

The above table assumes that the Share Offer becomes unconditional.

Ranking

The Offer Shares will rank *pari passu* in all respects with all the Shares now in issue or to be issued as mentioned in this prospectus and, in particular, will qualify in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of Listing other than participation in the Capitalisation Issue.

General mandate to issue Shares

Our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with an aggregate nominal value of not more than the sum of 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Share Offer and the Capitalisation Issue.

The allotment and issue of Shares under a rights issue, scrip dividend scheme or similar arrangement in accordance with the Articles of Association, or under the Share Offer do not generally require the approval of the Shareholders in general meeting and the aggregate nominal value of the Shares which our Directors are authorised to allot and issue under this mandate will not be reduced by the allotment and issue of such Shares.

This mandate will expire at the earliest of:

— the conclusion of our Company's next annual general meeting;

— the expiration of the period within which our Company is required by law or our Articles of Association to hold our next annual general meeting; or

— when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting.

For further details of this general mandate, please refer to the section headed "A. Further information about our Company — 3. Written resolutions of the sole Shareholder passed on 9 December 2013" in Appendix IV to this prospectus.

So far as our Directors are aware, immediately following completion of the Share Offer and the Capitalisation Issue, the following persons were expected to have interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, 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 our Company or any other member of our Group:

Name of interested party	Capacity/Nature of interest	Total number of Shares	Percentage of interest in our Company
Victrad	Beneficial owner of our Company	480,000,000[(1)]	75%
Mr Yeo	Interest of controlled corporation	480,000,000[(1)]	75%
Mr Sim	Interest of controlled corporation	480,000,000[(1)]	75%
Ms Poh Choon Huay	Interest of spouse	480,000,000[(2)]	75%
Ms Lim Lay Heong	Interest of spouse	480,000,000[(3)]	75%

Note:

(1) The entire issued share capital of Victrad is jointly and beneficially owned by Mr Yeo and Mr Sim in equal proportion. Under the SFO, each of Mr Yeo and Mr Sim is deemed to be interested in all the Shares of our Company held by Victrad. Both Mr Yeo and Mr Sim are Controlling Shareholders and Executive Directors of our Company. Mr Yeo and Mr Sim are brothers and were acting in concert during the Track Record Period. It is expected that they will continue to act in concert after Listing.

(2) Ms Poh Choon Huay is deemed to be interested in the 480,000,000 Shares held by Victrad by virtue of the interest held by her spouse, Mr Yeo Jiew Yew under the SFO.

(3) Ms Lim Lay Heong is deemed to be interested in the 480,000,000 Shares held by Victrad by virtue of the interest held by her spouse, Mr Sim Yew Heng under the SFO.

Save as disclosed in this prospectus, we are not aware of any other person who will, immediately following completion of the Share Offer and the Capitalisation Issue, have an interest or short position in our Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, 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 meeting of any of our subsidiaries. We are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

CONTROLLING SHAREHOLDERS

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

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

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

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

(i) Financial independence

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

(ii) Operational independence

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

(iii) Management independence

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

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

(iv) Administrative independence

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

RULE 8.10 OF THE LISTING RULES

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

DEED OF NON-COMPETITION

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

(i) any interests in the shares of any member of our Group;

(ii) any interests in the shares of YL, SRM and NEK; or

(iii) interests in the shares of a company other than our Company whose shares are listed on a recognised stock exchange provided that:

(a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or

(b) the total number of the shares held by our Controlling Shareholders and/or their respective associates in aggregate does not exceed 10% of the issued shares of that class of the company in question and such Controlling Shareholders and/or their respective associates are not entitled to appoint a majority of the directors of that company and at any time there should exist at least another shareholder of that company whose shareholdings in that company should be more than the total number of shares held by our Controlling Shareholders and their respective associates in aggregate; or

(c) our Controlling Shareholders and/or their respective associates do not have the control over the board of such company.

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

(a) the day on which the Shares cease to be listed on the Main Board of the Stock Exchange or other recognised stock exchange; or

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

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

Our Directors (including our independent Non-Executive Directors) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity. If our Group has not given written notice of its desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within thirty (30) Business Days (the "30-day Offering Period") of receipt of notice from our Controlling Shareholders, our Controlling Shareholders and/or his/its associates shall be permitted to invest in or participate in the New Business Opportunity on his/its own accord. With respect to the 30-day Offering Period, our Directors consider that such period is adequate for our Company to assess any New Business Opportunity. In the event that our Company requires additional time to assess the new business opportunities, our Company may give a written notice to our Controlling Shareholders during the 30-day Offering Period and our Controlling Shareholders agree to extend the period to a maximum of 60 Business Days.

CORPORATE GOVERNANCE MEASURES

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

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

You should read the following discussion and analysis of our results of operations and financial condition in conjunction with our consolidated financial information as of and for the Track Record Period, including the notes thereto, included in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRSs. The following discussion contains forward-looking statements concerning events that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

OVERVIEW

Our Group is principally engaged in the provision of electrical engineering services in Singapore. We are one of the established electrical engineering companies in undertaking electrical engineering works for public residential projects in Singapore. Our revenue for the three financial years ended 30 June 2013 was approximately S$32.5 million, S$15.6 million and S$18.7 million, respectively, while our profit for the year and total comprehensive income for the year were approximately S$5.6 million, S$3.7 million and S$6.5 million, respectively.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands on 19 June 2013 and became the holding company of Strike Singapore pursuant to the Reorganisation completed on 29 June 2013. Details of which are set out in the section headed "History and development" in this prospectus.

The consolidated financial statements of our Group have been prepared using the principles of merger accounting and there was no change in the economic substance of the business of our Group. Accordingly, the consolidated financial statements of our Group has been prepared as if the Reorganisation has been completed as at the beginning of the Track Record Period and remained unchanged throughout the Track Record Period.

Intra-group balances and transactions are eliminated in full in preparing the financial information.

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:

Pipeline of HDB projects and our order book

We provide electrical engineering services to the Singapore construction industry on a project-basis. The duration of our projects usually ranges between 24 and 48 months. As such, our revenue is not recurring in nature and dependent on the number of projects we have and the contract value of each project. Specifically, our Group is highly dependent on the pipeline of HDB projects, which affects the number of construction jobs available to main contractors of public residential sector projects. As our customers are mainly these main contractors who subcontract the electrical engineering works to us, the pipeline of HDB projects affect our order book.

Timing of projects and percentage completed

Our projects are mainly for new construction projects in the public residential sector, comprising approximately 95.9%, 92.5% and 88.8% of our total revenue for the three financial years ended 30 June 2013 respectively. Our revenue is recognised on the percentage of completion method, and billing is based on monthly progress claims. As such, our revenue is dependent not only on the number of projects, its contract value, but also on the percentage completed. For more information on the revenue recognition, please see Note 3 of the Accountants' Report set out in Appendix I to this prospectus. As our construction contracts typically cover a period of between 24 and 48 months, the number of contracts and progress of each contract we undertake in any period may affect our results of operations and lead to fluctuations in revenue recognised from period to period.

Pricing of our projects and variation orders

Our Group secures its projects either through private invitation to quote or through open tender. For each project opportunity, a quotation will be prepared where we will assess our capacity and resources, the estimated gross profit margin, the relationship and reputation of the potential customer, and prevailing competitive and market conditions. The gross profit margin for each project will affect our financial performance, and each project has a different profit margin depending on various factors, including but not limited to the scale, complexity and specifications of the projects, our capacity, and the competitive conditions at the contract negotiation stage. Our overall gross profit margins for the three financial years ended 30 June 2013 amounted to approximately 22.9%, 32.4% and 44.4%, respectively.

Our customers may also request us to alter our scope of works or perform additional works further to the terms and scope of the original contract in the course of our project implementation. We estimate the costs of each variation order and may negotiate with the customers for charge of additional costs incurred for increase scope of work. Our revenue and margin may also be reduced if the scope of work is reduced. Variation orders may affect our margin as prices for additional purchases or subcontract services have to be negotiated with our suppliers and subcontractors, and we may not be able to maintain the same margin for a variation order as that for the original contract due to higher material costs or subcontracting fees.

Staff cost

Staff cost attribute the largest portion of our operating expenses during the Track Record Period. Staff cost is related to the salaries to our employees, the contribution to the CPF stipulated by regulations and also costs related to the employment of foreign workers. Our projects are dependent on labour to complete the electrical engineering works, and therefore, salary cost is a significant factor of our financial performance.

Fluctuation in cost of sales

The main components of our estimated project costs are purchases from our suppliers and subcontracting fees. We purchase materials from our suppliers, such as electrical cables, switchboards and light fittings supplies, which are in turn dependent on the prices of the underlying commodities, such as copper and polyvinyl chloride. We may also engage subcontractors for our projects. Certain portion of the project, such as the installation of underground piping system and cable ready system, are subcontracted to the respective subcontractors who have the requisite expertise and resources to install these specialised systems.

In our preparation of quotations, we will carry out internal costing and budgeting estimates of labour and supplies which are based on the quotations given by our suppliers and subcontractors, as well as our own estimation of costs to be incurred. Thereafter, the contract value, as quoted to the main contractor for a project, is arrived at by evaluating all related costs which include, *inter alia*, the indicative pricing of our suppliers and subcontractors. As the contract may be awarded (and hence, the contract valued committed) sometime subsequent to the date of quotation submission, there is a possibility that the actual prices obtained from our suppliers and subcontractors will be different. We do not enter into long-term contract with our suppliers, but usually will place a purchase order within six (6) months from the date the contract is signed, depending on the project schedule. The price that we pay to our suppliers is fixed at the time of issue of purchase order, and therefore, our exposure to subsequent fluctuation in the price of the materials is limited. Notwithstanding, price of materials make up a significant component of our cost of sales for the two financial years ended 30 June 2012, and fluctuation in its prices will impact our financial performance. For subcontractors, we will typically sign contracts with them upon within six (6) months of our contract with our customer. Our contracts with our customers do not permit any adjustment for escalation in the price of supplies or labour.

The following sensitive analysis illustrates the impact of hypothetical fluctuations of our cost of materials on our profit before tax during the Track Record Period. Fluctuations in our cost of materials are assumed to be 10%, 20% and 40%, which is commensurate with historical fluctuations in the prices of our major materials during the Track Record Period as derived from the fluctuation of our cost of materials which accounted for approximately 47.8%, 42.0% and 10.2% of our cost of sales for the three financial years ended 30 June 2013 respectively.

Hypothetical fluctuations	**+/-10%**	**+/-20%**	**+/-40%**
	S$	*S$*	*S$*
Increase/decrease in costs of material			
Financial year ended 30 June 2011	+/-1,197,728	+/-2,395,455	+/-4,790,911
Financial year ended 30 June 2012	+/-443,525	+/-887,050	+/-1,774,100
Financial year ended 30 June 2013	+/-105,677	+/-211,355	+/-422,709
Increase/decrease in profit before tax			
Financial year ended 30 June 2011	-/+1,197,728	-/+2,395,455	-/+4,790,911
Financial year ended 30 June 2012	-/+443,525	-/+887,050	-/+1,774,100
Financial year ended 30 June 2013	-/+105,677	-/+211,355	-/+422,709

For the three financial years ended 30 June 2013, our gross profit amounted to approximately S$7.5 million, S$5.1 million and S$8.3 million respectively. For illustrative purpose, we would have recorded a breakeven in our gross profit if the costs of our materials increased by approximately 62.2%, 113.9% and 783.9%, respectively, from the corresponding period.

Changes in laws and regulations governing the construction industry in Singapore

Our business is governed by the relevant regulations and licensing from BCA, EMA, MOM and IDA. Changes in laws and regulations governing our business may affect our profitability and financial performance, such as the change in foreign worker levy rates will affect our costs. A summary of the regulatory framework of M&E engineering business in Singapore is set out in the section headed "Regulatory overview" in this prospectus.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue and costs recognition

Revenue, and also costs related to the project, is recognised using the percentage of completion method, which is by reference to the stage of completion of the project at the end of the reporting period. The stage of completion is measured by reference to the actual value of work done to-date based on physical completion to the proportion of total revenue for the contract of the project. Both revenue and costs are recognised when the outcome of a project can be estimated reliably, in projects when (i) total revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the project will flow to our Group; (iii) the costs to complete the project and the stage of completion can be measured reliably; and (iv) the costs attributable to the project can be clearly identified and measured reliably so that actual project costs incurred can be compared with prior estimates. Should the outcome of a project not be estimated reliably (principally during early stages of a contract), revenue is recognised only to the extent of project costs incurred that are likely to be recoverable and such costs are recognised as expense in the period in which they are incurred.

Project costs include costs that relate directly to the specific project and costs that are attributable to project in general and can be allocated to the contract. Costs that relate directly to a project include but not limited to costs of materials, subcontracting fees and site labour costs (including site supervision), depreciation of equipment used on the project that are directly related to the project.

Gross amounts due from customers for contract work-in-progress

Projects in progress at the balance sheet date are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the balance sheet as the "Gross amount due from customers for contract work in progress" (as an asset) or the "Gross amount due to customers for contract work in progress" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables".

Share of results of jointly-controlled entity and associated companies

Investments in a jointly-controlled entity and associated companies are accounted for using the equity method of accounting. Our Company's share of its jointly-controlled entity and associated companies' post-acquisition profits or losses is recognised and where there has been a change recognised in other comprehensive income by the jointly-controlled entity and associated companies, our Group recognises its share of such changes in other comprehensive income. These post-acquisition movements are adjusted against the carrying amount of the investment.

For details of the significant accounting policies relating to our Group's financial information, please refer to Note 3 of the Accountants' Report set out in Appendix I to this prospectus.

RESULTS OF OPERATIONS

The following is a summary of the consolidated statements of comprehensive income of our Group for each of three financial years ended 30 June 2013, respectively, derived from the Accountants' Report set out in Appendix I to this prospectus.

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Revenue	32,522,617	15,609,071	18,660,508
Cost of sales	(25,069,464)	(10,556,584)	(10,376,929)
Gross profit	7,453,153	5,052,487	8,283,579
Other operating income	20,344	47,116	45,513
Expenses:			
— Administrative	(832,477)	(878,315)	(1,273,041)
— Other operating	(97,248)	(98,862)	(87,832)
— Finance	(132)	(82)	(620)
Share of results of a jointly-controlled entity	126,733	130,590	579,104
Share of results of associated companies	—	27,726	195,920
Profit before tax	6,670,373	4,280,660	7,742,623
Income tax expense	(1,083,953)	(611,092)	(1,201,053)
Profit for the year and total comprehensive income for the year	5,586,420	3,669,568	6,541,570

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth the revenue, other operating income and share of results of jointly-controlled entity and associated companies of our Group for each of the three financial years ended 30 June 2013, respectively:

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Revenue	32,522,617	15,609,071	18,660,508
Other operating income	20,344	47,116	45,513
Share of results of a jointly-controlled entity	126,733	130,590	579,104
Share of results of associated companies	—	27,726	195,920

Revenue

Our revenue which comprised mainly contract revenue recognised for the provision of our electrical engineering services in Singapore, amounted to approximately S$32.5 million, S$15.6 million and S$18.7 million for the three financial years ended 30 June 2013 respectively. We recognise revenue based on the stage of completion of the projects. The following table sets forth a breakdown of our revenue by the nature:

	Revenue For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Contract revenue[(1)]	32,509,489	15,571,169	18,628,674
Sale of goods[(2)]	13,128	37,902	31,834
Total	32,522,617	15,609,071	18,660,508

Notes:

(1) Contract revenue refers to revenue recognised from our projects.

(2) Sale of goods referred to sale of miscellaneous supplies.

The following table set forth our revenue breakdown by percentage of project completed during the financial year:

	Financial year ended					
	30 June 2011		**30 June 2012**		**30 June 2013**	
	Number of projects	**Revenue (approximate)** *(S$ million)*	**Number of projects**	**Revenue (approximate)** *(S$ million)*	**Number of projects**	**Revenue (approximate)** *(S$ million)*
By percentage of project completed during the financial year						
— Between 20% to 90%	11	32.1	4	12.3	5	16.5
— Beginning of project (less than 20%)	—	—	6	2.3	3	0.8
— End of project (less than 10%)	8	0.4	10	1.0	13	1.4
	19	32.5	20	15.6	21	18.7

Cost of sales

Cost of sales comprised project cost that is recognised using the percentage of completion method, and amounted to approximately S$25.1 million, S$10.6 million and S$10.4 million for the three financial years ended 30 June 2013 respectively. Our cost of sales is cost directly associated with the provision of services under our projects. Similar to our revenue recognition policy, we recognised cost of sales based on our budgeted cost of sales for the project and the stage of completion of the project. We will review the actual cost of sales incurred for our projects periodically and compare against our budgeted cost of sales to determine the extent of deviation, if any. Our actual cost of sales may deviate from the budget as the actual materials and the manhours used/incurred during the execution of the projects and during the defect liability period may vary as the projects progress. Based on this review, we will revise our cost of sales recognised for each project by making upward or downward revisions to the project's cost of sales. Due to the nature of our business, such revisions are typically made when the projects are substantially completed when a majority of the costs are committed and/or determined and at the end of the defect liability period when the final cost incurred during the defect liability period is determined. The table below sets forth a breakdown of our cost of sales by nature and percentage contribution to total costs for the periods indicated.

