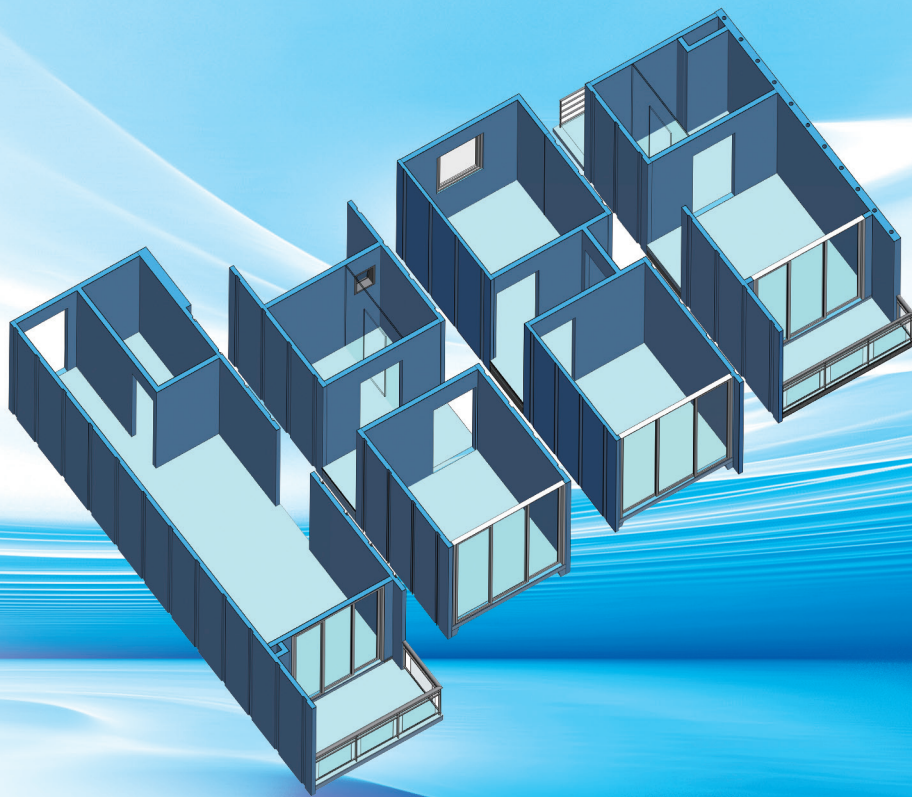


WMCH Global Investment Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8208

SHARE OFFER



Sole Sponsor



Titan Financial Services Limited

Joint Bookrunners



IMPORTANT

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



WMCH GLOBAL INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

LISTING ON GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Number of Offer Shares : 150,000,000 Shares (subject to the Offer Size Adjustment Option)
Number of Public Offer Shares : 15,000,000 Shares (subject to reallocation)
Number of Placing Shares : 135,000,000 Shares (subject to reallocation and the Offer Size Adjustment Option)
Offer Price : Not more than HK\$0.48 per Offer Share, and expected to be not less than HK\$0.38 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value : HK\$0.01 per Share
Stock code : 8208

Sole Sponsor



Titan Financial Services Limited

Joint Bookrunners



Joint Lead Managers



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

The Offer Price is expected to be determined by agreement between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on the Price Determination Date which is expected to be on or around Wednesday, 20 November 2019 or such later date as may be agreed by our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters). The Offer Price will not be more than HK\$0.48 per Offer Share and is currently expected to be not less than HK\$0.38 per Offer Share unless otherwise announced. If, for any reason, our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Offer Price by that date or such later date as agreed by our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Share Offer will not proceed and will lapse immediately.

The Joint Bookrunners (for themselves and on behalf of the Underwriters), with our Company's consent, may reduce the indicative Offer Price range stated in this prospectus and/or the number of Offer Shares being offered at any time prior to the Price Determination Date, which is expected to be on or around Wednesday, 20 November 2019. In such a case, a notice of the reduction of the indicative Offer Price range and/or the number of Offer Shares will be published on the websites of our Company at www.tw-asia.com and the Stock Exchange at www.hkexnews.hk, not later than the Price Determination Date, which is expected to be on or around Wednesday, 20 November 2019.

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

Prospective investors of the Share Offer should note that the Sole Sponsor and/or the Joint Bookrunners (for themselves and on behalf of the Underwriters) are entitled to terminate their obligations under the Underwriting Agreements by notice in writing to the Company, upon the occurrence of any of the events set forth under the section headed "Underwriting — Underwriting arrangements and expenses — Public Offer — Grounds for termination" in this prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

14 November 2019

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

EXPECTED TIMETABLE

If there is any change in the following expected timetable of the Share Offer, we will issue a separate announcement in Hong Kong to be posted on the website of our Company at www.tw-asia.com⁽⁶⁾ and the website of the Stock Exchange at www.hkexnews.hk.