	For the financial year ended					
	30 June 2011		**30 June 2012**		**30 June 2013**	
	S$	*Approximate % to cost of sales*	*S$*	*Approximate % to cost of sales*	*S$*	*Approximate % to cost of sales*
Materials	11,977,277	47.8	4,435,250	42.0	1,056,773	10.2
Subcontracting fees	7,181,046	28.6	3,456,821	32.8	8,495,805	81.9
Staff costs	5,183,446	20.7	2,216,343	21.0	731,343	7.0
Others	727,695	2.9	448,170	4.2	93,008	0.9
Total	25,069,464	100.0	10,556,584	100.0	10,376,929	100.0

Materials include our purchases of electrical cables, switchboards and light fittings used in our electrical engineering projects. Subcontracting fees are costs in relation to the engagement of subcontractors for the installation of specialised systems or for part of our electrical engineering projects. Staff costs relate to costs related to our staff who work directly on-site such as project engineers, supervisors and foreign workers. Others include site overhead costs such as miscellaneous site expenditure for the establishment of temporary site offices, training fees in relation to site safety, uniforms and safety boots, consultancy fees, transportation fees and other sundry expenses.

For the financial year ended 30 June 2013, we incurred a higher percentage of subcontracting fees than other periods of the Track Record Period, which was primarily due to the subcontract of three projects for which materials purchased by subcontractors were included in the subcontracting fees.

The following table set forth our cost of sales breakdown by percentage of project completed during the financial year:

	Financial year ended					
	30 June 2011		30 June 2012		30 June 2013	
	Number of projects	Cost of sales (approximate) *(S$ million)*	Number of projects	Cost of sales (approximate) *(S$ million)*	Number of projects	Cost of sales (approximate) *(S$ million)*
By percentage of project completed during the financial year						
— Between 20% to 90%	11	25.1	4	9.1	5	15.3
— Beginning of project (less than 20%)	—	—	6	2.1	3	0.7
— End of project (less than 10%)	8	(1.0)	10	(1.6)	13	(5.8)
Other direct cost of sales not apportioned to projects[1]	—	1.0	—	1.0	—	0.2
		25.1		10.6		10.4

Note:

(1) These other direct costs comprised foreign workers related expenses and management fee charged by Victrad, our ultimate holding company, during the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore.

Gross Profit

Our gross profit was approximately S$7.5 million, S$5.1 million and S$8.3 million for the three financial years ended 30 June 2013, respectively. There is no segment reporting for our Group, and the gross profits were all in relation to our provision of electrical engineering services where gross profit margins differ from project to project.

Other operating income

Our other operating income comprised mainly gain on disposal of plant and equipment, interest income and sundry income. The disposal of plant and equipment was in relation to a used vehicle. Interest income relates to interest received on fixed deposits placed with financial institutions. Sundry income related to government grants. Other income amounted to S$20,344, S$47,116 and S$45,513 for the three financial years ended 30 June 2013, respectively.

The table below sets forth a breakdown of our other operating income for the periods indicated.

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

Administrative expenses

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Management fees	516,004	549,104	190,106
Employee benefits	222,672	272,451	519,511
Listing expenses	—	—	404,052
Others	93,801	56,760	159,372
Total	832,477	878,315	1,273,041

Administrative expenses comprised mainly management fees, employee benefits (mainly salaries, bonuses and CPF contributions) and listing-related expenses made by our Group. Others mainly include utilities, audit fees and printing and stationery. The increase in others was mainly attributable to the increase in our audit fee recognised during the financial year ended 30 June 2013 given that the Company has appointed new auditors in preparation of the Listing. Administrative expenses amounted to approximately S$0.8 million, S$0.9 million and S$1.3 million for the three financial years ended 30 June 2013 respectively, out of which, management fees amounted to approximately S$0.5 million, S$0.5 million and S$0.2 million respectively. A management fee was charged by Victrad to our Group relating mainly to the salaries of Mr Yeo and two of our senior management team whose salaries were recorded under Victrad during the transition period of our restructuring where Victrad became a holding company of Strike Singapore. Subsequent to the transfer of Mr Yeo to Strike Singapore in July 2012, the transfer of all the remaining staff who were involved in the activities of Strike Singapore to our Group had been completed in April 2013. Employee benefits include salaries, bonuses and CPF contributions which amounted to approximately S$0.2 million, S$0.3 million and S$0.5

million respectively. The higher employee benefits for the financial year ended 30 June 2013 was due to the transfer of staff from Victrad (including the transfer of Mr Yeo to Strike Singapore in July 2012). Our administrative expenses amounted to approximately 2.6%, 5.6% and 6.8% of our total revenue for the three financial years ended 30 June 2013, respectively.

For the financial year ended 30 June 2013, we had incurred and recognised S$0.4 million listing-related expenses in the profit and loss account. The total estimated expenses to be borne by our Company in relation to the Listing are approximately S$2.6 million (equivalent to approximately HK$15.9 million), of which approximately S$0.8 million (equivalent to approximately HK$4.8 million) is directly attributable to the issue of new Shares to the public and is to be accounted for as a deduction from equity upon Listing. The estimated expenses of approximately S$1.8 million (equivalent to approximately HK$11.1 million) include the amount of approximately S$0.4 million (equivalent to approximately HK$2.5 million) recognised during the Track Record Period and S$1.4 million (equivalent to approximately HK$8.6 million) which is expected to be charged to the profit or loss of our Group for the financial year ending 30 June 2014. The estimated listing-related expenses of our Group are subject to adjustments based on the actual amount of expenses incurred/to be incurred by our Company upon the completion of the Listing.

Other operating expenses

The following table sets forth a breakdown of our other operating expenses for the periods indicated:

	For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Depreciation	45,779	47,115	40,800
Maintenance of vehicle	14,807	15,593	14,216
Entertainment	25,355	30,236	25,723
Others	11,307	5,918	7,093
Total	97,248	98,862	87,832

Other operating expenses comprised mainly depreciation of plant and equipment, maintenance of vehicle and entertainment expenses. Others mainly include repair and maintenance, rental of office photocopy machine and telecommunication charges. Other operating expenses amounted to approximately S$0.1 million in each of the three financial years ended 30 June 2013 respectively, out of which, depreciation amounted to S$45,779, S$47,115 and S$40,800 respectively. Depreciation relate to the depreciation of our motor vehicles, computer and office equipment which remained relatively stable during the Track Record Period. Our other operating expenses amounted to approximately 0.3%, 0.6% and 0.5% of our total revenue for the three financial years ended 30 June 2013, respectively.

Finance expenses

Finance expenses comprised mainly bank charges and amounted to S$132, S$82 and S$620 for the three financial years ended 30 June 2013 respectively.

Share of results of a jointly-controlled entity

Our share of results of a jointly-controlled entity refers to our share of profits from YL. Our share of results amounted to S$126,733, S$130,590 and S$579,104 for the three financial years ended 30 June 2013 respectively.

Share of results of associated companies

Our share of results of associated companies refers to our share of profits from our two associated companies, namely NEK and SRM. Our share of results amounted to nil, S$27,726 and S$195,920 for the three financial years ended 30 June 2013 respectively.

Income tax expense

Since our operation is based in Singapore, our Group is liable to pay corporate income tax in accordance with the tax regulations of Singapore. Income tax expense of our Group amounted to approximately S$1.1 million, S$0.6 million and S$1.2 million for the three financial years ended 30 June 2013 respectively.

The statutory corporate tax rate in Singapore was 17.0% throughout the Track Record Period, while our corresponding effective tax rate were approximately 16.3%, 14.3% and 15.5% for the three financial years ended 30 June 2013, respectively. Our effective tax rate was lower than the statutory tax rates for the three financial years ended 30 June 2013 due to the non-taxable income, partial tax exemption and tax relief and over-provision of prior year income tax during the relevant periods. As set out in the section headed "Regulatory overview — Taxation — Corporate Tax" in this prospectus, 75% of up to the first S$10,000 of a company's normal chargeable income, and 50% of up to the next S$290,000 is exempt from corporate tax. Accordingly, we enjoyed partial tax exemption for the three financial years ended 30 June 2013. We also had tax relief from office equipment expenditure made to improve our productivity under the 'Productivity and Innovation Credit' scheme introduced by the Singapore government. We established our tax provision based on our estimation of tax payable. Where the final tax outcome is different from the amounts that were initially recognised, such differences will result in over/under provision in the period in which such determination is made.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Financial year ended 30 June 2013 compared to financial year ended 30 June 2012

Revenue

Our revenue increased by approximately S$3.1 million or 19.5%, from approximately S$15.6 million for the financial year ended 30 June 2012 to approximately S$18.7 million for the financial year ended 30 June 2013. The increase was primarily due to:

(a) higher revenue of approximately S$16.5 million recognised for five projects which had achieved significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2013 as compared to revenue of approximately S$12.3 million recognised for four projects which had achieved significant percentage of completion in the financial year ended 30 June 2012;

(b) higher revenue of approximately S$1.4 million from the thirteen projects completed or nearing completion in the financial year ended 30 June 2013 as compared to revenue of approximately S$1.0 million for the ten projects completed or nearing completion in the financial year ended 30 June 2012;

which were offset by

(c) lower revenue of approximately S$0.8 million recognised for three projects with lower percentage of completion (that is, less than 20% of the project completed in the financial year) in the financial year ended 30 June 2013 as compared to revenue of approximately S$2.3 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012.

Cost of sales

Although our revenue for the financial year ended 30 June 2013 was higher, our cost of sales decreased by approximately S$0.2 million or approximately 1.7%, from approximately S$10.6 million for the financial year ended 30 June 2012 to approximately S$10.4 million for the financial year ended 30 June 2013. The lower cost of sales was attributed mainly to:

(a) higher cost of sales of approximately S$15.3 million recognised for five projects which had achieved significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2013 as compared to the cost of sales of approximately S$9.1 million recognised for four projects which had achieved significant percentage of completion in the financial year ended 30 June 2012;

which were offset by

(b) lower general cost of sales (not apportioned to various projects) of approximately S$0.2 million recognised in the financial year ended 30 June 2013 as compared to general cost of sales of approximately S$1.0 million recognised in financial year ended 30 June 2012;

(c) lower cost of sales by approximately S$4.2 million from a higher downward revision of cost of sales of approximately S$5.8 million for thirteen project accounts in the financial year ended 30 June 2013 as compared to approximately S$1.6 million for ten project accounts in the financial year ended 30 June 2012. The downward revisions were made as a result of (i) cost savings in materials; and (ii) better efficiencies in project management, resulting in less material used and manhours on the projects;

(d) lower cost of sales of approximately S$0.7 million recognised for three projects with lower percentage of completion (that is, less than 20% of the project completed in the financial year) for the financial year ended 30 June 2013 as compared to cost of sales of approximately S$2.1 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012.

Gross profit and gross profit margin

Our gross profit increased by approximately S$3.2 million or 64.0%, from approximately S$5.1 million for the financial year ended 30 June 2012 to approximately S$8.3 million for the financial year ended 30 June 2013. Our gross profit margin increased from approximately 32.4% to 44.4% during such period.

The increase in gross profit and gross profit margin was attributed to the higher revenue and the lower cost of sales, and can be explained through analysis of our projects as below:

	Financial year ended								
	30 June 2011			30 June 2012			30 June 2013		
	Number of projects	*Gross profit (approximate) (S$ million)*	*Gross profit margin contribution (%)*	*Number of projects*	*Gross profit (approximate) (S$ million)*	*Gross profit margin contribution (%)*	*Number of projects*	*Gross profit (approximate) (S$ million)*	*Gross profit margin contribution (%)*
By percentage of project completed during the financial year									
— Between 20% to 90%	11	7.1	21.8	4	3.2	20.7	5	1.2	6.3
— Beginning of project (less than 20%)	—	—	—	6	0.2	1.2	3	0.1	0.4
— End of project (less than 10%)	8	1.4	4.4	10	2.7	16.9	13	7.2	38.5
Gross profit/(loss) not apportioned to projects	—	(1.0)	N/A	—	(1.0)	N/A	—	(0.2)	N/A
		7.5			5.1			8.3	

The increase in gross profit and gross profit margin were primarily due to:

(i) for projects which were near to the end of projects, in particular for the thirteen projects in the financial year ended 30 June 2013, a gross profit of S$7.2 million was recorded which arose mainly due to the downward revision of costs of sales. This was due to cost savings in materials and project management efficiencies, resulting in less material used and manhours on the projects. The Group is able to achieve cost saving in materials used, for instance, the material costs are budgeted based on the blue prints given by the main contractors, in executing the project, the actual distance for routing the wires and cables may be shorter than budgeted, resulting less materials used. For project management efficiencies, the Group is able to deploy its workers efficiently based on the progress of the projects. For example, if one project is faster than scheduled and another project is slower than scheduled, the Group deploys the workers to commence working on the project that is running faster than scheduled rather than deploying the workers to standby at the project that is running slower than scheduled. Therefore, all manhours are used efficiently instead of left idle around the work sites. Conversely, for the financial year ended 30 June 2012, a lower gross profit of S$2.7 million was recorded for the ten projects which were near to the end of project. The difference between the two financial periods were due to timing of the projects, where more projects with higher downward revision of costs were recorded in the financial year ended 30 June 2013;

(ii) lower cost of sales not apportioned to projects by S$0.8 million from S$1.0 million for the financial year ended 30 June 2012 to S$0.2 million for the financial year ended 30 June 2013. This cost of sales arose due to lower foreign workers related expenses and management fee charged by Victrad as such expenses decreased towards the end of the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore. The lower cost of sales resulted in a higher gross profit in the financial year ended 30 June 2013; and

(iii) the above impact on the gross profit and gross profit margin was offset by projects which were completed between 20% to 90%. In particular, the five projects in the financial year ended 30 June 2013 recorded a gross profit of S$1.2 million whereas the four projects in the financial year ended 30 June 2012 recorded a gross profit of S$3.2 million. The four projects which were recorded in the financial year ended 30 June 2012 had contributed gross profit margin of 20.7%, and therefore resulted in a higher gross profit as compared to the five projects in the financial year ended 30 June 2013 which had contributed gross profit margin of 6.3% for the year. The gross profit margin was lower for the projects in the financial year ended 30 June 2013 as all five projects were lower than 20%, whereas there were three out of four projects of gross profit margins higher than 20% in the financial year ended 30 June 2012.

Other operating income

Our other operating income decreased by S$1,603 or 3.4%, from S$47,116 for the financial year ended 30 June 2012 to S$45,513 for the financial year ended 30 June 2013, which was primarily due to the absence of gain on disposal of plant and equipment for the financial year ended 30 June 2013, partly offset by S$18,915 of sundry income in relation to government grants for special employment credits and small medium enterprises grants.

Administrative expenses

Administrative expenses increased by S$0.4 million or 44.9%, from approximately S$0.9 million for the financial year ended 30 June 2012 to approximately S$1.3 million for the financial year ended 30 June 2013. The increase was primarily due to our listing expenses of approximately S$0.4 million incurred only during the financial year ended 30 June 2013, increase in employee benefits of S$0.2 million, increase in professional fees of approximately S$0.1 million, offset by the decrease in our management fees of approximately S$0.4 million.

Other operating expenses

Other operating expenses decreased by S$11,030 or approximately 11.2%, from S$98,862 for the financial year ended 30 June 2012 to S$87,832 for the financial year ended 30 June 2013. This was fairly consistent over the Track Record Period.

Share of results of a jointly-controlled entity

Our share of results of jointly-controlled entity increased by approximately S$0.4 million or 343.5%, from approximately S$0.1 million for the financial year ended 30 June 2012 to approximately S$0.6 million for the financial year ended 30 June 2013. The increase in share of results was attributed mainly to the contribution from YL, due to increase in projects that YL had secured and performed.

Share of results of associated companies

Our share of results of associated companies increased by approximately S$0.2 million or 606.6%, from approximately S$0.03 million for the financial year ended 30 June 2012 to approximately S$0.2 million for the financial year ended 30 June 2013. The increase in share of results was attributed mainly to the contribution from NEK, due to higher percentage of works completed for the projects that NEK had performed both from our subcontract and also contract secured from Independent Third Parties.

Income tax expense

Income tax expense increased by approximately S$0.6 million or 96.5%, from approximately S$0.6 million for the financial year ended 30 June 2012 to approximately S$1.2 million for the financial year ended 30 June 2013. Our effective tax rate was approximately 14.3% for the financial year ended 30 June 2012 and approximately 15.5%

for the financial year ended 30 June 2013. The effective tax rate for financial year ended 30 June 2013 increased slightly due to listing fees which were not deductible, which is partially offset by higher share of results of a jointly-controlled entity and associated companies which were recognised net of tax and over provision adjustment in respect of prior years in financial year ended 30 June 2012.

Profit and total comprehensive income for the year

Our profit and total comprehensive income for the year increased by approximately S$2.9 million or 78.3%, from approximately S$3.7 million for the financial year ended 30 June 2012 to approximately S$6.5 million for the financial year ended 30 June 2013. This was mainly attributable to the increase in gross profit by approximately S$3.2 million, and also due to increase share of results of jointly-controlled entity and associated companies by approximately S$0.6 million as discussed above.

Net profit margin

Our net profit margin increased from approximately 23.5% for the financial year ended 30 June 2012 to approximately 35.1% for the financial year ended 30 June 2013, due to the increase of approximately 78.3% in profit and total comprehensive income for the year, increase in gross profit margin from 32.4% to 44.4% during such period, and increase of an aggregate approximately 389.5% in share of results of jointly-controlled entity and associated companies.

Financial year ended 30 June 2012 compared to financial year ended 30 June 2011

Revenue

Our revenue decreased by approximately S$16.9 million or 52.0%, from approximately S$32.5 million in the financial year ended 30 June 2011 to approximately S$15.6 million for the financial year ended 30 June 2012. The decrease was primarily due to:

(a) lower revenue of approximately S$12.3 million recognised for four projects with significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2012 as compared to a revenue of approximately S$32.1 million recognised for 11 projects which had achieved significant percentage of completion in the financial year ended 30 June 2011;

which were offset by

(b) higher revenue of approximately S$2.3 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012 whereas there were no such start-up project revenue in the financial year ended 30 June 2011; and

(c) higher revenue of approximately S$1.0 million for the ten projects completed or nearing completion in the financial year ended 30 June 2012 as compared to revenue of approximately S$0.4 million for eight projects completed or nearing completion in the financial year ended 30 June 2011.

Cost of sales

Our cost of sales decreased by approximately S$14.5 million or 57.9%, from approximately S$25.1 million for the financial year ended 30 June 2011 to approximately S$10.6 million for the financial year ended 30 June 2012. The percentage decrease of our cost of sales was slightly higher than the percentage decrease in revenue due to the following reasons:

(a) lower cost of sales of approximately S$9.1 million recognised for four projects which had achieved significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2012 as compared to the cost of sales of S$25.1 million recognised for the eleven projects which had achieved significant percentage of completion in the financial year ended 30 June 2011; and

(b) lower cost of sales from a higher downward revision of cost of sales of approximately S$1.6 million for ten project accounts in the financial year ended 30 June 2012 as compared to approximately S$1.0 million for eight project accounts in the financial year ended 30 June 2011. The downward revisions were made as a result of (i) cost savings in materials; and (ii) better efficiencies in project management, resulting in less material used and manhours on the projects;

which were offset by

(c) higher cost of sales of approximately S$2.1 million recognised for six projects with lower percentage of completion (that is, less than 20% of the project completed in the financial year) in the financial year ended 30 June 2012 whereas there were no such start-up cost of sales in the financial year ended 30 June 2011.

Gross profit and gross profit margin

Our gross profit decreased by approximately S$2.4 million or 32.2%, from approximately S$7.5 million for the financial year ended 30 June 2011 to approximately S$5.1 million for the financial year ended 30 June 2012. Our gross profit margin increased from approximately 22.9% to 32.4% during such period.

The decrease in gross profit and increase in gross profit margin was attributable to the lower revenue and lower cost of sales, but higher than proportionate decrease in cost of sales as compared to revenue explained through analysis of our projects as below:

i) for projects which were completed between 20% to 90%, four projects in the financial year ended 30 June 2012 recorded a gross profit of S$3.2 million had contributed gross profit margin of 20.7%, whereas eleven projects in the financial year ended 30 June 2011 recorded a gross profit of S$7.1 million had contributed gross profit margin of 21.8%. This therefore accounted for the decrease in gross profit without significantly affecting the gross profit margin; and

which were offset by

ii) gross profit of approximately S$0.2 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012 whereas there was no such start-up project cost in the financial year ended 30 June 2011;

iii) for projects which were near to the end of projects, in particular for the ten projects in the financial year ended 30 June 2012, a gross profit of S$2.7 million was recorded which arose mainly due to the downward revision of costs of sales. This was due to cost savings in materials and project management efficiencies, resulting in less material used and manhours on the projects. Conversely, for the financial year ended 30 June 2011, a lower gross profit of S$1.4 million was recorded for the eight projects which were near to the end of project. The difference between the two financial periods were due to higher downward revision of costs recorded for the projects in the financial year ended 30 June 2012, which had a significant increase on our gross profit margin for the period.

Other operating income

Other operating income increased by S$26,772 or 131.6%, from S$20,344 in the financial year ended 30 June 2011 to S$47,116 for the financial year ended 30 June 2012, which was mainly due to gain on disposal of plant and equipment of S$25,933 in the financial year ended 30 June 2012 (as compared to nil in the preceding financial year).

Administrative expenses

Administrative expenses remained comparable between the financial year ended 30 June 2011 and 30 June 2012, with the main administrative expense component being management fees charged by Victrad relating mainly to the salaries of Mr Yeo and two of our senior management team whose salaries were recorded under Victrad during the transition period of our restructuring of Victrad's electrical engineering business to Strike Singapore.

Other operating expenses

Other operating expenses increased by S$1,614 or approximately 1.7%, from S$97,248 for the financial year ended 30 June 2011 to S$98,862 for the financial year ended 30 June 2012. This was fairly consistent during the financial years ended 30 June 2011 and 2012.

Share of results of a jointly-controlled entity

Our share of results of a jointly-controlled entity increased by S$3,857 or approximately 3.0%, from S$126,733 for the financial year ended 30 June 2011 to S$130,590 for the financial year ended 30 June 2012. The increase in share of results was attributable mainly to the contribution from YL, due to more projects secured as their customer base expanded.

Share of results of associated companies

Our share of results of associated companies increased by S$27,726 or 100.0%, from nil for the financial year ended 30 June 2011 to S$27,726 for the financial year ended 30 June 2012. The increase in share of results was attributable mainly to the contribution from SRM and NEK for projects secured subsequent to their incorporation in 2011.

Income tax expense

Income tax expense decreased by approximately S$0.5 million or 43.6%, from approximately S$1.1 million for the financial year ended 30 June 2011 to approximately S$0.6 million for the financial year ended 30 June 2012. Our effective tax rate was approximately 16.3% for the financial year ended 30 June 2011 and approximately 14.3% for the financial year ended 30 June 2012, due to an adjustment of S$60,605 in financial year ended 30 June 2012 for over provision in preceding year. Should this over-provision be adjusted in the financial year ended 30 June 2011, the effective tax rate would be 15.3% and 15.7% for the financial year ended 30 June 2011 and 2012 respectively and comparable.

Profit and total comprehensive income for the year

Our profit and total comprehensive income for the year decreased by approximately S$1.9 million or 34.3%, from approximately S$5.6 million for the financial year ended 30 June 2011 to approximately S$3.7 million for the financial year ended 30 June 2012. This was mainly attributable to the decrease in gross profit by approximately S$2.4 million, as discussed above.

Net profit margin

Our net profit margin increased from approximately 17.2% for the financial year ended 30 June 2011 to approximately 23.5% for the financial year ended 30 June 2012, due to the increase in gross profit margin from approximately 22.9% to approximately 32.4% during such period.

LIQUIDITY AND CAPITAL RESOURCES

Our business operation depends on the sufficiency of working capital and effective project cost management. Our source of funds for our operations mainly comes from our internal generated funds. Our primary uses of cash are for payment to suppliers, subcontractors and working capital needs. Upon the Listing, our sources of funds will be a combination of internal generated funds and net proceeds from the Share Offer. The following table is a condensed summary of our consolidated statements of cash flows for the periods indicated:

	For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Net cash flows generated from operating activities	9,327,877	4,039,726	1,972,034
Net cash flows (used in)/generated from investing activities	(275,273)	(67,367)	77,691
Net cash flows used in financing activities	(2,265,000)	(5,436,000)	(8,154,000)
Net increase/(decrease) in cash and cash equivalents	6,787,604	(1,463,641)	(6,104,275)
Cash and cash equivalents at the beginning of the year	8,029,687	14,817,291	13,353,650
Cash and cash equivalents at the end of the year	14,817,291	13,353,650	7,249,375

Operating activities

Net cash generated from/used in operating activities primarily consisted of profit before taxation adjusted for non-cash items, such as depreciation of plant and equipment, share of results from a jointly-controlled entity and associated companies and gain on disposal of plant and equipment. We derive our cash inflow from operations principally from project revenue. Our cash outflow used in operations is principally for payment to suppliers, subcontractors and working capital needs.

For the financial year ended 30 June 2013, our net cash generated from operating activities was approximately S$2.0 million. The net cash from operating activities was mainly attributable to our profit before taxation of approximately S$7.7 million, which was negatively adjusted primarily for (i) share of results of a jointly-controlled entity of approximately S$0.6 million; (ii) share of results of associated companies of approximately S$0.2 million; and (iii) interest income of S$26,598, and offset by a positive adjustment of S$40,800 from depreciation of plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cashflow of our Group.

The difference of approximately S$5.0 million between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) decrease in trade and other payables of approximately S$1.8 million mainly due to decrease in accruals for project costs of S$2.2 million resulting from the release of unused accrued project costs; (ii) increase in trade and other receivables of approximately S$1.1 million mainly due to increase in trade receivables from Independent Third Parties, in line with the increase in revenue; (iii) increase in amount due from customers for contract work in progress of approximately S$1.4 million, in line with the increase in revenue; and (iv) increase in prepayments of approximately S$0.1 million, and income tax paid of S$0.7 million.

For the financial year ended 30 June 2012, our net cash generated from operating activities was approximately S$4.0 million. The net cash from operating activities was mainly attributable to our profit before taxation of approximately S$4.3 million, which was negatively adjusted primarily for (i) share of results of a jointly-controlled entity of approximately S$0.1 million; (ii) share of results of associated companies of S$27,726; (iii) gain on disposal of plant and equipment of S$25,933; and (iv) interest income of S$20,599, offset by a positive adjustment of S$47,115 from depreciation of plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cashflow of our Group.

The difference of approximately S$0.1 million between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) an decrease in trade and other payables of approximately S$5.0 million due to decrease in accruals for project costs of S$2.7 million resulting from the release of unused accrued project costs; (ii) decrease in amount due from customers for contract work in progress of approximately S$4.9 million, in line with the decrease in revenue; (iii) decrease in trade and other receivables of S$1.1 million, in line with the decrease in revenue; and (iv) income tax paid of S$1.0 million.

For the financial year ended 30 June 2011, our net cash generated from operating activities was approximately S$9.3 million. The net cash from operating activities was mainly attributable to our profit before taxation of approximately S$6.7 million, which was negatively adjusted primarily for (i) share of results of a jointly-controlled entity of approximately S$0.1 million; and (ii) interest income of S$20,344, and offset by a positive adjustment of S$45,779 from depreciation of plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cashflow of our Group.

The difference of approximately S$2.8 million between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) an increase of in trade and other payables of approximately S$6.0 million due to increase in accruals for project costs of S$4.9 million, in line with the increase in revenue; (ii) an increase of approximately S$3.1 million in amount due from customers for work in progress, in line with the increase in revenue; (iii) decrease in trade and other receivables of approximately S$0.2 million due to shorter accounts receivable turnover days of 45 days; and (iv) income tax paid of S$0.4 million.

Investing activities

We derive our cash inflow from investing activities primarily from proceeds from disposal of plant and equipment and dividend distribution from a jointly-controlled entity. Our cash outflow used in investing activities is primarily for the purchase of plant and equipment, investment in a jointly-controlled entity and associated companies.

For the financial year ended 30 June 2013, our net cash generated from investing activities was S$77,691, due to dividend distribution of S$125,000 from a jointly-controlled entity, offset by our purchase of plant and equipment of S$22,309 and investment in jointly-controlled entity of S$25,000. This investment of S$25,000 was made for YL as additional proportional capital contribution due to increase of paid-up capital of YL.

For the financial year ended 30 June 2012, our net cash used in investing activities was S$67,367, due to purchase of plant and equipment of S$55,543, investment in associated company of S$50,000, offset by proceeds received from sale of plant and equipment of S$38,176. This investment of S$50,000 was made for SRM, for additional proportional capital contribution due to increase of paid-up capital of SRM.

For the financial year ended 30 June 2011, our net cash used in investing activities was S$275,273, due to our initial capital contribution in YL of S$100,000, initial capital contributions in SRM and NEK of S$150,000 and purchase of plant and equipment of S$25,273.

Financing activities

Our cash outflow used in financing activities is principally due to the payment of dividends.

For the financial year ended 30 June 2013, our net cash used in financing activities was approximately S$8.2 million, due to the payment of dividends from Strike Singapore to Victrad.

For the financial year ended 30 June 2012, our net cash used in financing activities was approximately S$5.4 million due to the payment of dividends, as described above.

For the financial year ended 30 June 2011, our net cash used in financing activities was approximately S$2.3 million due to the payment of dividends, as described above.

INDEBTEDNESS

As at 31 October 2013, being the latest practicable date for the purpose of indebtedness statement in this prospectus, and during the Track Record Period, our Group had no outstanding indebtedness.

We did not have any finance lease nor outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, outstanding as at 31 October 2013. Our Directors confirmed that there has not been any material change in our indebtedness since 1 November 2013 and up to the Latest Practicable Date.

Our Directors confirmed that we had not experienced difficulties in meeting obligations during the Track Record Period and there is no bank overdraft or bank loan facility, and consequently, no covenant which would adversely affect our Group's ability to undertake additional debt or equity financings.

CAPITAL EXPENDITURES

During the Track Record Period, our Group's capital expenditures have principally consisted of expenditures on computer, motor vehicles, office equipment and site equipment. We incurred capital expenditures in the amounts of S$25,273, S$55,543 and S$22,309 for the three financial years ended 30 June 2013, respectively.

CONTRACTUAL COMMITMENTS

As at 30 June 2011, 30 June 2012, 30 June 2013 and the Latest Practicable Date, our Group's obligations under operating lease commitments were repayable as follows:

		As at		
	30 June 2011	**30 June 2012**	**30 June 2013**	**Latest Practicable Date**
	S$	*S$*	*S$*	*S$*
Within a year	—	—	—	114,000
After one year but within five years	—	—	—	114,000
	—	—	—	228,000

The above operating lease commitments were in relation to our rental of premises from Victrad. The lease for our rental premise has a tenure of two years. None of the leases includes contingent rentals. As at the Latest Practicable Date, we only have the operating lease commitments for our premise.

Our Group also did not have any finance lease commitment as at 30 June 2011, 2012, 2013 and the Latest Practicable Date.

CURRENT ASSETS AND LIABILITIES

The table below sets out selected information for our current assets and current liabilities as at 30 June 2011, 30 June 2012, 30 June 2013 and 31 October 2013:

	As at			
	30 June 2011	**30 June 2012**	**30 June 2013**	**31 October 2013**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
Current assets				
Gross amount due from customers for contract work in progress	10,357,491	5,499,240	6,855,403	7,238,992
Inventories	69,870	63,442	57,694[(1)]	61,008
Prepayments	—	23,393	131,699	934,998
Trade and other receivables	2,730,641	2,201,290	2,822,189	3,682,410
Cash and short-term deposits[(2)]	14,817,291	13,353,650	7,249,375	7,095,961
Current liabilities				
Income tax payable	(1,083,472)	(671,697)	(1,190,632)	(1,167,874)
Trade and other payables	(21,539,629)	(16,489,936)	(14,717,534)	(15,128,646)
Net current assets	5,352,192	3,979,382	1,208,194	2,716,849
Non-current assets				
Interests in a jointly-controlled entity	226,733	357,323	836,427	949,752
Interests in associated companies	150,000	227,726	423,646	528,385
Plant and equipment	152,772	148,957	130,466	116,730
Trade and other receivables	1,284,000	685,877	1,207,500	1,207,500
Non-current liabilities				
Deferred tax liabilities	—	—	(19,398)	(19,398)
Net assets	7,165,697	5,399,265	3,786,835	5,499,818

Notes:

(1) As at the Latest Practicable Date, 70.92% of the inventories as at 30 June 2013 were sold/used.

(2) As at 30 June 2011, 2012 and 2013, cash at banks and short-term deposits amounting to S$10,794,341, S$11,810,746 and S$3,735,645, respectively, were held in trust on behalf of our Group by our Executive Directors, our senior management and Victrad. This was because Strike Singapore did not have fixed deposit accounts and there were times where Strike Singapore had excess funds in its non-interest bearing current account. Hence, in the interest of time, our management transferred such excess funds to the existing fixed deposits account of (i) Victrad; (ii) a joint-account of the two Executive Directors; and (iii) a joint-account of one Executive Director and a member of our senior

management. The transfers allowed our Group to divest our risk of placing our deposits with one bank and received additional interest on the excess funds. We have discontinued such practice with effect from 23 July 2013.

We recorded net current assets of approximately S$5.4 million, S$4.0 million and S$1.2 million as at 30 June 2011, 2012 and 2013, respectively. Net current assets decreased from approximately S$5.4 million as at 30 June 2011 to approximately S$4.0 million as at 30 June 2012 and decreased to approximately S$1.2 million as at 30 June 2013. The decrease of net current assets of approximately S$1.4 million from as at 30 June 2011 to 30 June 2012 was primarily due to (i) the decrease in gross amount due from customers for contract work in progress from approximately S$10.4 million as at 30 June 2011 to approximately S$5.5 million as at 30 June 2012; (ii) decrease in trade and other receivables from approximately S$2.7 million as at 30 June 2011 to S$2.2 million as at 30 June 2012; and (iii) decrease in cash and short-term deposits from approximately S$14.8 million as at 30 June 2011 to approximately S$13.4 million as at 30 June 2012. This decrease was partly offset by decrease in trade and other payables from approximately S$21.5 million as at 30 June 2011 to approximately S$16.5 million as at 30 June 2012 and decrease in income tax payable from approximately S$1.1 million as at 30 June 2011 to approximately S$0.7 million as at 30 June 2012.