Date⁽¹⁾

Public Offer commences and **WHITE** and **YELLOW**

Application Forms available from 9:00 a.m. on Thursday, 14 November 2019

Application lists for Public Offer open⁽²⁾ 11:45 a.m. on Tuesday, 19 November 2019

Latest time to lodge **WHITE** and **YELLOW** Application

Forms and give **electronic application** to HKSCC⁽³⁾ 12:00 noon on Tuesday, 19 November 2019

Application lists for Public Offer close⁽²⁾ 12:00 noon on Tuesday, 19 November 2019

Expected Price Determination Date⁽⁴⁾ Wednesday, 20 November 2019

Announcement of:

- the final Offer Price;
- the level of indication of interest in the Placing;
- the level of applications in the Public Offer; and
- the basis of allocation of the Public Offer Shares,

to be published on the website of our Company

at www.tw-asia.com⁽⁵⁾ and the website of Stock Exchange

at www.hkexnews.hk on or before Thursday, 28 November 2019

Announcement of results of allotment under the Public Offer

(with successful applicants' identification document numbers, where applicable) to be available through a variety of channels as described in the section headed "How to apply for Public Offer Shares — 10. Publication of results" in this prospectus

from Thursday, 28 November 2019

Results of allocations of the Public Offer will be available at

www.ewhiteform.com.hk/results with a "search by ID" function on .. Thursday, 28 November 2019

Despatch/collection of Share certificates or deposit of the Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Public Offer

on or before⁽⁶⁾⁽⁷⁾ Thursday, 28 November 2019

Despatch/collection of refund cheque in respect of wholly or partially unsuccessful applications pursuant to the Public Offer

on or before⁽⁷⁾⁽⁸⁾ Thursday, 28 November 2019

Dealings in the Shares on GEM expected to commence

at 9:00 a.m. on Friday, 29 November 2019

EXPECTED TIMETABLE

Notes:

1. All times and dates refer to Hong Kong local times and dates, unless otherwise stated.
2. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, 19 November 2019, the application lists will not open on that day. Particulars of the arrangements are set forth under 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 for Public Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed “How to apply for Public Offer Shares — 5. Applying by giving electronic application instructions to HKSCC via CCASS” in this prospectus.
4. The Price Determination Date is expected to be on or around Wednesday, 20 November 2019 or such later date as may be agreed by our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters). If, for any reason, the Offer Price is not agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) by Wednesday, 20 November 2019 or such later date as may be agreed by our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Share Offer will not proceed and will lapse immediately.
5. None of the websites or any of the information contained on the websites forms part of this prospectus.
6. Share certificates for the Public Offer Shares are expected to be issued on or about Thursday, 28 November 2019 but will only become valid certificates of title at 8:00 a.m. on Friday, 29 November 2019 provided that the Share Offer has become unconditional in all aspects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid certificates of title do so entirely at their own risk.
7. Applicants who apply on **WHITE** Application Forms for 1,000,000 or more Public Offer Shares and have provided all information required by the Application Form may collect any refund cheques and/or Share certificates (where applicable) in person from our Company’s Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 28 November 2019 or such other date as notified by our Company. Applicants being individuals who are eligible for personal collection may not authorise any other person to collect on their behalf. Applicants being corporations which are eligible for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporation stamped with the corporation’s chop. Both individuals and authorised representatives of corporations must produce, at the time of collection, evidence of identity acceptable to our Company’s Hong Kong Branch Share Registrar.

Applicants who apply on **YELLOW** Application Forms for 1,000,000 or more Public Offer Shares and have provided all information required by the Application Form may collect their refund cheques, if any, in person but may not elect to collect their Share certificates as such Share certificates will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit to their or the designated CCASS Participants’ stock account as stated in their Application Forms. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who have applied for Public Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed “How to apply for Public Offer Shares — 13. Despatch/Collection of Share certificates and refund monies — Personal collection — (iii) If you apply by giving electronic application instruction to HKSCC via CCASS” in this prospectus for details.

Applicants who have applied for less than 1,000,000 Public Offer Shares and any uncollected Share certificates and/or refund cheques will be despatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications. Further information is set out in the sections headed “How to Apply for Public Offer Shares — 12. Refund of application monies” and “How to apply for Public Offer Shares — 13. Despatch/Collection of Share certificates and refund monies” in this prospectus.