Net current assets decreased from approximately S$4.0 million as at 30 June 2012 to approximately S$1.2 million as at 30 June 2013. The decrease of net current assets of approximately S$2.8 million from as at 30 June 2012 to 30 June 2013 was primarily due to the (i) decrease in cash and short-term deposits from approximately S$13.4 million as at 30 June 2012 to approximately S$7.2 million as at 30 June 2013; and (ii) increase in income tax payable from approximately S$0.7 million as at 30 June 2012 to approximately S$1.2 million as at 30 June 2013. This decrease was partly offset by the (i) increase in gross amount due from customers for contract work in progress from approximately S$5.5 million as at 30 June 2012 to approximately S$6.9 million as at 30 June 2013; (ii) increase in trade and other receivables from approximately S$2.2 million as at 30 June 2012 to approximately S$2.8 million as at 30 June 2013; and (iii) decrease in trade and other payables from approximately S$16.5 million as at 30 June 2012 to approximately S$14.7 million as at 30 June 2013.

Net current assets increased from approximately S$1.2 million as at 30 June 2013 to approximately S$2.7 million as at 31 October 2013. The increase of net current assets of approximately S$1.5 million from as at 30 June 2013 to 31 October 2013 was primarily due to (i) an increase in trade and other receivables from approximately S$2.8 million as at 30 June 2013 to approximately S$3.7 million as at 31 October 2013; and (ii) an increase in gross amount due from customers for contract work in progress from approximately S$6.9 million as at 30 June 2013 to approximately S$7.2 million as at 31 October 2013, partially offset by increase in trade and other payables from approximately S$14.7 million as at 30 June 2013 to approximately S$15.1 million as at 31 October 2013.

CERTAIN BALANCE SHEET ITEMS

Gross amount due from customers for contract work in progress

Our revenue from projects is recognised based on the percentage of completion of the project, and this is determined after considering the relationship of value of work done to-date to total contract value. There is normally a timing difference between the completion of site works and the issuance of progress claims and invoices to our customers. Gross amount due from customers for contract work in progress represents the surplus derived when the contract costs incurred to date plus recognised profits less recognised losses exceed progress billings.

	As at		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Gross amount due from customers for contract work in progress	10,357,491	5,499,240	6,855,403

The gross amount due from customers for contract work in progress are usually affected by our revenue, the volume and value of electrical engineering works we performed close to the end of each reporting period and the timing of receiving progress payments, and thus vary from period to period.

Trade and other receivables (current assets)

Our trade and other receivables as at 30 June 2011, 30 June 2012 and 30 June 2013 were approximately S$2.7 million, S$2.2 million and S$2.8 million respectively, of which a breakdown is set out below:

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

Note:

(1) These trade receivables were fully settled on or before 31 August 2013.

Trade receivables decreased from approximately S$2.5 million as at 30 June 2011 to approximately S$2.1 million as at 30 June 2012 and increased to approximately S$2.8 million as at 30 June 2013, which was in line with our revenue trend during the Track Record Period. Trade receivables are non-interest bearing and generally due within 30 to 90 days from the date of invoice or monthly payment claim. Amount due from a jointly-controlled entity and associated companies related sales of materials to them. Our contracts typically provide for a retention sum of 10% with each progress payment, up to a maximum of 5% of the contract value. Half of this retention sum shall be released upon practical completion, and the balance amount shall be released upon final completion. In line with the progress of our projects, the balance of our retention sum receivables increased from approximately S$1.3 million as at 30 June 2011 to approximately S$1.8 million as at 30 June

2012 and decreased to approximately S$1.6 million as at 30 June 2013. All of the trade and other receivables were not impaired as at 30 June 2011, 30 June 2012 and 30 June 2013 and expected to be recovered within one year.

The ageing analysis of trade receivables that are past due but not impaired (excluding retention sum receivables) is as follows:

		As at	
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Less than 30 days	17,027	439	15,836
30 to 60 days	1,282	2,706	—
More than 61 days	8,383	18,588	8,256
Total	26,692	21,733	24,092

As at 30 June 2011, 2012 and 2013, approximately S$0.03 million, S$0.02 million and S$0.02 million, respectively, representing approximately 1.06%, 1.04% and 0.86% of our trade receivables, respectively, were past due but not impaired. Based on our experience, our Directors are of the view that no impairment allowance is necessary in respect of these overdue balances as there has not been significant change in credit quality of our customers and the balances are considered fully recoverable.

Approximately S$1.2 million or 100% of trade receivables (excluding retention sum receivables) as at 30 June 2013 had been subsequently settled as at the Latest Practicable Date.

For the three financial years ended 30 June 2013, the average trade receivable turnover days were 45 days, 77 days and 66 days respectively. The shorter trade receivable turnover days for the financial year ended 30 June 2011 was primarily due to the prompt settlement of receivables before the year-end date of 30 June 2011.

Our other receivables decreased from approximately S$0.2 million as at 30 June 2011 to approximately S$0.1 million as at 30 June 2012 to approximately S$0.03 million as at 30 June 2013. Advances to staff mainly were performance bonuses paid earlier to certain staff. The advances to staff decreased from S$101,950 as at 30 June 2011, to S$42,995 as at 30 June 2012 and further decreased to S$1,500 as at 30 June 2013. The advances to staff decreased due to the settlement of these advances. Amounts due from Victrad as at 30 June 2011 represent advances to Victrad, which had been settled in financial year ended 30 June 2012. Amounts due from Victrad as at 30 June 2012 represented amount owing for the sale of vehicle to Victrad. The deposits relate to deposits placed for our workers' dormitory and decreased during the Track Record Period due to lower number of foreign workers, as our foreign workers joined YL, NEK and SRM in connection with their setting up.

Out of our other receivables which amounted to approximately S$0.03 million as at 30 June 2013, approximately S$1,512 had been subsequently settled as at the Latest Practicable Date.

Based on the progress of the projects, our Company estimated the retention sum receivables (including both the current and non-current portion) to be recovered as follows:

		As at	
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Recoverable within 1 year	1,286,387	1,786,376	1,605,535
Recoverable in 1 to 2 years	715,000	531,100	717,500
Recoverable in 2 to 3 years	569,000	59,777	490,000
Recoverable after 3 years	—	95,000	—
	2,570,387	2,472,253	2,813,035

None of our Group's customers has defaulted in their payment obligations during the Track Record Period and up to the Latest Practicable Date and the retention sum receivables were settled in accordance with the terms of respective contracts.

Prepayments

Prepayments relate to our insurance, workers' dormitory and listing expenses. Our prepayment increased from nil as at 30 June 2011 to S$23,393 as at 30 June 2012 and to S$131,699 as at 30 June 2013, which was mainly due to insurance prepayments and listing expenses.

Trade and other payables

Trade payables and accruals for project costs as at 30 June 2011, 30 June 2012 and 30 June 2013 were approximately S$21.1 million, S$16.3 million and S$14.4 million respectively, of which a breakdown is set out below:

	As at		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Amount due to Independent Third Parties	1,711,289	204,732	574,897
Amount due to Victrad	673,153	49,258	26,590
Amount due to a jointly-controlled entity	6,420	19,504	—
Amount due to associated companies	—	17,329	7,152
	2,390,862	290,823	608,639[(1)]
Accruals for project costs	18,703,697	15,967,228	13,794,399
Total	21,094,559	16,258,051	14,403,038

Note:

(1) We have fully settled these trade payables on or before 31 August 2013.

Trade payables and accruals for project costs decreased from approximately S$21.1 million as at 30 June 2011 to approximately S$16.3 million as at 30 June 2012 and further decreased to approximately S$14.4 million as at 30 June 2013, which was due mainly to the downward revision of project costs resulting in a decrease in our accruals for project costs. Our amount due to Independent Third Parties comprised primarily amounts payable to our subcontractors and suppliers. The credit period granted by our subcontractors is normally 30 days upon receipt of their monthly progress claim and for suppliers, it is normally 30 to 90 days after issuance of their invoice. Our amount due to Independent Third Parties decreased from S$1.7 million as at 30 June 2011 to S$0.2 million as at 30 June 2012, and increased to S$0.6 million as at 30 June 2013, in line with our revenue. The amount due to Victrad related to management fees payable to them. The amount due to Victrad decreased from S$673,153 as at 30 June 2011 to S$49,258 as at 30 June 2012 and further decreased to S$26,590 as at 30 June 2013 due mainly to our restructuring as increased number of staff were employed under Strike Singapore. The amounts due to the jointly-controlled entity and associated companies relate to subcontracting fees payable.

For the three financial years ended 30 June 2013, the average trade payable turnover days were 81 days, 99 days and 101 days respectively. The longer trade payable turnover days of 99 days and 101 days for the two financial years ended 30 June 2013 than the credit term were mainly due to increase in purchase of materials during the period close to the year-end date and certain credit notes from suppliers not issued promptly to us. The delay in the issue of credit notes to us resulted in a longer time to make payments to these suppliers as we only make payment when the corresponding credit note is received. We normally settle the trade creditors after receipt of settlements from the trade debtors.

The following table sets out the details of our accruals and other payables as at the end of each financial year during the Track Record Period:

	As at		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Other payables			
Sundry payables	66,642	44,585	4,233
Accrued liabilities	84,422	110,849	239,970
Goods and services tax (GST) payables	294,006	76,451	70,293
Total	445,070	231,885	314,496

Sundry payables primarily consist of mainly monies withheld in connection our foreign workers' tax clearance and accrued liabilities are primarily accruals of CPF contribution, professional fees and provision for unutilised leave. Other payables decreased by approximately S$0.2 million, from approximately S$0.4 million as at 30 June 2011 to approximately S$0.2 million as at 30 June 2012, primarily due to decrease in GST payables which was in line with the decrease in revenue. Other payables increased by approximately S$0.1 million, from approximately S$0.2 million as at 30 June 2012 to approximately S$0.3 million as at 30 June 2013, which was mainly due to increase in accrued liabilities, relating to provision of professional fees.

Trade and other receivables (non-current assets)

Our trade and other receivables (non-current assets) as at 30 June 2011, 30 June 2012 and 30 June 2013 were approximately S$1.3 million, S$0.7 million and S$1.2 million respectively, of which comprised of retention sum receivables. Our contracts typically provide for a retention sum of 10% with each progress payment, up to a maximum of 5% of the contract value. Half of this retention sum shall be released upon practical completion, and the balance amount shall be released upon final completion. In line with the progress of our projects, the balance of our retention sum receivables decreased from approximately S$1.3 million as at 30 June 2011 to approximately S$0.7 million as at 30 June 2012 and increased to approximately S$1.2 million as at 30 June 2013.

Contingent liabilities

As at 31 October 2013, being the latest practicable date for the preparation of the indebtedness statement in this prospectus, we had the following contingent liabilities:

Guarantee issued

	S$
Security bonds to MOM in relation to our foreign workers	485,000
Joint guarantees with SRM given to our client in respect of foreign workers employed by SRM for a project	16,000
	501,000

Our Directors confirm that, taking into consideration our internal resources available to us as at the Latest Practicable Date, we have sufficient working capital for our requirements as at the Latest Practicable Date, including funds necessary to meet our contractual obligations, maintain our operations and complete our existing projects that were under progress as at the Latest Practicable Date. Our Directors are not aware of any other factors that would have a material impact on our Group's liquidity as at the Latest Practicable Date, including those that may materially and adversely affect our future cash requirements associated with trends known to our Group. As at the Latest Practicable Date, our Directors are not aware of any change in the applicable legal and regulatory requirements that would have a material adverse impact on our Group's liquidity.

Save as disclosed above, our Group had no material contingent liabilities and was not involved in any material legal proceedings. Our Directors are not aware of any pending or potential material legal proceedings involving our Group. If our Group is involved in such material legal proceedings, our Group will record contingency loss when, based on information then available, it is likely that a loss will incur and the amount of loss can be reasonable estimated.

KEY FINANCIAL RATIOS

		As at	
	30 June 2011	**30 June 2012**	**30 June 2013**
	times	*times*	*times*
Current ratio[(1)]	1.2	1.2	1.1
Gearing ratio[(2)]	—	—	—

	For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	%	*%*	*%*
Gross profit margin(3)	22.9	32.4	44.4
Profit before tax margin(4)	20.5	27.4	41.5
Net profit margin(5)	17.2	23.5	35.1
Return on total assets(6)	18.8	16.3	33.2
Return on equity(7)	78.0	68.0	172.7

	For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	Days	*Days*	*Days*
Average trade receivable turnover(8)	45	77	66
Average trade payable turnover(9)	81	99	101

Analysis regarding our average trade receivable turnover and average trade payable turnover can be found in the section headed "Financial information — Certain balance sheet items" in this prospectus.

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as at the respective financial year end.

(2) Gearing ratio is calculated by dividing total borrowings by total equity as at the respective financial year end. Our Group does not have any borrowings during the Track Record Period and as at the Latest Practicable Date.

(3) Gross profit margin is calculated by dividing gross profit by the revenue for the financial year.

(4) Profit before tax margin is calculated by dividing profit before tax by the revenue for the financial year.

(5) Net profit margin is calculated by dividing profit for the year and total comprehensive income for the year by the revenue for the financial year.

(6) Return on total assets is calculated by dividing profit for the year and total comprehensive income for the year by the total assets as at the respective financial year end.

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

(8) Average trade receivable turnover is calculated by dividing the average trade receivable (average of its opening and closing balances) by the revenue for the financial year and multiply by 365 days.

(9) Average trade payable turnover is calculated by dividing the average trade payable, less accruals for project costs (average of its opening and closing balances) by the total purchases for the financial year and multiply by 365 days.

Current ratio

Our Group's current ratio remained largely consistent at 1.1 to 1.2 times during the Track Record Period.

Gearing ratio

There was no gearing ratio recorded during the Track Record Period as there was no bank borrowing.

Gross profit margin and net profit margin

Please refer to the section headed "Financial information — Period to period comparison of results of operations" for analysis of profitability margins.

Return on total assets

Our return on total assets decreased from approximately 18.8% for the financial year ended 30 June 2011 to approximately 16.3% for the financial year ended 30 June 2012, which was mainly due to the decrease of our total assets by approximately 24.3% from approximately S$29.8 million as at 30 June 2011 to approximately S$22.6 million as at 30 June 2012 mainly due to decrease in gross amount due from customers as a result of less revenue recognised for the year while our profit for the year and total comprehensive income for the year decreased by a more-than-proportionate percentage of approximately 34.3% from approximately S$5.6 million for the financial year ended 30 June 2011 to approximately S$3.7 million for the financial year ended 30 June 2012. That was mainly because of the significant decrease in revenue from approximately S$32.5 million in financial year ended 30 June 2011 to approximately S$15.6 million in financial year ended 30 June 2012, representing a decrease of 52.0%.

Our return on total assets increased from approximately 16.3% for the financial year ended 30 June 2012 to approximately 33.2% for the financial year ended 30 June 2013, which was mainly due to the increase in our profit for the year and total comprehensive income for the year of approximately 78.3% from approximately S$3.7 million for the financial year ended 30 June 2012 to approximately S$6.5 million for the financial year ended 30 June 2013, while total assets decreased by approximately 12.6% from approximately S$22.6 million in the financial year ended 30 June 2012 to approximately S$19.7 million in the financial year ended 30 June 2013. This was mainly because of the significant increase in revenue of approximately 19.5%, or S$3.1 million, increase in share of results from associated companies and a jointly-controlled entity of approximately 389.5% or S$0.6 million and payment of dividends of S$8.2 million in the financial year ended 30 June 2013 which had lowered our total assets.

Return on equity

Return on equity decreased from approximately 78.0% for the financial year ended 30 June 2011 to approximately 68.0% for the financial year ended 30 June 2012, which was mainly due to the decrease of our total equity by approximately 24.7% from approximately S$7.2 million as at 30 June 2011 to approximately S$5.4 million as at 30 June 2012 while our profit for the year and total comprehensive income for the year decreased by a more-than-proportionate percentage of approximately 34.3% from approximately S$5.6 million for the financial year ended 30 June 2011 to approximately S$3.7 million for the financial year ended 30 June 2012. That was mainly due to same reason mentioned above that there was a significant decrease in revenue from approximately S$32.5 million in financial year ended 30 June 2011 to approximately S$15.6 million in financial year ended 30 June 2012, representing a decrease of 52.0%.

Return on equity increased from approximately 68.0% for the financial year ended 30 June 2012 to approximately 172.7% for the financial year ended 30 June 2013, which was mainly due to the decrease of our total equity by approximately 29.9% from approximately S$5.4 million as at 30 June 2012 to approximately S$3.8 million as at 30 June 2013 while our profit for the year and total comprehensive income for the year increased by approximately 78.3% from approximately S$3.7 million for the financial year ended 30 June 2012 to approximately S$6.5 million for the financial year ended 30 June 2013. This was mainly because of the significant increase in revenue of approximately 19.5%, or S$3.1 million, increase in share of results from associated companies and a jointly-controlled entity of approximately 389.5% or S$0.6 million and payment of dividends of S$8.2 million in the financial year ended 30 June 2013 which had lowered our total assets.

Average trade receivable turnover

For the three financial years ended 30 June 2013, the average trade receivable turnover days were 45 days, 77 days and 66 days respectively. The shorter trade receivable turnover days for the financial year ended 30 June 2011 was primarily due to the prompt settlement of receivables before the year-end date of 30 June 2011.

Average trade payable turnover

For the three financial years ended 30 June 2013, the average trade payable turnover days were 81 days, 99 days and 101 days respectively. The longer trade payable turnover days of 99 days and 101 days for the two financial years ended 30 June 2013 than the credit term were mainly due to increase in purchase of materials during the period close to the year-end date and certain credit notes from suppliers not issued promptly to us. The delay in the issue of credit notes to us resulted in a longer time to make payments to these suppliers as we only make payment when the corresponding credit note is received.

WORKING CAPITAL

Our Directors are of the opinion that, taking into consideration the internal resources presently available to our Group, and the estimated net proceeds of the Share Offer, our Group has sufficient working capital for our present requirements, that is, for at least the next 12 months commencing from the date of this prospectus.

GUARANTEE PROVIDED TO OUR GROUP BY CONTROLLING SHAREHOLDERS

Banking facilities

During the Track Record Period and as at the Latest Practicable Date, our Group did not have any banking facility.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set forth in Note 25 of the Accountants' Report in Appendix I to this prospectus, our Directors confirm that the related party transactions were arrived at after arm's length negotiation and that the terms of the arrangement were fair and reasonable and in the interest of our Company and our Shareholders as a whole.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Share Offer on the consolidated net tangible assets of our Group attributable to the equity holders of our Company as of 30 June 2013 as if the Share Offer had been completed on 30 June 2013.

This unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group as at 30 June 2013 or at any future dates following the Share Offer. It is prepared based on the consolidated net assets of our Group as at 30 June 2013 as derived from our consolidated financial information set forth in the Accountants' Report of our Group, the text of which is set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted net tangible assets does not form part of the Accountants' Report.

	Consolidated net tangible assets as at 30 June 2013	**Estimated net proceeds from the Share Offer**	**Unaudited pro forma adjusted net tangible assets**	**Unaudited pro forma adjusted net tangible assets per Share**
	S$	*S$*	*S$*	*S$*
Based on an Offer Price of HK$0.50 per Share	3,786,835	7,891,598	11,678,433	0.02 (equivalent to HK$0.11)

Notes:

(1) The consolidated net tangible assets as at 30 June 2013 is derived from the consolidated financial information set forth in the Accountants' Report set out in Appendix I to this prospectus, which is based on the consolidated net assets of our Group of S$3,786,835.

(2) The estimated net proceeds from the Share Offer are based on the indicative Offer Price of HK$0.50 per Share after deduction of the underwriting fees and other related expenses payable by our Company. The estimated net proceeds are converted into S$ at the rate of S$1 = HK$6.10.

(3) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to 30 June 2013.

(4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 640,000,000 Shares were in issue immediately following the completion of the Share Offer.

DISTRIBUTABLE RESERVES

The aggregate amount of the distributable reserves as at 30 June 2011, 30 June 2012 and 30 June 2013 of our Group were approximately S$5.7 million, S$3.9 million and S$2.3 million respectively.

DIVIDEND POLICY

For each of the three financial years ended 30 June 2013, Strike Singapore declared dividends of approximately S$7.7 million, nil and S$8.2 million, respectively, out of the distributable profit and all these dividends had been paid as at the Latest Practicable Date. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following Listing.

After completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Board. The payment and the amount of any dividends will be at the discretion of our Directors and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions (if any) and other factors which our Directors deem relevant. Our Group does not have a dividend policy.

Cash dividends on our shares, if any, will be paid in Hong Kong dollars. Other distributions, if any, will be paid to our shareholders by any means which our Directors deem legal, fair and practicable. Investors should note that historical dividend distributions are not indicative of our future dividend distribution policy.

FINANCIAL RISK MANAGEMENT AND FAIR VALUE

Credit risk management

Our Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at 30 June 2011, 30 June 2012 and 30 June 2013 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. Our Group's exposure to credit risk is primarily attributable to our trade and other receivables and cash and short-term deposits. In order to minimise the credit risk, our Group have established policies and systems for the monitoring and control of credit risk. Please refer to Note 28 of the Accountants' Report in Appendix I to this prospectus for further details.

Liquidity risk management

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

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there are no circumstances which, would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

OUR LATEST DEVELOPMENT SUBSEQUENT TO THE TRACK RECORD PERIOD AND NO MATERIAL ADVERSE CHANGE

Our business remained stable after the Track Record Period. Our Group did not experience any significant drop in revenue or a sharp increase in cost of sales and other costs subsequent to the Track Record Period as there were no changes to the general business model of our Group. Based on our unaudited management accounts, our unaudited revenue for the four months ended 31 October 2013 was approximately S$9.3 million which mainly attributable to revenue generated from projects engaged by Strike Singapore and revenue generated from project subcontracted to jointly-controlled entity and associated companies, which accounted for approximately 46% and 54% of our contract revenue respectively. Comparatively, our Group recorded an unaudited revenue of approximately S$4.8 million for the four months ended 31 October 2012 which was mainly attributable to revenue generated from projects engaged by Strike Singapore and revenue generated from project subcontracted to jointly-controlled entity and associated companies, which accounted for approximately 75% and 25% of our contract revenue respectively. The comparative advancement of our Group's revenue derived from our business for four months ended 31 October 2013 was primarily due to higher percentage of works done for the projects and accompanied by the increase in number of projects engaged with the jointly-controlled entity and associated companies. With the increase in revenue for the four months ended 31 October 2013, our gross profit increased to approximately S$2.1 million as compared with that for the four months ended 31 October 2012, which was approximately

S$1.8 million. However our gross profit margin was affected as a result of increase in proportion of revenue generated from the jointly-controlled entity and associated companies, which had a lower gross profit margin. Our gross profit margin decreased from approximately 36.4% for the four months ended 31 October 2012 to approximately 22.7% for the four months ended 31 October 2013. Our decrease in gross profit margin was mainly due to a (i) downward revision of project costs for some of the projects completed during the four months ended 31 October 2012; and (ii) the projects which we have subcontracted to our jointly-controlled entity and two associated companies with lower gross profit margin have recognised more revenue for the four months ended 31 October 2013. Since 1 July 2013 and up to the Latest Practicable Date, we were awarded 1 project with a contract value of approximately S$9.4 million which are expected to be completed in the financial year ending 30 June 2018. We also completed 1 project from 1 July 2013 up to the Latest Practicable Date.

The Directors confirm that we did not have any material non-recurring income or expenses for the four months ended 31 October 2013 save for certain expenses incurred in relation to the Listing.

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 1 July 2013 and there is no event since 1 July 2013 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus, in each case except as otherwise disclosed herein.

FUTURE PLANS AND PROSPECTS

See the sections headed "Business — Our business strategies" in this prospectus for a detailed description of our business strategies and future plans.

USE OF PROCEEDS

The aggregate net proceeds from the Share Offer (after deducting underwriting fees and estimated expenses in connection with the Share offer and assuming an Offer Price of HK$0.50 per Share) will be approximately HK$48.1 million. Our Directors intend to apply the net proceeds from the Share Offer as follows:

— approximately HK$25.3 million, such amount is expected to be utilised by the end of financial year ending 30 June 2015, representing approximately 52.6% of the net proceeds, will be used for purchase of materials as we increase the number and/or scale of projects that we secure;

— approximately HK$8.0 million, such amount is expected to be utilised by the end of financial year ending 30 June 2015, representing approximately 16.6% of the net proceeds, will be used to expand our workforce to support our business expansion, both at the worksites (project supervisors, engineers, project in-charge and workers) and also at the back office to support our projects;

— approximately HK$5.0 million, such amount is expected to be utilised by the end of financial year ending 30 June 2016, representing approximately 10.4% of the net proceeds, will be used as capital contribution to maintain our existing shareholding percentage in YL, NEK and SRM;

— approximately HK$5.0 million, such amount is expected to be utilised by the end of financial year ending 30 June 2016, representing approximately 10.4% of the net proceeds, will be used to expand our market share through formation of new companies by way of capital contribution; and

— the remaining approximately HK$4.8 million, such amount is expected to be utilised by the end of financial year ending 30 June 2015, representing approximately 10% of the net proceeds as general working capital.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds into short-term demand deposits with authorised financial institutions and/or licensed banks in Singapore/Hong Kong.

We will bear the underwriting commissions, SFC transaction levy and Stock Exchange trading fee payable by us in connection with the issue of the new Shares together with any applicable fees relating to the Share Offer. The Selling Shareholder will be responsible for the underwriting commissions attributable to the Sale Shares, together with Stock Exchange trading fees, SFC transaction levy and any applicable fees in respect of the Sale Shares. Based on the Offer Price, we estimate that the Selling Shareholder will receive net proceeds of approximately HK$14.9 million, after deducting the underwriting commissions and fees payable by the Selling Shareholder in respect of the Sale Shares. We will not receive the net proceeds from the sale of the Sale Shares by the Selling Shareholder in the Placing.

PUBLIC OFFER UNDERWRITERS

Bookrunner

Pacific Foundation Securities Limited

Joint Lead Managers

Grand Vinco Capital Limited
Pacific Foundation Securities Limited

Co-Managers

Kingsway Financial Services Group Limited
Shenyin Wanguo Capital (H.K.) Limited

Public Offer Underwriters

Grand Vinco Capital Limited
Pacific Foundation Securities Limited

Kingsway Financial Services Group Limited
Shenyin Wanguo Capital (H.K.) Limited

PUBLIC OFFER UNDERWRITING ARRANGEMENTS

Public Offer

Pursuant to the Public Offer Underwriting Agreement, our Company has agreed to offer the Public Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to, among other conditions, the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus by the Listing Committee and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares now being offered which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement.

Grounds for termination

The obligations of the Public Offer Underwriters to subscribe or procure subscribers for the Public Offer Shares are subject to termination if certain events, including force majeure, shall occur at any time at or before 8:00 a.m. (Hong Kong time) on the Listing Date. The Bookrunner (for itself and on behalf of the other Public Offer Underwriters) has the right, in its sole and absolute discretion, to terminate the obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement if it sees fit upon the occurrence of, but not limited to any of the following events:

(a) there has come to the notice of the Joint Lead Managers:

(i) that any statement contained in this prospectus or the Application Forms, considered by the Bookrunner and/or the Sole Sponsor (for itself and on behalf of the other Public Offer Underwriters) in its/their sole and absolute opinion to be material in relation to the Share Offer, was, when the same was issued, or has become, untrue, incorrect or misleading in any respect or that any forecasts, expressions of opinion, intention or expectation expressed in the web proof information pack, this prospectus and/or the Application Forms and/or any announcements issued by our Company in connection with the Share Offer (including any supplement or amendment thereto), was, when it was made, not honestly made in any respect; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a misstatement in a material respect or a material omission therefrom as considered by the Bookrunner (for itself and on behalf of the other Public Offer Underwriters) in its sole and absolute opinion to be material to the Share Offer; or

(iii) any breach of any of the obligations imposed upon any party to the Public Offer Underwriting Agreement or the Placing Agreement (other than on any of the Underwriters); or

(iv) any breach, considered by the Bookrunner (for itself and on behalf of the other Public Offer Underwriters) in its sole and absolute opinion to be material in the context of the Share Offer, of any of the representations, warranties and undertakings given by our Company, our Executive Directors and Controlling Shareholders contained in the Public Offer Underwriting Agreement to be untrue, incorrect, inaccurate or misleading in any respect; or

(v) any change or development involving a prospective change in the conditions, business affairs, prospects, profits, losses or the financial or trading position or performance of any members of our Group which is considered by the Bookrunner (for itself and on behalf of the Public Offer Underwriters) in its sole and absolute opinion to be material in the context of the Share Offer; or

(vi) approval by the Listing Committee of the listing of, and permission to deal in, the Shares 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

(vii) our Company withdraws this prospectus and the Application Forms (and/or any other documents used in connection with the contemplated subscription and sale the Offer Shares) or the Share Offer; or

(viii) any person (other than any of the Public Offer Underwriters) has withdrawn or sought to withdraw its consent to being named in this prospectus and the Application Forms or to the issue of this prospectus and the Application Forms; or

(ix) other than with the approval of the Bookrunner, the issue or requirement to issue by our Company of any supplement or amendment to this prospectus and the Application Forms (or to any other documents used in connection with the contemplated subscription and sale of the Offer Shares) pursuant to the Companies Ordinance, the Listing Rules, the SFO or any other applicable laws, or any requirement or request of the Stock Exchange and/or the SFC where the matter to be disclosed is, in the sole and absolute opinion of the Bookrunner (for itself and on behalf of the Public Offer Underwriters), materially adverse to the marketing or implementation of the Share Offer; or

(x) any prohibition on our Company by a governmental authority for whatever reasons from offering, allotting, issuing or selling of the Offer Shares pursuant to the terms of the Share Offer; or

(b) there shall develop, occur, exist or come into effect:

(i) any change or development involving a prospective change, or any event or series of events resulting in or representing a change or development involving a prospective change, in local, national, regional or international financial, political, military, industrial, economic, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a revaluation or devaluation of the Singapore dollars or Hong Kong dollars against any foreign currencies, respectively) in or affecting Hong Kong, China, the United States, Singapore, the Cayman Islands or any relevant jurisdiction (collectively, the "Relevant Jurisdictions" and individually, a "Relevant Jurisdiction"); or

(ii) any new law or regulation or any change or development involving a prospective change in 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 (whether or not covered by insurance or responsibility has been claimed) including, without limitation, acts of government, strikes, lock-outs, fire, explosions, flooding, earthquakes, epidemics, pandemics, outbreaks of infections, diseases, Severe Acute Respiratory Syndrome (SARS) and Influenza A (H5N1) and any related or mutated forms of infectious diseases, civil commotions, economic sanctions, public disorder, social or political crises, acts of war, acts of terrorism, acts of God, accidents or interruptions or delays in transportation 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 suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ National Market, the Tokyo Stock Exchange, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Singapore Stock Exchange or (B) a general moratorium on commercial banking activities in New York, London, Tokyo, Hong Kong, the PRC, Singapore or the Cayman Islands declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any Relevant Jurisdiction; or

(vi) any change or development involving a prospective change in taxation or exchange controls, currency exchange rates or foreign investment regulations in any Relevant Jurisdiction adversely affecting an investment in the Shares; or

(vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(viii) any litigation, legal action or claim being threatened or instigated against any member of our Group; or

(ix) the commencement by any governmental, law enforcement agency, regulatory or political body or organisation of any action against any Director or any member of our Group or an announcement by any governmental, law enforcement agency, regulatory or political body or organisation that it intends to take any such action; or

(x) any 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

(xi) the chairman or chief executive officer of our Company vacating his position that leads to the circumstances where the operations of our Group will be materially and may, in the sole and absolute discretion of the Bookrunner (for itself and on behalf of the Public Offer Underwriters), be adversely affected; or

(xii) an order or petition for the winding up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or

(xiii) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Shares) or any aspect of the Share Offer with the Listing Rules, the Articles of Association, the Companies Ordinance, the Companies Law, the SFO or any other applicable Laws by any of the warrantors under the Public Offer Underwriting Agreement; or

(xiv) a valid demand by any creditor for repayment or payment of any indebtedness of our Company or any member of our Group or in respect of which our Company or any member of our Group is liable prior to its stated maturity; or

(xv) any change or development involving a prospective change, or a materialisation of, any of the risk factors set out in the section headed "Risk factors" in this prospectus,

which in each case in the sole and absolute opinion of the Bookrunner (for itself and on behalf of the other Public Offer Underwriters):

(1) is or will or could be expected to have an adverse effect on the general affairs, management, business, financial, trading or other condition or prospects of our Company or our Group as a whole; or

(2) has or will have or could be expected to have an adverse effect on the success, marketability or pricing of the Share Offer or the level of applications under the Public Offer or the level of interest under the Placing; or

(3) makes it impracticable, inadvisable or inexpedient for the Share Offer to proceed or to market the Share Offer or shall otherwise result in an interruption to or delay thereof; or

(4) has or will have the effect of making any part of the Public Offer Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Share Offer or pursuant to the underwriting thereof.

UNDERTAKINGS GIVEN TO THE STOCK EXCHANGE PURSUANT TO THE LISTING RULES

Undertaking by our Company

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 commencement of dealing), except in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertaking by our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to our Company that except pursuant to the Share Offer it will not and will procure that the relevant registered holder(s) will not:

(a) in the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is six months from the date on which dealings in the Shares commence on the Stock Exchange, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it is shown by this prospectus to be the beneficial owner, and

(b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a Controlling Shareholder of our Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to our Company that, within the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the date on which dealings in the Shares commence on the Stock Exchange, it will:

(i) When it pledges or charges any Shares beneficially owned by it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform us of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) When it receives indications, either verbal or written, from the pledgee or chargee any Shares that any of the pledged or charged Shares will be disposed of, immediately inform us of such indications.