EXPECTED TIMETABLE

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

The above expected timetable is a summary only. For details of the structure of the Share Offer, please refer to the sections headed “Structure and conditions of the Share Offer” and “How to apply for Public Offer Shares” in this prospectus, respectively.

CONTENTS

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

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

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all of the information which may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read the whole prospectus including the appendices hereto, which constitute an integrated part of this prospectus, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are summarised in the section headed “Risk factors” in this prospectus. You should read such section carefully before you decide to invest in the Offer Shares. Various expressions used in this summary are defined in the sections headed “Definitions” and “Glossary of technical terms” in this prospectus.

OVERVIEW

Our Group has been in the civil and structural engineering market in Singapore for around 14 years. Leveraging on our industry experience in Singapore, we started providing the civil and structural engineering consultancy services in Vietnam in 2009.

We are a civil and structural engineering consultant mainly providing services in Singapore and Vietnam. Our Group provides the following services: (i) civil and structural engineering consultancy services on buildings utilising conventional construction method (“**Consultancy Services for Conventional Projects**”) and civil and structural engineering consultancy services on buildings utilising the PPVC method (“**Consultancy Services for PPVC Projects**”), and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings.

During the Track Record Period, our Group provided both the Consultancy Services for Conventional Projects and Consultancy Services for PPVC Projects in Singapore and other markets, while we provided only Consultancy Services for Conventional Projects in Vietnam. Our Group’s civil and structural engineering consultancy services includes the geotechnical engineering consultancy services in respect of, amongst other things, buildings of less than 30 storeys in Singapore, and all buildings in Vietnam.

Our Group has a team of professionals including Registered Professional Engineers, Practising Engineers and other engineering staff. Our projects are residential, industrial, commercial and government-related projects.

During the Track Record Period, we engaged in over 200 projects in Singapore, Vietnam, Maldives, Myanmar and Hong Kong. As at 30 June 2019, we had 94 civil and structural engineering consultancy service projects in progress.

According to the Industry Consultant’s Report, we ranked tenth in 2018 among market participants in civil and structural engineering consultancy services market in Singapore in terms of revenue, representing a market share of approximately 2.3%, and we ranked fifth in 2018 among market participants in the same industry in Vietnam in terms of revenue, representing a market share of approximately 2.4%.

We were also involved in 17 out of 36 PPVC projects in Singapore since the first PPVC project in Singapore in 2014.

SUMMARY

The following table sets forth the breakdown of our Group's revenue by types of clients during the Track Record Period:

Client	Year ended 31 December 2017		Year ended 31 December 2018		Six months ended 30 June 2018		Six months ended 30 June 2019	
	SGD'000	(%)	SGD'000	(%)	SGD'000	(%)	SGD'000	(%)
					(unaudited)			
Singapore								
Developers	270	3.2	1,039	10.0	239	5.8	899	15.0
Main contractors	2,248	26.6	5,034	48.6	2,270	55.2	2,824	47.0
Others ^(Note 1)	1,690	20.0	545	5.3	154	3.7	684	11.4
Vietnam								
Developers	2,697	32.0	2,805	27.1	1,013	24.6	910	15.2
Main contractors	—	—	164	1.6	—	—	171	2.9
Others ^(Note 2)	566	6.7	438	4.3	372	9.1	358	6.0
Other Markets								
Developers	969	11.5	324	3.1	66	1.6	124	2.1
Main contractors	—	—	—	—	—	—	26	0.4
Total	8,440	100	10,349	100	4,114	100.0	5,996	100.0

Note:

1. It includes (i) Tham & Wong LLP, which contributes approximately SGD1.6 million, SGD0.3 million and SGD16,000 for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, (ii) owners of buildings and asset management companies for which we provide visual inspection of existing buildings, and (iii) owner of buildings for which we provide civil and structural engineering consultancy services.
2. It includes architects and project management consultants.

Our projects in other markets

It includes projects located in Maldives, Myanmar and Hong Kong. During the Track Record Period, we provided our services in the office of Singapore for all our projects in Maldives and in the offices of Vietnam for all projects in Myanmar, cooperating with local architectural companies having relevant statutory licences and/or qualifications in Maldives, Myanmar and Hong Kong.

SUMMARY

A breakdown of our revenue, gross profit and gross profit margin generated from our types of services during the Track Record Period is set forth below:

	Year ended 31 December 2017				Year ended 31 December 2018				Six months ended 30 June 2018				Six months ended 30 June 2019			
	Revenue SGD'000	(%)	Gross profit SGD'000	Gross profit margin (%)	Revenue SGD'000	(%)	Gross profit SGD'000	Gross profit margin (%)	Revenue SGD'000 (unaudited)	(%)	Gross profit SGD'000 (unaudited)	Gross profit margin (%)	Revenue SGD'000	(%)	Gross profit SGD'000	Gross profit margin (%)
Singapore																
Consultancy Services for Conventional Projects	2,481	29.4	903	36.4	1,631	15.8	533	32.7	726	17.6	242	33.3	1,333	22.2	431	32.3
Consultancy Services for PPVC Projects	1,513	17.9	748	49.4	4,885	47.2	2,053	42.0	1,920	46.7	713	37.1	2,896	48.3	1,017	35.1
Others <i>(Note 1)</i>	214	2.5	177	82.7	102	1.0	49	48.0	17	0.4	12	70.6	179	3.0	36	20.1
Vietnam																
Consultancy Services for Conventional Projects	2,928	34.7	2,041	69.7	3,004	29.0	2,139	71.2	1,081	26.3	760	70.3	1,267	21.1	851	67.2
Others <i>(Note 2)</i>	335	4.0	220	65.7	403	3.9	205	50.9	304	7.4	169	55.6	171	2.9	143	83.6
Other markets																
Consultancy Services for Conventional Projects	969	11.5	699	72.1	324	3.1	222	68.5	66	1.6	42	63.6	124	2.1	85	68.5
Consultancy Services for PPVC Projects	—	—	—	—	—	—	—	—	—	—	—	—	26	0.4	11	42.3
Total	8,440	100.0	4,788	56.7	10,349	100.0	5,201	50.3	4,114	100.0	1,938	47.1	5,996	100.0	2,574	42.9

Note 1: It includes visual inspection of existing buildings.

Note 2: It includes master planning, structural due diligence and visual inspection of existing buildings.

A breakdown of our revenue based on types of buildings by different geographical locations are set forth below:

	Year ended 31 December 2017		Year ended 31 December 2018		Six months ended 30 June 2018		Six months ended 30 June 2019	
	SGD'000	(%)	SGD'000	(%)	SGD'000 (unaudited)	(%)	SGD'000	(%)
Singapore								
Residential (private)	2,341	27.7	5,182	50.1	2,042	49.6	3,274	54.6
Commercial (private)	1,171	13.9	415	4.0	167	4.1	871	14.5
Industrial (private)	106	1.2	17	0.2	14	0.3	—	—
Government-related	529	6.3	1,004	9.7	440	10.7	263	4.4
Integrated (private)	62	0.7	—	—	—	—	—	—
Vietnam								
Residential (private)	793	9.4	529	5.1	206	5.0	395	6.6
Commercial (private)	354	4.2	580	5.6	309	7.5	70	1.2
Industrial (private)	3	—	18	0.2	—	—	—	—
Government-related	300	3.6	383	3.7	304	7.4	174	2.9
Integrated (private)	1,812	21.5	1,897	18.3	566	13.8	799	13.3
Other markets <i>(Note 1)</i>								
Commercial (private)	870	10.3	324	3.1	66	1.6	150	2.5
Integrated (private)	99	1.2	—	—	—	—	—	—
Total	8,440	100	10,349	100	4,114	100.0	5,996	100.0

Note 1: It includes projects located in Maldives, Myanmar and Hong Kong.

SUMMARY

Backlog

As at 30 June 2019, we had 94 civil and structural engineering consultancy services projects in progress. The following table sets out a breakdown of such projects in progress:

	Number of projects in progress	Average contract sum per project <i>SGD'000</i>	Aggregate contract sum of all projects in progress <i>SGD'000</i>	Revenue contribution of the projects in progress during the Track Record Period			Corresponding amount of revenue expected to be recognised after the Track Record Period
				Year ended 31 December 2017 <i>SGD'000</i>	Year ended 31 December 2018 <i>SGD'000</i>	Six months ended 30 June 2019 <i>SGD'000</i>	Track Record Period <i>SGD'000</i>
Singapore							
— Conventional projects	22	382	8,403	938	1,201	1,268	3,335
— PPVC projects	23	741	17,038	1,103	4,810	2,896	7,146
— Others	2	137	273	5	47	140	68
Vietnam							
— Conventional projects	44	277	12,182	2,106	2,436	1,059	4,371
— Others	1	689	689	144	168	171	204
Other markets ^(Note)							
— Conventional projects	2	856	1,711	870	324	124	359
Total	94		40,295	5,166	8,986	5,658	15,483

Note: It includes projects located in Maldives.

The average contract sum per PPVC project was relatively higher mainly because our Group is one of the leading civil and structural engineering consultants in Singapore in the area of PPVC, which allowed us to charge a premium price for our Consultancy Services for PPVC Projects.