UNDERTAKINGS PURSUANT TO THE PUBLIC OFFER UNDERWRITING AGREEMENT

Undertaking by our Company

We have undertaken with each of the Joint Lead Managers, the Bookrunner, the Sole Sponsor, the Co-Managers and the Public Offer Underwriters that, except pursuant to the Share Offer and the Capitalisation Issue, we will not, and will procure our subsidiaries will not, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time from the date of the Public Offer Underwriting Agreement and ending on the date which is six months after the Listing Date (the "First Six-Month Period"):

(a) 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 our share capital or other securities of our Group or any interest therein (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); or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other securities of our Group or any interest therein; or

(c) enter into any transaction with the same economic effect as any of the above transactions; or

(d) offer to or agree to do any of the foregoing or publicly announce any intention to do so.

In each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise and in the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the period of six months immediately following the First Six-month Period (the "Second Six-month Period"), our Company will take all reasonable steps to ensure that any such act will not create a disorderly or false market for the Shares or other securities of our Company.

Undertaking by our Controlling Shareholders

Each of our Controlling Shareholders has jointly and severally agreed and undertake with each of the the Sole Sponsor, the Joint Lead Managers, the Bookrunner, the Co-Managers and the Public Offer Underwriters that, except pursuant to the Share Offer and the Capitalisation Issue, none of our Controlling Shareholders will, and will procure that none of their relevant registered holder(s) and associates will, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) and unless in compliance with the Listing Rules,

(a) at any time during the First Six-Month Period:

(i) 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, make any short sale or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, any of the share or debt capital or other securities of our Company or any interest therein (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 capital or securities or any interest therein whether now owned or hereinafter acquired, directly or indirectly by any of our Controlling Shareholders (including holding as a custodian) or with respect to which any of our Controlling Shareholders has beneficial interest;

(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 the shares or other securities or any interest therein; or

(iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or

(iv) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraph (i) or (ii) or (iii) above, whether any such transaction described in paragraph (i) or (ii) or (iii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; and

(b) at any time during the Second Six-Month Period, each of our Controlling Shareholders will not enter into any of the foregoing transactions in paragraphs (a)(i) or (a)(ii) or (a)(iii) above if, immediately following such transaction, it will cease to be a controlling shareholder (as the term is defined in the Listing Rules) of our Company; and

(c) until the expiry of the Second Six-Month Period, in the event that any of our Controlling Shareholders enters or agrees or contracts to or publicly announces an intention to enter into the foregoing transactions above, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of our Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to our Company that, within the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the date on which dealings in the Shares commence on the Stock Exchange, it will:

(i) When it pledges or charges any Shares beneficially owned by it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform us of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) When it receives indications, either verbal or written, from the pledgee or chargee any Shares that any of the pledged or charged Shares will be disposed of, immediately inform us of such indications.

PLACING

In connection with the Placing, our Company and the Selling Shareholder will enter into the Placing Agreement with, *inter alia*, the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above. Under the Placing Agreement, the Placing Underwriters will severally agree to subscribe and/or purchase or procure subscribers and/or purchasers for the Placing Shares being offered pursuant to the Placing.

Potential investors should note that if the Placing Agreement is not entered into or is terminated, the Share Offer will not proceed.

COMMISSION AND EXPENSES

The Underwriters will receive an underwriting commission of 3.0% on the aggregate Offer Price of all the Offer Shares, out of which any sub-underwriting commission praecipium and selling concessions will be paid.

The underwriting commissions, documentation fee, listing fees, Stock Exchange trading fee and transaction levy, legal and printing and other professional fees and other expenses relating to the Share Offer which are estimated to be approximately HK$17 million in total, based on the Offer Price of HK$0.50 per Share, and approximately 93% is payable by our Company, and the remaining approximately 7% is payable by the Selling Shareholder with reference to the number of Sale Shares sold by it under the Share Offer.

UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for the obligations under the Underwriting Agreement, none of the Underwriters was interested, directly or indirectly, in any shares or securities in any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any shares or securities in any member of our Group.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

THE SHARE OFFER

The Share Offer comprises:

(i) the Public Offer of 16,000,000 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described in the section headed "Structure of the Share Offer — The Public Offer" below; and

(ii) the Placing of an aggregate of 144,000,000 Offer Shares (subject to reallocation as mentioned below).

Investors may apply for Offer Shares under the Public Offer or, if qualified to do so, apply for or indicate an interest for Offer Shares under the Placing, but may not do both.

The Offer Shares will represent 25% of the enlarged issued share capital of our Company immediately after completion of the Share Offer and the Capitalisation Issue.

PRICE PAYABLE ON APPLICATION

The Offer Price is HK$0.50 per Offer Share. If you apply for the Offer Shares under the Public Offer, you must pay the Offer Price of HK$0.50 per Offer Share plus a 1.0% brokerage fee, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy. This means a total of HK$2,525.21 is payable for every board lot of 5,000 Shares.

ANNOUNCEMENT OF THE BASIS OF ALLOCATIONS

The indication of the level of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be announced on Friday, 27 December 2013 in the South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) and the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.kingbostrike.com.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for Offer Shares will be conditional on, among other things:

(i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (subject only to allotment); and

(ii) the obligations of the Underwriters under the Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting Agreements,

in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be published by our Company in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on the next day following such lapse. In such eventuality, all application monies will be refunded, without interest, on the terms set out in the section headed "How to apply for Public Offer Shares — 12. Refund of application monies". In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving bank or other licensed 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 Friday, 27 December 2013 but will only become valid certificates of title at 8:00 a.m. on Monday, 30 December 2013 provided that (i) the Share Offer has become unconditional in all respects; and (ii) the right of termination as described in the section headed "Underwriting" in this prospectus has not been exercised.

SHARES WILL BE ELIGIBLE FOR CCASS

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

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

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

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. (Hong Kong time) on Monday, 30 December 2013, it is expected that dealing in the Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, 30 December 2013.

The Shares will be traded in board lots of 5,000 Shares each.

THE PUBLIC OFFER

Number of Offered Shares offered

The Public Offer is a fully underwritten public offer (subject to satisfaction or waiver of the other conditions provided in the Public Offer Underwriting Agreement and described in the paragraph headed "Conditions of the Share Offer" of this section) for the subscription in Hong Kong of, initially, 16,000,000 Offer Shares at the Offer Price (representing 10% of the total number of the Offer Shares initially available under the Share Offer). Subject to the reallocation of Offer Shares between the Placing and the Public Offer described below, the Public Offer Shares will represent 2.5% of our enlarged issued share capital immediately after completion of the Capitalisation Issue and the Share Offer.

Allocation

The Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. 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. The allocation of Public Offer Shares to investors will be based solely on the level of valid applications received under the Public Offer at the sole discretion of the Bookrunner.

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any Placing Shares in the Placing, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue, as the case may be.

Reallocation

The allocation of the Offer Shares between the Public Offer and the Placing is subject to the following reallocation in the event of over-subscription under the Public Offer:

- If the number of the Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Public Offer, then Placing Shares will be reallocated to the Public Offer from the Placing, so that the total number of the Public Offer Shares available under the Public Offer will be 48,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Share Offer;

- If the number of the Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Public Offer, then the number of Placing Shares to be reallocated to the Public Offer from the Placing will be increased so that the total number of the Public Offer Shares available under the Public Offer will be 64,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Share Offer; and

- If the number of the Offer Shares validly applied for under the Public Offer represents 100 times or more the number of the Offer Shares initially available for subscription under the Public Offer, then the number of Placing Shares to be re-allocated to the Public Offer from the Placing will be increased, so that the total number of the Public Offer Shares available under the Public Offer will be 80,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Share Offer.

If the Public Offer is not fully subscribed, the Bookrunner will have the discretion to reallocate to the Placing all or any unsubscribed Public Offer Shares in such numbers as it deems appropriate.

PLACING

Number of Offer Shares Offered

The number of the Offer Shares to be initially offered for subscription and/or purchase under the Placing will be 144,000,000 Offer Shares (comprising 112,000,000 New Shares for subscription and 32,000,000 Sale Shares for purchase), representing approximately 90% of the Offer Shares initially available under the Share Offer. The Placing is expected to be fully underwritten by the Placing Underwriters.

Allocation

The Placing will include selective marketing of Offer Shares to institutional and professional investors and/or other investors expected to have a sizeable demand for such Offer Shares. 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.

Pursuant to the Placing, the Placing Shares will be conditionally placed on our behalf (and on behalf of the Selling Shareholder) by the Placing Underwriters or through selling agents appointed by them. The Placing is subject to the Public Offer becoming unconditional.

Allocation of the Placing Shares to investors under the Placing will be determined by the Bookrunner 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 the relevant investor is likely to buy further, and/or hold or sell its Placing Shares after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of an appropriate shareholder base to our benefit and the benefit of the Shareholders as a whole.

The Bookrunner (for itself and on behalf of the Underwriters), may require any investor who has been offered Offer Shares under the Placing and who has made an application under the Public Offer to provide sufficient information to the Bookrunner so as to allow them to identify the relevant applications under the Public Offer and to ensure that such investor is excluded from any application of Offer Shares under the Public Offer.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Share Offer are recommended to consult their professional advisors if they are in any doubt as to the tax implications of subscription for, purchasing, holding, disposing of and dealing in our Shares. It is emphasised that none of our Group, the Joint Lead Managers, the Co-Managers, the Sole Sponsor, the Bookrunner, the Underwriters, any of our or their respective directors, agents or advisors or any other person involved in the Share Offer accepts responsibility for the tax effects on or liabilities resulting from your subscription for, purchase, holding, disposal of, or, dealing in our Shares.

HONG KONG SHARE REGISTER AND STAMP DUTY

Our Company's principal register of members will be maintained by our Company's share registrar in the Cayman Islands.

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

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of Shares will be paid to the shareholders listed on the Hong Kong branch register of members of our Company, by ordinary post, at the shareholders' risk, to the registered address of each shareholder of our Company.

1. HOW TO APPLY

If you apply for the Public Offer Shares, then you may not apply for or indicate an interest for the Placing Shares.

To apply for the Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application. Our Company, the Bookrunner and their respective agents and nominees may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY FOR THE PUBLIC OFFER SHARES

You can apply for the Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a Unites States Person (as defined in Regulation S); and
- are not a legal or natural person of the PRC.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorized officer, who must state his or her representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Company, the Bookrunner or their respective agents and nominees may accept or reject it at its discretion, and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four.

Unless permitted by the Listing Rules, you cannot apply for any Public Offer Shares if you are:

- an existing beneficial owner of Shares and/or any of our subsidiaries;
- a Director or chief executive officer of our Company and/or any of our subsidiaries;

- a connected person of our Company or will become a connected person of our Company immediately upon completion of the Share Offer;
- an associate of any of the above; and
- have been allocated or have applied for any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR THE PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, 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 Monday, 16 December 2013 until 12:00 noon on Thursday, 19 December 2013 from:

(i) any of the following address of the Hong Kong Underwriters:

Grand Vinco Capital Limited
Units 4909–4910, 49/F,
The Center, 99 Queen's Road Central,
Hong Kong

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

Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong

Shenyin Wanguo Capital (H.K.) Limited
28th Floor, Citibank Tower
Citibank Plaza
3 Garden Road
Central
Hong Kong

(ii) or any of the following branches of Standard Chartered Bank (Hong Kong) Limited:

	Branch Name	Address
Hong Kong Island	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	Wanchai Southern Branch	Shop C2 on G/F and 1/F to 2/F, Lee Wing Building, No. 156–162 Hennessy Road, Wanchai
Kowloon	Kwun Tong Hoi Yuen Road	G/F, Fook Cheong Building, No. 63 Hoi Yuen Road, Kwun Tong, Kowloon
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617–623 Nathan Road, Mongkok
	Tsimshatsui Branch	G/F, 8A–10 Granville Road, Tsimshatsui
New Territories	Tsuen Wan Branch	Shop C, G/F & 1/F, Jade Plaza, 298 Sha Tsui Road, Tsuen Wan

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 16 December 2013 until 12:00 noon on Thursday, 19 December 2013 from:

- the Depository Counter of HKSCC at 2nd Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong; or
- 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 "Horsford Nominees Limited — Kingbo Strike 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:

Monday, 16 December 2013	**—**	**9:00 a.m. to 5:00 p.m.**
Tuesday, 17 December 2013	**—**	**9:00 a.m. to 5:00 p.m.**
Wednesday, 18 December 2013	**—**	**9:00 a.m. to 5:00 p.m.**
Thursday, 19 December 2013	**—**	**9:00 a.m. to 12:00 noon**

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, 19 December 2013, the last application day or such later time as described in the paragraph headed "9. Effect of Bad Weather on the Opening of the Applications Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form, you:

(i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Joint Lead Managers (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies Ordinance, Cayman Islands Companies Laws 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 Share Offer in this prospectus;

(vi) agree that none of our Company, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers or any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;

(viii) agree to disclose to our Company, the Hong Kong Share Registrar, receiving bank, the Joint Lead Managers, the Bookrunner, the Co-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 Joint Lead Managers, the Bookrunner, the Co-Managers and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that our Company, the Directors and the Bookrunner and their respective agents and nominees will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the monies 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 at **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 Center
2/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are **not a CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Joint Lead Managers and the Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

- agree to accept the Public Offer Shares applied for or any lesser number allocated;

- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;

- 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 authorized to give those instructions as their agent;

- confirm that you understand that our Company, the Directors and the Bookrunner and their respective agents and nominees will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorize our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of our Company, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers or any other parties involved in the Share Offer is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, receiving bank, the Bookrunner, the Joint Lead Managers, the Co-Managers, 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 a Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is a 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 Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for the Public Offer Shares;

- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies 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 authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;

- instructed and authorized HKSCC to arrange payment of the 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, 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 authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 5,000 Public Offer Shares. Instructions for more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Monday 16 December 2013	**—**	**9:00 a.m. to 8:30 p.m.(1)**
Tuesday, 17 December 2013	**—**	**8:00 a.m. to 8:30 p.m.(1)**
Wednesday, 18 December 2013	**—**	**8:00 a.m. to 8:30 p.m.(1)**
Thursday, 19 December 2013	**—**	**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 Monday, 16 December 2013 until 12:00 noon on Thursday, 19 December 2013 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, 19 December 2013, the last application day or such later time as described in the paragraph headed "9. Effect of Bad Weather on the Opening of the Application Lists" in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies 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 Ordinance (as applied by Section 342E of the Companies Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving banker, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

6. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Such facility is 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, the Directors, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Sole Sponsor and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, 19 December 2013.

7. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange. "Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

8. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for the Public Offer Shares.

You must pay the Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form in respect of a minimum of 5,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

9. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 19 December 2013. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, 19 December 2013 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", an announcement will be made in such event.

10. PUBLICATION OF RESULTS

Our Company expects to announce the indication of the level of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Friday, 27 December 2013 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), on the Company's website at **www.kingbostrike.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 Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our website at **www.kingbostrike.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Friday, 27 December 2013;
- from the designated results of allocations website at **www.unioniporesults.com.hk** with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, 27 December 2013 to 12:00 midnight on Thursday, 2 January 2014;
- by telephone enquiry line by calling 3443 6133 between 9:00 a.m. and 6:00 p.m. from Friday, 27 December 2013 to Thursday, 2 January 2014 (excluding Saturday, Sunday and Public Holiday); and
- in the special allocation results booklets which will be available for inspection during opening hours from Friday, 27 December 2013 to Tuesday, 31 December 2013 at all the receiving bank branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the

Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed "Structure of the Share Offer".

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

11. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a 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 Ordinance (as applied by Section 342E of the Companies 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 may withdraw their applications.

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, such acceptance will be subject to the satisfaction of such conditions.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Bookrunner 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 the Public Offer Shares is void:

The allotment of the Public Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Bookrunner believes that by accepting your application, it would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 100% of the Public Offer Shares initially offered under the Public Offer.

12. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the conditions of the Public Offer are not fulfilled in accordance with "Structure of the Share Offer — Conditions of the Share Offer" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Friday, 27 December 2013.

13. DISPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for (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 dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Friday, 27 December 2013. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier order(s).

Share certificates will only become valid at 8:00 a.m. on Monday, 30 December 2013 provided that the Share Offer has become unconditional and the right of termination described in the section headed "Underwriting — Public Offer Underwriting Arrangement — Grounds for Termination" section in this prospectus has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, 27 December 2013 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 authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized 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 dispatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Friday, 27 December 2013, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Friday, 27 December 2013, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Friday, 27 December 2013, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

  For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

  We will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 27 December 2013 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply via Electronic Application Instructions to HKSCC

Allocation of the Public Offer Shares

For the purposes of allocating the Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Friday, 27 December 2013 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 Public Offer Shares in the manner specified in "Publication of Results" above on Friday, 27 December 2013. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 27 December 2013 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Friday, 27 December 2013. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Friday, 27 December 2013.

14. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

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

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

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

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

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

16 December 2013

The Directors
Kingbo Strike Limited

Grand Vinco Capital Limited

Dear Sirs,

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

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

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

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

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

DIRECTORS' RESPONSIBILITY

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

REPORTING ACCOUNTANTS' RESPONSIBILITY

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

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

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

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

I. FINANCIAL INFORMATION

Consolidated Statements of Comprehensive Income

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

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

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

Consolidated Statements of Financial Position

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

Consolidated Statements of Changes in Equity

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

Consolidated Statements of Cash Flows

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

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

Statement of Financial Position

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

II. NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE INFORMATION

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

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

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

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

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

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

2.1 BASIS OF PRESENTATION

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

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

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

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

2.2 BASIS OF PREPARATION

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

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

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

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSS

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

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

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

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

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

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

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

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

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

— recognises the fair value of the consideration received;

— recognises the fair value of any investment retained;

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

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

Subsidiaries

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

Joint ventures

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

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

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

Associated companies

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

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

Impairment of non-financial assets

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

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

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

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

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

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

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

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

Property, plant and equipment and depreciation

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

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

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement of loans and receivables

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

Derecognition of financial assets

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement of loans and borrowings

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

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

Cash and cash equivalents

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

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

Contract revenue and costs

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

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

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

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

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

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

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

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

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

Revenue recognition

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

(a) Contract revenue

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

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

(b) Sale of goods

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

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

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

Income taxes

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

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Borrowing costs

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

Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

Segment reporting

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

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

Dividends

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

Foreign currencies

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

Judgments

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

(a) Impairment of non-financial assets

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

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

(b) Impairment of loans and receivables

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

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

(c) Interest in a jointly-controlled entity

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

(d) Interests in associated companies

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

Estimation uncertainty

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

Construction contracts

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

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

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

5. REVENUE

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

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

Information about major customers

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

6. OTHER OPERATING INCOME

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

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

8. PROFIT BEFORE TAX

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

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

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

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

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

(i) Independent non-executive directors

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

(ii) Executive directors

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

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

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

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

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

(3) Resigned as director of subsidiary in May 2013

(b) Five highest paid employees

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

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

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

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

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

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

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

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

10. INCOME TAX EXPENSE

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

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

Relationship between tax expense and accounting profit

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

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

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

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

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

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

11. DIVIDENDS

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

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

12. EARNINGS PER SHARE

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

13. PLANT AND EQUIPMENT

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

14. INTEREST IN A JOINTLY-CONTROLLED ENTITY

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

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

Detail of the jointly-controlled entity is as follows:

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

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

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

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

15. INTERESTS IN ASSOCIATED COMPANIES

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

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

Details of the associated companies are as follows:

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

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

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

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

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

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

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

17. INVENTORIES

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

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

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

18. TRADE AND OTHER RECEIVABLES

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

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

Trade receivables

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

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

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

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

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

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

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

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

19. CASH AND SHORT-TERM DEPOSITS

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

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

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

20. TRADE AND OTHER PAYABLES

Group

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

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

Trade payables/other payables

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

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

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

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

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

Company

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

21. DEFERRED TAX LIABILITIES

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

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

22. SHARE CAPITAL AND SHARE PREMIUM

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

* *HK$ — Hong Kong Dollar*

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

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

23. RESERVES

Group

Merger reserves

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

Company

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

Loss attributable to owners of the parent

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

24. INTEREST IN A SUBSIDIARY

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

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

25. RELATED PARTY TRANSACTIONS

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

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

(a) Recurring

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

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

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

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

(b) Non-recurring

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

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

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

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

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

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

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

(II) Other transactions with related parties

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

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

(III) Outstanding balances with related parties

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

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

(IV) Compensation of key management personnel of the Group

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

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

26. CONTINGENT LIABILITIES

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

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

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

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

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

27. FINANCIAL INSTRUMENTS

(i) Financial instruments by category

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

Group

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

Company

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

(ii) Fair values of financial instruments

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

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

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

Liquidity risk

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

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

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

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

Credit risk

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

Exposure to credit risk

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

Credit risk concentration profile

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

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

Capital management

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

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

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

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

29. SUBSEQUENT FINANCIAL STATEMENTS

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

30. EVENTS AFTER THE REPORTING PERIOD

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

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

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

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

The information sets out in this Appendix does not form part of the Accountants' Report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of our 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 CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of our unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Share Offer on the consolidated net tangible assets of the Group attributable to equity holders of the Company as if the share offer had taken place on 30 June 2013.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true and fair picture of the consolidated net tangible assets of the Group had the Share Offer been completed at 30 June 2013 or at any future dates.

	Consolidated net tangible assets attributable to the equity holders of the Company as of 30 June 2013(1)	**Forecast net proceeds from Global Offer Shares**(2)	**Unaudited pro forma adjusted consolidated net tangible assets**(3)	**Unaudited pro forma adjusted consolidated net tangible assets per Share**(3),(4)
	S$	*S$*	*S$*	*S$*
Based on an Offer Price of HK$0.50 per Share	3,786,835	7,891,598	11,678,433	0.02 (equivalent to HK$0.11)

Notes:

(1) The consolidated net tangible assets as of 30 June 2013 is extracted from the Accountants' Report set out in Appendix I to this prospectus.

(2) The forecast net proceeds from the Share Offer are based on an indicative Offer Price of HK$0.50 per Share after deduction of the underwriting fees and related expenses payable by our Company. The estimated net proceeds are converted into S$ at the rate of S$1 = HK$6.10.

(3) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2013.

(4) The unaudited pro forma adjusted consolidated net tangible assets per Share has been arrived at after making the adjustment referred to in this section above and on the basis that 640,000,000 Shares are in issue immediately following the completion of the Share Offer.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purposes of incorporation in this Prospectus, in respect of the pro forma financial information of the Group.

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

16 December 2013

To the Directors of Kingbo Strike Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Kingbo Strike Limited (the "Company") and its subsidiary (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 30 June 2013, and related notes as set out on page II-1 of the prospectus issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in notes 1 to 4.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the public offer and placing of shares of the Company on the Group's financial position as at 30 June 2013 as if the transaction had taken place at 30 June 2013. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 30 June 2013, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the 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* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the 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 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 accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* 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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the public offer and placing of shares of the Company on unadjusted financial information of the Group as if 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 transaction would have been as presented.

A reasonable assurance engagement to report on whether the 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 Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The 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 transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the 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 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 purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

Set out below is a summary of certain provisions of the Memorandum of Association and Articles of Association of our Company and of certain aspects of Cayman company law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 June 2013 under the Companies Law. The Memorandum of Association and the Articles of Association comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, *inter alia*, that the liability of members of our 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 our Company is established are unrestricted (including acting as an investment company), and that our 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 our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

(b) Our 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 adopted on 9 December 2013 to be effective conditional upon the Listing. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) 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 with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as our Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of our Company or the holder thereof, they are 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 our Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither our Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others 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.

(ii) Power to dispose of the assets of our Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. Our Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Companies Law to be exercised or done by our Company in general meeting.

(iii) 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 our Director is contractually entitled) must be approved by our Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Disclosure of interests in contracts with our Company or any of its subsidiaries.

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our 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. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing our 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.

Subject to the Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with our 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 our 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 our Company shall 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 associates is materially interested, but this prohibition shall not apply to any of the following matters, namely:

(a) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of our Company or any of its subsidiaries;

(b) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which our Director or his 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;

(c) any contract or arrangement concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where our Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer;

(d) any contract or arrangement in which our Director or his associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company; or

(e) 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 associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) Remuneration

The ordinary remuneration of our Directors shall from time to time be determined by our Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst our 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. Our Directors shall also be 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 our Company or otherwise in connection with the discharge of their duties as our Directors.

Any Director who, by request, goes or resides abroad for any purpose of our 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 (whether by way of salary, commission, participation in profits or otherwise) 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 (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) 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 our Company or companies with which it is associated in business) in establishing and making contributions out of our 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 our Company or any of its subsidiaries) and ex-employees of our 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.

(vii) Retirement, appointment 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) will 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 in every year will 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. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time 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 our Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification.

A Director may be removed by an ordinary resolution of our 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 our Company) and may by ordinary resolution appoint another in his place. Unless otherwise determined by our 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:

(a) if he resigns his office by notice in writing delivered to our Company at the registered office of our Company for the time being or tendered at a meeting of the Board;

(b) becomes of unsound mind or dies;

(c) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;

(d) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(e) if he is prohibited from being a director by law;

(f) if 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 from time to time 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 our 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 shall, 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.

(viii) Borrowing powers

The board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our Company and, subject to the Companies Law, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

Note: These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of our Company.

(ix) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(x) Register of Directors and Officers

The Companies Law and the Articles provide that our 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 thirty (30) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by our 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 our Company.

(c) Alteration of capital

Our Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Law:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as our Directors may determine;

(iv) sub divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as our Company has power to attach to unissued or new shares; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

Our Company may subject to the provisions of the Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, 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.

The 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.

(e) Special resolution majority required

Pursuant to the Articles, a special resolution of our 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 of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Articles), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and less than ten (10) clear business days has been given.

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 our 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 held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, 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 authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of our Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of our Company or at any meeting of any class of members of our 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 our 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 our Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of our Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

(h) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of our Company and of all other matters required by the Companies Law or necessary to give a true and fair view of our Company's affairs and to explain its transactions.

The accounting records shall 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 our Company except as conferred by law or authorised by the board or our Company in general meeting. However, an exempted company shall 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 (2009 Revision) 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 our 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 our Company under the provisions the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), our Company may send to such persons summarised financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarised financial statements, a complete printed copy of our Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by our Company in general meeting or in such manner as the members may determine.

The financial statements of our Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of our Company other than such 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 our Company, and also to the auditors for the time being of our Company.

Notwithstanding that a meeting of our Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of our Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(a) the declaration and sanctioning of dividends;

(b) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(c) the election of directors in place of those retiring;

(d) the appointment of auditors and other officers;

(e) the fixing of the remuneration of the directors and of the auditors;

(f) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of our Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and

(g) the granting of any mandate or authority to the directors to repurchase securities of our Company.

(j) 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 Designated Stock Exchange (as defined in the Articles) 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 in any case in which it thinks fit, in its discretion, to do so and 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 thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to 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.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which our Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as our Directors may from time to time require is paid to our Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, 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 a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for our Company to purchase its own shares

Our 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 our Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of our Company to own shares in our Company and financial assistance to purchase shares of our Company

There are no provisions in the Articles relating to ownership of shares in our Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, our Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in our Company.

(m) Dividends and other methods of distribution

Subject to the Companies Law, our 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 our 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. Our 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 our Company on account of calls or otherwise.

Whenever the board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our 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. Our Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of our 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 our 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 our 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 our 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 our Company until claimed and our 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 our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

(n) Proxies

Any member of our Company entitled to attend and vote at a meeting of our 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 our Company or at a class meeting. A proxy need not be a member of our Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, 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 our 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 our Company all monies which, at the date of forfeiture, were payable by him to our 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.

(p) Inspection of register of members

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 Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) 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.

Save as otherwise provided by the Articles 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.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of our Company or at any relevant general meeting of any class of members of our Company.

(r) Rights of the 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 our Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that our 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 our Company shall be wound up and the assets available for distribution amongst the members of our 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 our Company shall be 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 our Company shall be 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 our 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.

(t) Untraceable members

Pursuant to the Articles, our Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12-year period, our Company has not during that time received any indication of the existence of the member; and (iii) our Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to our Company and upon receipt by our Company of such net proceeds, it shall become indebted to the former member of our Company for an amount equal to such net proceeds.

(u) 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 our Company and our 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. COMPANIES 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) Operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "Court"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in the Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of Shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

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

Subject to the provisions of the Companies Law, 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 our 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 shall 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 shall not be treated as a member for any purpose and shall 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 shall not be voted, directly or indirectly, at any meeting of the company and shall 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. Further, 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.

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

With the exception of section 34 of the Companies Law, there is 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. In addition, section 34 of 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 (see paragraph 2(m) above for further details).

(f) Protection of minorities

The Cayman Islands 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) Management

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 shall 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.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the 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 (20) years from 23 July 2013.

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 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 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 will 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.

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 shall 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 (2009 Revision) of the Cayman Islands.

(n) Winding up

A company may be wound up compulsorily by order of the Court voluntarily; or, under supervision of the Court. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or the event occurs on the occurrence of which the memorandum or articles provides that the company is to be dissolved, or, the company does not commence business for a year from its incorporation (or suspends its business for a year), or, the company is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business 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, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such qualified person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby 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. A person shall be qualified to accept an appointment as an official liquidator if he is duly qualified in terms of the Insolvency Practitioners Regulations. A foreign practitioner may be appointed to act jointly with a qualified insolvency practitioner.

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets. A declaration of solvency must be signed by all the directors of a company being voluntarily wound up within twenty-eight (28) days of the commencement of the liquidation, failing which, its liquidator must apply to Court for an order that the liquidation continue under the supervision of the Court.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (pari passu if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and 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. At least twenty-one (21) days before the final meeting, the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorised by the company's articles of association and published in the Gazette in the Cayman Islands.

(o) 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.

(p) Compulsory acquisition

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.

(q) 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 (Cayman) Limited, our Company's special legal counsel on Cayman Islands law, have sent to our Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 19 June 2013. Our Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on 5 September 2013 and our principal place of business in Hong Kong is at 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong. Mr Yeo, our Executive Director and Mr Li Chi Chung, our company secretary, have been appointed as the authorised representatives of our Company for the purpose of acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, we operate subject to the relevant laws of the Cayman Islands and our constitutional documents, which comprise the Memorandum of Association and the Articles of Association. A summary of certain relevant provisions of our constitutional documents and certain relevant aspects of the Companies Law are set out in Appendix III to this prospectus.

2. Changes in share capital of our Company and our subsidiary

Changes in share capital of our Company

(a) The authorised share capital of our Company on the date of its incorporation was HK$300,000 divided into 300,000 shares of HK$1.00 each. On 19 June 2013, one nil-paid share of our Company was allotted and issued to Sharon Pierson as the initial subscriber, which was transferred to Victrad on the same date.

(b) On 29 June 2013, pursuant to a sale and purchase agreement entered into between our Company and Victrad, the then shareholder of Strike Singapore, our Company acquired all the issued shares of Strike Singapore from Victrad, in consideration of HK$23,013,833, which was satisfied by (i) the allotment and issue of 299,999 shares of HK$1.00 each in the share capital of our Company by our Company to Victrad, credited as fully paid; and (ii) the crediting of the one nil-paid share of our Company which was held by Victrad as fully paid.

(c) On 9 December 2013, each authorised and issued share of a par value of HK$1.00 in the capital of our Company was sub-divided into 100 Shares of a par value of HK$0.01 each (the "Share Sub-division"). Upon completion of the Share Sub-division, the authorised share capital of our Company was HK$300,000 divided into 30,000,000 Shares of HK$0.01 each.

(d) On 9 December 2013, the authorised share capital of our Company was increased from HK$300,000 divided into 30,000,000 Shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 Shares of HK$0.01 each by the creation of an additional 4,970,000,000 Shares of HK$0.01 each which rank pari passu in all respects with the existing Shares.

Immediately following completion of the Share Offer and the Capitalisation Issue, the authorised share capital of our Company will be HK$50,000,000 divided into 5,000,000,000 Shares, of which 640,000,000 Shares will be in issue, fully paid or credited as fully-paid, and 4,360,000,000 Shares will remain unissued.

Other than the Shares to be issued as mentioned herein, our Directors do not have any present intention to issue any part of the authorised but unissued share capital of our Company and no issue of Shares which would effectively alter the control of our Company will be made without the prior approval of Shareholders in general meeting.

Save for the aforesaid and those mentioned in the sections headed "A. Further information about our Company — 3. Written resolutions of the sole Shareholder passed on 9 December 2013" and "A. Further information about our Company — 4. Corporate reorganisation" below, there has been no alteration in the share capital of our Company since the date of its incorporation.

Changes in share capital of our subsidiary, Strike Singapore

There has been no change in the share capital of Strike Singapore during the Track Record Period.

3. Written resolutions of the sole Shareholder passed on 9 December 2013

Pursuant to the written resolutions passed by our sole Shareholder on 9 December 2013:

(a) the Memorandum of Association was approved and adopted with immediate effect and the Articles of Association were approved and adopted with effect from the listing of the Shares on the Stock Exchange on the Listing Date;

(b) the Share Sub-division was approved and the authorised share capital of our Company was increased from HK$300,000 divided into 30,000,000 Shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 Shares of HK$0.01 each by the creation of an additional 4,970,000,000 Shares of HK$0.01 each, such additional Shares to rank *pari passu* in all respects with the existing Shares;

(c) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, our Shares in issue and the Shares to be issued as mentioned herein; (ii) the Offer Price having been duly determined; and (iii) 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:

   (i) the Share Offer was approved and our Directors were authorised to effect the same and to allot and issue the Offer Shares pursuant to the Share Offer;

   (ii) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares pursuant to the Share Offer, our Directors were authorised to capitalise HK$4,820,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 482,000,000 Shares for allotment and issue to the Shareholder whose name appeared on the register of members of our Company at 4:00 p.m. on 9 December 2013 and our Directors were authorised to give effect to such capitalisation and distribution; and

(d) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with (otherwise than pursuant to, or in consequence of, the Share Offer or the Capitalisation Issue, or by way of rights issue, scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or a specific authority granted by the Shareholders in general meeting) Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Share Offer and the Capitalisation Issue 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 as required by the Articles or any applicable laws of the Cayman Islands to be held, or the revocation, variation or renewal of such general mandate by an ordinary resolution of the Shareholders in the general meeting.