Projects awarded but not yet commenced

There were eight, six and one civil and structural engineering consultancy services projects awarded to us through quotation from clients, tender invitation from clients or submission of tender application after visiting GeBIZ and awarded to us by our clients and the works have yet to be commenced as at 30 June 2019 in Singapore, Vietnam and Hong Kong respectively, and the aggregate contract value of these projects amounted to approximately SGD1.4 million, SGD1.6 million and SGD0.2 million, respectively.

OUR BUSINESS MODEL AND OUR SERVICES

Our business model is to provide the following services to our clients:

- (i) Consultancy Services for Conventional Projects and PPVC Projects, which involves structural engineering, geotechnical engineering, and civil engineering.

Our structural engineering services include the provision of (a) structural design; (b) associated studies, calculation and drawings; and (c) associated administration services such as building contract administration, submission of plan as required by law, etc.

SUMMARY

Our geotechnical engineering services involve, among other things, geotechnical engineering in construction projects for all buildings in Vietnam and buildings of less than 30 storeys in Singapore (details of requirements for carrying out geotechnical work of different scales are set out in the section headed “Regulatory overview — Regulations and supervision of our business in Singapore — Building Control Act” in this prospectus). Geotechnical engineering investigates subsurface conditions and materials, assesses risks posed by site conditions, and then advises on the methods and materials in constructing the foundation and underground structure.

Our civil engineering services include (a) design of roadworks; (b) design regarding connection to public drainage system; and (c) minor sewer works.

The scope of work for our Consultancy Services for Conventional Projects and Consultancy Services for PPVC Projects would be similar except that for the latter, we would advise the architect at a very early stage on the various technical constraints of PPVC before the start of the architect’s design process with a view to removing the need for subsequent extensive modification and avoiding unnecessary delay.

- (ii) Other services include master planning consultation services, structural due diligence and visual inspection of existing buildings.

For details please refer to the paragraph headed “Business — Our services” in this prospectus.

Our sources of business are mainly from (i) quotation requests from clients, (ii) invitations for tender by clients and (iii) submission of tender application after visiting government website i.e. GeBIZ. During the Track Record Period, most of our projects were obtained through a competitive bidding process during which our Directors believe our clients would have requested for and obtained tender proposals and quotations from other engineering consultants for each project.

Tender success rates

During the Track Record Period, our success rates of tenders are set out in the tables below:

Year ended 31 December 2017

Tender placed	100
Successful tender	36
Success rate	36.0%

Year ended 31 December 2018

Tender placed	83
Successful tender	35
Success rate	42.2%

SUMMARY

Six months ended 30 June 2019

Tender placed	57
Successful tender	15
Success rate	26.3%

For the period from 1 July 2019 up to the Latest Practicable Date ^(Note)

Tender placed	43
Successful tender	5
Success rate	11.6%

Note: The relatively low rate of success for the tender placed for the period from 1 July 2019 up to the Latest Practicable Date was mainly due to the fact that generally it takes some time for our clients to handle our tender placed.

OUR CLIENTS

During the Track Record Period, our clients are mainly main contractors in Singapore and mainly developers in Vietnam. For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, the aggregate revenue attributable to our five largest clients amounted to approximately SGD4.5 million, SGD4.4 million and SGD2.2 million, respectively, representing approximately 52.8%, 42.8% and 36.2% of our total revenue. For each of the same period, the revenue attributable to our largest client amounted to approximately SGD1.6 million, SGD1.2 million and SGD0.6 million respectively, representing approximately 18.7%, 11.8% and 9.5% of our total revenue, respectively.

To the best knowledge of our Directors, other than Tham & Wong LLP, none of our Directors, their close associates or any of our shareholders holding more than 5% of our issued capital, had any interests in any of our five largest clients during the Track Record Period.

Tham & Wong LLP is a limited liability partnership established in Singapore in May 2007 of which Mr. Wong was a partner since the establishment of Tham & Wong LLP before his withdrawal from the partnership in February 2018. As opposed to a limited partnership which has a general partner and limited partner, there is no such distinction between the partners of a limited liability partnership. During the Track Record Period, the Group generated revenue from transactions with Tham & Wong LLP in the sum of approximately SGD1.6 million, SGD0.3 million and SGD16,000 in the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, accounting for 18.7%, 3.3% and 0.3% of our total revenue in the respective years/period.

Tham & Wong LLP being an entity in which Mr. Wong held a partnership interest up to 14 February 2018, was a connected person under GEM Listing Rule 20.07(4).

In the past, Tham & Wong LLP tendered for projects identified by our Group and then subcontracted to our Group if the tender was successful, as it took time for our Group to acquire certain qualifications to participate in the relevant tender. Since our Group acquired the relevant qualifications in 2017 and 2018, we have not asked Tham & Wong LLP to tender for projects identified by us.

SUMMARY

For details of the tendering for projects by Tham & Wong LLP and the subcontracting arrangements with our Group, please refer to the paragraphs headed “Business — Our clients — Transactions with Tham & Wong LLP” and “Regulatory overview — Regulation and supervision of our business in Singapore — Professional Engineers Act — Licenced professional engineering practises” in this prospectus.

OUR SUBCONTRACTORS

During the Track Record Period, our suppliers are mainly subcontractors appointed by us to provide ancillary and supporting services such as documents preparation for licence application, geotechnical engineering works, topography site survey, etc.. For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, the aggregate purchase from our Group’s subcontractors accounted for less than 30% of the Group’s total costs of services.

To the best knowledge of our Directors, none of our Directors, their close associates or any of our shareholders holding more than 5% of our issued capital, had any interests in any of our five largest subcontractors during the Track Record Period.

SELECTED KEY FINANCIAL RATIOS

Set out below is a summary of the key financial ratios of our Group during the Track Record Period:

	As at/for the year ended 31 December 2017	As at/for the year ended 31 December 2018	As at/for the six months ended 30 June 2019
Gross profit margin	56.7%	50.3%	42.9%
Return on equity	50.9%	27.6%	N/A
Return on total assets	34.1%	16.8%	N/A
Current ratio	3.8 times	2.7 times	1.7 times
Interest coverage	70.6 times	41.2 times	N/A
Gearing ratio	22.5%	22.2%	24.1%

Our gross profit margin decreased by approximately 6.4% from approximately 56.7% for the year ended 31 December 2017 to approximately 50.3% for the year ended 31 December 2018, and further decreased to approximately 42.9% for the six months ended 30 June 2019. A higher gross profit margin was recorded for the year ended 31 December 2017 was primarily due to the relatively high gross profit margin of in one of our 10 largest projects, which contributed significant amount of revenue and also recognised most of this project’s revenue in the year ended 31 December 2017. The drop in our gross profit margin for the six months ended 30 June 2019 was mainly due to the payment of special bonus to our Singapore staff at the end of June 2019, which led to the increase of direct labour costs.

Our interest coverage was approximately 70.6 times and 41.2 times for the years ended 31 December 2017 and 2018, respectively. Such decrease was primarily attributable to the decrease in profit before finance cost and income tax for the year ended 31 December 2018 due to (i) the increase in administrative expenses and (ii) the listing expenses incurred, which partially offset by the increase in our gross profit.

SUMMARY

Please refer to the paragraph headed “Financial information — Other key financial ratios” in this prospectus for more details of our key financial ratios and the basis of calculation.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and fees, incurred in connection with our Company’s Listing. Assuming the Offer Size Adjustment Option is not exercised and assuming the Offer Price is fixed at HK\$0.43 per Offer Share, being the mid-point of the indicative Offer Price range, we expect that our total listing expenses, which are non-recurring in nature, will amount to approximately SGD6.1 million, of which approximately SGD2.0 million is directly attributable to the issue of new Offer Shares and to be accounted for as a deduction from equity following completion of the Share Offer. Approximately SGD1.0 million and SGD2.0 million have been recognised and charged to the profit or loss account during the year ended 31 December 2018 and the six months ended 30 June 2019. The remaining estimated listing expenses of approximately SGD1.1 million will be charged to the profit or loss account upon Listing.

KEY FINANCIAL DATA

The tables below present a summary of our financial information for the year indicated and should be read in conjunction with our financial information as set out in Appendix I to this prospectus.

Consolidated statements of profit or loss and other comprehensive income

	Year ended	Year ended	Six months	Six months
	31 December	31 December	ended	ended
	2017	2018	30 June	30 June
	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>
			(unaudited)	
Revenue	8,440	10,349	4,114	5,996
Cost of services	<u>(3,652)</u>	<u>(5,148)</u>	<u>(2,176)</u>	<u>(3,422)</u>
Gross profit	4,788	5,201	1,938	2,574
Other income, and gains and losses, net	80	65	23	23
Administrative expenses	(1,693)	(2,380)	(1,202)	(1,265)
Listing expenses	—	(950)	—	(1,995)
Finance costs	<u>(45)</u>	<u>(47)</u>	<u>(22)</u>	<u>(28)</u>
Profit/(loss) before income tax	3,130	1,889	737	(691)
Income tax expense	<u>(556)</u>	<u>(608)</u>	<u>(159)</u>	<u>(173)</u>
Profit/(loss) for the year/period	<u><u>2,574</u></u>	<u><u>1,281</u></u>	<u><u>578</u></u>	<u><u>(864)</u></u>

Our Group’s revenue increased by approximately SGD1.9 million or 22.6% from approximately SGD8.4 million for the year ended 31 December 2017 to approximately SGD10.3 million for the year ended 31 December 2018. The aforesaid increase was mainly attributable to the increase in the size of projects we have engaged given that we have recruited 23 additional engineers to expand our work capacity during the year ended 31 December 2018.