4. Corporate Reorganisation

In preparation for the Listing, our Group has undergone the Reorganisation and the steps are as follows:

(i) Incorporation of our Company

On 19 June 2013, our Company was incorporated as an exempted company in the Cayman Islands with an authorised share capital of HK$300,000 divided into 300,000 shares of HK$1.00 each. On 19 June 2013, one nil-paid share was allotted and issued to Sharon Pierson as the initial subscriber, which was transferred to Victrad on the same date.

(ii) Acquisition of Strike Singapore

On 29 June 2013, pursuant to a sale and purchase agreement entered into between our Company and Victrad, the then shareholder of Strike Singapore, our Company agreed to acquire all the issued shares of Strike Singapore from Victrad, in consideration of HK$23,013,833, which was satisfied by (i) the allotment and issue of 299,999 shares of HK$1.00 each in the share capital of our Company by our Company to Victrad, credited as fully paid; and (ii) the crediting of the one nil-paid share of our Company which was held by Victrad as fully paid.

Upon completion of the acquisition, Strike Singapore has become a wholly-owned subsidiary of our Company.

The acquisition of Strike Singapore was properly and legally completed and settled.

(iii) Subdivision of all issued shares of our Company and authorised but unissued shares of our Company and increase of authorised share capital of our Company

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

On 9 December 2013, the authorised share capital of our Company was increased from HK$300,000 divided into 30,000,000 Shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 Shares of HK$0.01 each by the creation of an additional 4,970,000,000 Shares of HK$0.01 each to rank *pari passu* in all respects with the existing Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or the subsidiaries within the two years immediately preceding the date of this prospectus and are or may be material:

(a) the sale and purchase agreement dated 29 June 2013 and entered into between our Company and Victrad, pursuant to which our Company agreed to acquire the entire shareholding interest in Strike Singapore from Victrad in consideration of HK$23,013,833, which was satisfied by (i) the allotment and issue of 299,999 shares of HK$1.00 each in the share capital of our Company by our Company credited as fully-paid, to Victrad; and (ii) the crediting of one nil-paid share of our Company held by Victrad as fully paid;

(b) the Deed of Non-competition;

(c) the Deed of Indemnity; and

(d) the Public Offer Underwriting Agreement.

2. Intellectual property rights of our Group

As at the Latest Practicable Date, our Group does not own any intellectual property rights.

Domain name

As at the Latest Practicable Date, our Group has registered the following domain name:

Domain name	Registrant	Expiry date
www.kingbostrike.com	Strike Singapore	20 August 2014

3. Related party transactions

Save as disclosed in Note 25 to the accountants' report set out in Appendix I to this prospectus and the section headed "Connected Transactions" in this prospectus, our Group has not entered into any related party transactions within the two years immediately preceding the date of this prospectus.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Particulars of Directors' services contracts and letters of appointment

Executive Directors

Each of our Executive Directors has entered into a service contract with Strike Singapore pursuant to which each of them has agreed to act as an executive director of Strike Singapore for a fixed term of two years with effect from the Listing Date subject to a right of early termination by serving a three-month written notice by either party to the other party.

Each of our Executive Directors is entitled to a basic salary as set out below (subject to an annual review in accordance with the amount fixed in each financial year by the remuneration committee of the Company and approved by majority of the Board), which is payable on the last Business Day of every calendar month on a pro-rata basis. Each of our Executive Directors is also entitled to a minimum bonus of two months' salary in respect of each financial year during the term of his employment with further amount to be determined by the Board in its absolute discretion. An Executive Director may not vote on any resolution of our Directors nor shall that Executive Director be counted as quorum should a meeting be held for considering the amount of the annual salary or bonus payable to him:

Name	**Annual salary** *(S$)*
Mr Yeo Jiew Yew	180,000
Mr Sim Yew Heng	180,000

Independent Non-Executive Directors

Each of our Independent Non-Executive Directors has entered into a letter of appointment with our Company pursuant to which each of them has agreed to act as an Independent Non-Executive Director for a term of two years commencing from the Listing Date subject to a right of early termination by serving a three-month written notice by either party to the other party, and is entitled to a basic salary as set out below, which is payable on the last Business Day of every calendar month on a pro-rata basis:

Name	**Annual salary**
	(S$)
Mr Ng Tiow Swee	20,000
Ms Wong Siew Chuan	25,000
Mr Chen Jianyuan, Edwin	20,000

Save as disclosed aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(b) Directors' remuneration

(a) The aggregate sums of approximately S$0.3 million, S$0.2 million and S$0.4 million were paid to our Directors as remuneration (including benefits in kind) by our Group for each of the three financial years ended 30 June 2013, respectively. Further information in respect of our Directors' remuneration is set out in the accountants' report in Appendix I to this prospectus.

(b) Under the arrangements currently in force, it is estimated that an aggregate of approximately S$0.5 million will be paid to our Directors as remuneration (including benefits in kind but excluding any discretionary bonus which may be paid to any Director) by our Group for the financial year ending 30 June 2014.

(c) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the three financial years ended 30 June 2013, respectively for (a) the loss of office as director of any member of our Group or of any other office in connection with the management affairs of any member of our Group or (b) as an inducement to join or upon joining any member of our Group.

(d) There has been no arrangement under which a Director has waived or agreed to waive any emoluments in each of the three financial years ended 30 June 2013, respectively.

(c) Interests in Shares

Immediately following completion of the Share Offer and the Capitalisation Issue, the interests or short positions of our Directors or chief executives of the Company in the Shares, underlying Shares and debentures of our Company and the associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name of Director	Capacity/Nature of Interest	Number of Shares/ underlying shares	Percentage of interest in our Company/ associated corporation (%)
Mr Yeo Jiew Yew	Interest in a controlled corporation	480,000,000[(1)]	75
Mr Sim Yew Heng	Interest in a controlled corporation	480,000,000[(1)]	75

Note:

(1) 480,000,000 Shares are registered in the name of Victrad, which is owned as to 50% by Mr Yeo Jiew Yew and as to 50% by Mr Sim Yew Heng. Under the SFO, Mr Yeo Yiew Jew and Mr Sim Yew Heng are deemed to be interested in 480,000,000 Shares registered in the name of Victrad. Mr Yeo and Mr Sim are brothers.

2. Substantial Shareholders

Interests in Shares

Immediately following completion of the Share Offer and the Capitalisation Issue, so far as our Directors are aware, the following persons are expected to have interests or short positions in the Shares or underlying Shares which are required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, are expected to 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 Company:

Name	Long/Short Position	Capacity/Nature of Interest	Number of Shares	Percentage of shareholding (%)
Victrad	Long Position	Beneficial Interest	480,000,000[(1)]	75
Mr Yeo Jiew Yew	Long Position	Interest in a controlled corporation	480,000,000[(1)]	75
Mr Sim Yew Heng	Long Position	Interest in a controlled corporation	480,000,000[(1)]	75
Ms Poh Choon Huay	Long Position	Interest of spouse	480,000,000[(2)]	75
Ms Lim Lay Heong	Long Position	Interest of spouse	480,000,000[(3)]	75

Note:

(1) 480,000,000 Shares are registered in the name of Victrad, which is owned as to 50% by Mr Yeo Jiew Yew and as to 50% by Mr Sim Yew Heng. Under the SFO, Mr Yeo Yiew Jew and Mr Sim Yew Heng are deemed to be interested in 480,000,000 Shares registered in the name of Victrad. Mr Yeo and Mr Sim are brothers.

(2) Ms Poh Choon Huay is deemed to be interested in the 480,000,000 Shares held by Victrad by virtue of the interest held by her spouse, Mr Yeo Jiew Yew under the SFO.

(3) Ms Lim Lay Heong is deemed to be interested in the 480,000,000 Shares held by Victrad by virtue of the interest held by her spouse, Mr Sim Yew Heng under the SFO.

3. Disclaimers

Save as disclosed in this prospectus:

(a) our Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately after completion of the Share Offer and the Capitalisation Issue, have an interest or a short position in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company;

(b) none of our Directors has any interest or short position in any of the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, in each case once the Shares are listed on the Stock Exchange;

(c) none of our Directors nor any of the parties listed under the section headed "D. Other information — 6. Consents of experts" in this Appendix IV is interested in the promotion of our Company, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;

(d) none of our Directors nor any of the parties listed in the section headed "D. Other information — 6. Consents of experts" in this Appendix IV is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(e) save in connection with the Underwriting Agreements, none of the parties listed in the section headed "D. Other information — 6. Consents of experts" in this Appendix IV:

    (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or

    (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries; and

(f) none of our Directors or their associates or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our Company's issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Estate duty, tax and other indemnities

Each of Mr Yeo and Victrad (the "Indemnifiers") has entered into the Deed of Indemnity with and in favor of our Company (for itself and as trustee for our present subsidiary) (being one of the material contracts referred to in the section headed "B. Further information about our business — 1. Summary of material contracts" in this Appendix IV) to provide indemnities on a joint and several basis in respect of, among other matters, any liability for tax which might be incurred by any member of our Group on or before the date on which the conditions of the Share Offer are fulfilled or waived in accordance with the terms set out in the paragraph leaded "Conditions of the Share Offer" in the section headed "Structure of the Share Offer", in this prospectus (the "Effective Date").

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company in the Cayman Islands, Hong Kong and other jurisdictions in which the companies comprising our Group are incorporated.

Under the Deed of Indemnity, the Indemnifiers have given indemnities to our Group on a joint and several basis in relation to the amount of any and all taxation which might be payable by any member of our Group resulting from or by reference to any income, profits or gains earned, accrued or received on or before the Effective Date or any event or transaction entered into or occurring on or before the Effective Date.

The Deed of Indemnity does not cover any taxation claim and the Indemnifiers shall be under no liability under the Deed of Indemnity in respect of any taxation:

(a) to the extent that full provision or reserve has been made for such taxation in the consolidated audited accounts of our Group or the audited accounts of the relevant member of our Group for each of the three financial years ended 30 June 2011, 30 June 2012 and 30 June 2013, as set out in Appendix I to this prospectus; or

(b) to the extent that such taxation or liability would not have arisen but for some act or omission of, or transaction entered into by any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the course of normal day to day operations of that company or carried out, made or entered into pursuant to a legally binding commitment created on or before the Effective Date;

(c) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group for each of the three years ended 30 June 2011, 30 June 2012 and 30 June 2013 which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision or reserve applied pursuant to the Deed of Indemnity to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter; or

(d) to the extent that such taxation liability or claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the laws, rules or regulations or the interpretation or practice thereof by the Inland Revenue Department in Hong Kong, the taxation authority in Singapore or any other relevant authority (whether in Hong Kong, Singapore, or any part of the world) coming into force after the Effective Date or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect.

Under the Deed of Indemnity, the Indemnifiers have also given indemnities to our Group on a joint and several basis against all claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines of whatever nature suffered by or incurred by our Company and/or other relevant members of our Group (i) as a result of directly or indirectly or in connection with, or in consequence of any non-compliance with or breach of any applicable laws, rules or regulations in any jurisdiction by any member of our Group on or before the Effective Date; (ii) as a result of directly or indirectly or in connection with any litigation, proceeding, claim, investigation, inquiry, enforcement proceeding or process by any governmental, administrative or regulatory body which (a) the members of our Group, their respective directors and/or licensed representatives or any of them is/are involved; and/or (b) arises due to some act or omission of, or transaction voluntarily effected by, the members of our Group or any of them (whether alone or in conjunction with some other act, omission or transaction) on or before the Effective Date.

The Deed of Indemnity does not cover any claim and the Indemnifiers shall be under no liability under the Deed of Indemnity in respect of any claim to the extent that provision has been made for such claim in the consolidated audited accounts of our Group for each of the three years ended 30 June 2011, 30 June 2012 and 30 June 2013.

2. Litigation

As at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Group, that would have a material adverse effect on our results of operations or financial condition.

3. Sole Sponsor

The Sole Sponsor made an application on our behalf to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein. All necessary arrangements have been made by our Company to enable such Shares to be admitted into CCASS. The sponsor fee is HK$3,900,000. The Sole Sponsor is independent of our Company pursuant to Rule 3A.07 of the Listing Rules.

4. Compliance Adviser

In accordance with the requirements of the Listing Rules, our Company will appoint Grand Vinco 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 after the Listing Date.

5. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualification
A C Stellar Law Corporation	Legal advisers as to Singapore law
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands attorneys-at-law
Ernst & Young	Certified Public Accountants
Grand Vinco Capital Limited	A corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

6. Consents of experts

Each of A C Stellar Law Corporation, Conyers Dill & Pearman (Cayman) Limited, Ernst & Young and Grand Vinco Capital Limited has given and has not withdrawn their respective consents to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

7. Promoters

Our Company has no promoters for the purposes of the Listing Rules.

8. Preliminary Expenses

Our Company's estimated preliminary expenses are approximately HK$49,000 and are payable by our Company.

9. Selling Shareholder

The particulars of the Selling Shareholder are set out as follows:

Name:	Victrad
Place of incorporation:	Singapore
Date of incorporation:	24 July 1981
Registered office:	22 Tagore Lane Singapore 787480
Number of Sale Shares to be sold:	32,000,000 Shares

10. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as is applicable.

11. Share Registrars

Our Company's principal share registrar in the Cayman Islands is Codan Trust Company (Cayman) Limited and a branch register of members will be maintained by Union Registrars Limited, our Company's branch share registrar in Hong Kong. Unless 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 for registration with the principal share registrar in the Cayman Islands.

12. Taxation of holders of Shares

(a) The Cayman Islands

No stamp duty is payable in the Cayman Islands on transfer of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(b) Hong Kong

(i) Profits

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profits tax, which is currently imposed at the rate of 16.5% on corporations and at a rate of 15% on unincorporated businesses. Gains from sales of Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

(ii) Stamp duty

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed stamp duty of HK$5 is currently payable on any instrument of transfer of shares.

(iii) Estate duty

Estate duty has been abolished in Hong Kong by the Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006. The estate of a person who died before 11 February 2006 is subject to the provisions of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong), and Shares are regarded as Hong Kong property for this purpose. The estate duty chargeable in respect of estates of persons dying between the transitional period from and including 15 July 2005 to 11 February 2006 with the principal value exceeding HK$7.5 million shall be a nominal amount of HK$100. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of shares whose death occurs on or after 11 February 2006.

(c) Consultation with professional advisers

Intended holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Share Offer 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 or exercising any rights attaching to them.

13. Miscellaneous

(a) Save as disclosed in this prospectus, within the two 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 or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(ii) no discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries and no commission has been paid or is payable except for the commission payable to the Underwriters, for subscription of, agreeing to subscribe or procuring subscription of any shares of our Company or any of our subsidiaries; and

(iii) no share 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.

(b) Our Directors confirm that:

(i) there has been no material development occurring after the Track Record Period and no material adverse change in the financial or trading position or prospects of our Group since 30 June 2013 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(ii) there has not been any interruption in the business of our Group which may have or have had a material adverse effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus;

(iii) there is no arrangement under which future dividends are waived or agreed to be waived; and

(iv) our Group has no outstanding convertible debt securities.

(c) Save as disclosed in this prospectus, neither our Company nor any of the subsidiaries has issued or agreed to issue any founder shares, management shares or deferred shares.

(d) Save as disclosed in this prospectus, none of the persons named in the section headed "D. Other information — 5. Qualifications of experts" in Appendix IV to this prospectus is interested beneficially or non-beneficially in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any share of any member of our Group.

(e) No company within our Group is presently listed on any stock exchange or traded on any trading system.

(f) None of our Directors or the experts named in the section headed "D. Other information — 5. Qualifications of experts" in this Appendix IV has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, 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.

14. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies Ordinance (Exemption of Companies and prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). The English text of this prospectus shall prevail over the Chinese text.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the **WHITE** and **YELLOW** Application Forms;

(b) the written consents referred to in the section headed "D. Other information — 6. Consents of experts" in Appendix IV to this prospectus;

(c) a copy of each of the material contracts referred to in the section headed "B. Further information about our business — 1. Summary of material contracts" in Appendix IV to this prospectus;

(d) a copy of certificate as to the accuracy of the Chinese translation of this prospectus and the Application Forms and the certificate as to the competency of the Chinese translator given by the Sole Sponsor; and

(e) a copy of the statement of the name, description and address of the Selling Shareholder.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Michael Li & Co. at 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and the Articles;

(b) the accountants' report of our Group prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;

(c) the report on the unaudited pro forma financial information of our Group prepared by Ernst & Young, the text of which is set out in Appendix II to this prospectus;

(d) the letter of advice prepared by Conyers Dill & Pearman (Cayman) Limited, legal advisers to our Company as to Cayman Islands law, summarising certain aspects of the Cayman Islands company law, the text of which is set out in Appendix III to this prospectus;

(e) the Companies Law;

(f) the material contracts referred to in the section headed "B. Further information about our business — 1. Summary of material contracts" in Appendix IV to this prospectus;

(g) the written consents referred to in the section headed "D. Other information — 6. Consents of experts" in Appendix IV to this prospectus;

(h) the service contracts and the letters of appointment referred to in the section headed "C. Further information about our Directors and substantial Shareholders" in Appendix IV to this prospectus; and

(i) the statement of the name, description and address of the Selling Shareholder.

Kingbo Strike Limited
工蓋有限公司*