SUMMARY

Our cost of services increased by approximately SGD1.4 million or 37.8% from approximately SGD3.7 million for the year ended 31 December 2017 to approximately SGD5.1 million for the year ended 31 December 2018. The increase was mainly attributable to increase in number of staff due to the increased workload as a result of the growth in demand for our engineering consultancy services.

Our gross profit increased by approximately SGD0.4 million or 8.3% from approximately SGD4.8 million for the year ended 31 December 2017 to approximately SGD5.2 million for the year ended 31 December 2018, while our gross profit margin decreased by approximately 6.4% for the same period. The increase in gross profit was in line with our growth in revenue.

Our Group's net profit decreased from approximately SGD2.6 million for the year ended 31 December 2017 to approximately SGD1.3 million for the year ended 31 December 2018. This is mainly due to the listing expenses incurred in the year ended 31 December 2018 in the sum of approximately SGD1.0 million. Excluding the effect of the listing expenses, our net profit decreased by approximately SGD0.3 million or 11.5% in the year ended 31 December 2018 when compared with similar period in 2017. The decrease of our net profit for the year ended 31 December 2018 was mainly due to the increase in our administrative expenses, which increased by approximately SGD0.7 million or 40.6% in the year ended 31 December 2018 when compared with similar period in 2017. For further details, please refer to the paragraph headed "Financial information — Principal components of results of operations — Year ended 31 December 2017 compared with year ended 31 December 2018" in this prospectus.

Our Group's revenue increased by approximately SGD1.9 million or 46.3% from approximately SGD4.1 million for the six months ended 30 June 2018 to approximately SGD6.0 million for the six months ended 30 June 2019. The increase was mainly attributable to the increase in the size of projects we have engaged during the six months ended 30 June 2019, given that we have recruited 23 additional engineers to expand our work capacity in 2018. In particular, number of projects which contributed revenue over SGD500,000 was one during the six months ended 30 June 2019 as compared to nil for the same period last year; and the number of projects which contributed revenue ranged from SGD50,000 to SGD500,000 was 30 during the six months ended 30 June 2019 as compared to only 20 for the same period last year.

Our Group's cost of services increased by approximately SGD1.2 million or 54.5% from approximately SGD2.2 million for the six months ended 30 June 2018 to approximately SGD3.4 million for the six months ended 30 June 2019. The increase was mainly attributable to a payment of special bonus to our Singapore staff at the end of June 2019, as well as the increase in number of staff due to the increased workload as a result of the growth in demand for our engineering consultancy services.

Our Group's gross profit increased by approximately SGD0.7 million or 36.8% from approximately SGD1.9 million for the six months ended 30 June 2018 to approximately SGD2.6 million for the six months ended 30 June 2019, while our gross profit margin decreased by approximately 4.2% for the same period. The increase in gross profit was in line with our growth in revenue.

Our Group recorded a profit of approximately SGD0.6 million for the six months ended 30 June 2018, as compared to a loss of approximately SGD0.9 million for the six months ended 30 June 2019. Such change was mainly due to the listing expenses incurred during the six months ended 30 June 2019. For further details, please refer to the paragraph headed "Financial information — Principal components of results of operations — Six months ended 30 June 2018 compared with six months ended 30 June 2019" in this prospectus.

SUMMARY

Highlights of consolidated statements of financial position

	As at 31 December 2017 SGD'000	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000
Non-current assets	2,027	1,939	2,060
Current assets	5,525	5,719	6,606
Current liabilities	1,457	2,087	3,999
Non-current liabilities	1,038	923	915
Net current assets	4,068	3,632	2,607
Total equity	5,057	4,648	3,752

The decrease in our net current assets as at 31 December 2018 when compared to 31 December 2017 was primarily due to the dividend paid amounted to approximately SGD1.7 million for the year ended 31 December 2018, and partially offset by the increase in trade and other receivables, which in turn was mainly due to increase in the amount billed to our clients in December 2018. The further decrease in our net current assets as at 30 June 2019 was primarily due to the cash advance from a director to our Group in order to settle the professional fees related to the Listing, which led to the increase in our current liabilities. The decrease in our total equity or net assets as at 31 December 2018 when compared to 31 December 2017 was mainly due to the dividend paid for the year ended 31 December 2018, and partially offset by the net profit recorded for the same year. The further decrease in our total equity or net assets as at 30 June 2019 was primarily due to the listing expenses incurred during the six months ended 30 June 2019, which led to a net loss during the same period. For details please refer to the paragraphs headed “Financial information — Net current assets” and “Financial information — Analysis of selected consolidated statement of financial position items” in this prospectus.

Highlights of consolidated statement of cash flows

	Year ended 31 December 2017 SGD'000	Year ended 31 December 2018 SGD'000	Six months ended 30 June 2018 SGD'000 (unaudited)	Six months ended 30 June 2019 SGD'000
Operating cash flows before movements in working capital	3,257	2,080	824	(544)
Net cash generated from/(used in) operations	3,003	621	527	(234)
Income tax paid	(285)	(800)	(421)	(143)
Net cash generated from/(used in) operating activities	2,718	(179)	106	(377)
Net cash used in investing activities	(250)	(56)	(26)	(26)
Net cash (used in)/generated from financing activities	(1,199)	(778)	(1,554)	1,020
Net increase/(decrease) in cash and cash equivalents	1,269	(1,013)	(1,474)	617
Cash and cash equivalents at beginning of the year/period	1,113	2,272	2,272	1,214
Effect of foreign exchange rate changes	(110)	(45)	28	(20)
Cash and cash equivalents at end of the year/period	2,272	1,214	826	1,811

SUMMARY

The net cash generated from operating activities in 2017 were approximately SGD2.7 million and the net cash used in operating activities in 2018 were approximately SGD0.2 million. Such change was mainly due to listing expenses in the sum of SGD1.0 million incurred in 2018 and the increase of administrative expenses from approximately SGD1.7 million in 2017 to approximately SGD2.4 million in 2018 due to higher staff costs incurred to compensate administrative staff for the heavy workload in preparation for the listing application as well as increase in office expenses. The net cash used in operating activities in the six months ended 30 June 2019 was mainly related to listing expenses in the sum of approximately SGD2.0 million incurred in this period.

The cash and cash equivalents decreased from approximately SGD2.3 million as at 31 December 2017 to approximately SGD1.2 million as at 31 December 2018 mainly due to the payment of dividend in the sum of approximately SGD1.7 million in 2018. The cash and cash equivalents balance as at 30 June 2019 increased to approximately SGD1.8 million, which was mainly due to the cash receipt from our clients during the six months ended 30 June 2019. For details please refer to the paragraph headed “Financial information — Liquidity and capital resources” in this prospectus.

FUTURE PLANS AND USE OF PROCEEDS AND REASONS FOR THE LISTING

Our Directors believe that the Listing will enhance our corporate profile and the net proceeds from the Share Offer will strengthen our financial position and will enable us to implement our business plans set out in the paragraph headed “Business — Business strategies and future plans” in this prospectus.

We intend to use the net proceeds of the Share Offer, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Share Offer of approximately HK\$29.7 million (based on the Offer Price of HK\$0.43 per Offer Share, being the mid-point of our indicative range of the Offer Price), for the following purposes:

- (i) as to approximately 29.3% of the net proceeds, representing approximately HK\$8.7 million, will be used for expanding our operation in Singapore;
- (ii) as to approximately 23.5% of the net proceeds, representing approximately HK\$7.0 million, will be used for expanding our operation in Vietnam, including the setting up of a supervision department in our office in Ho Chi Minh City, Vietnam;
- (iii) as to approximately 18.8% of the net proceeds, representing approximately HK\$5.6 million, will be used for staff recruitment, rental and other related expenses for our supporting office already leased in Sheung Wan, Hong Kong;
- (iv) as to approximately 11.8% of the net proceeds, representing approximately HK\$3.5 million, will be used for enhancing our information technology system;
- (v) as to approximately 7.4% of the net proceeds, representing approximately HK\$2.2 million, will be used for research and development on PPVC knowhow;
- (vi) as to approximately 1.4% of the net proceeds, representing approximately HK\$0.4 million, will be used for sales and marketing;

SUMMARY

(vii) as to approximately 1.8% of the net proceeds, representing approximately HK\$0.5 million, will be used for setting up scholarships in Singapore for NUS students studying civil and structural engineering; and

(viii) as to approximately 6.0% of the net proceeds, representing approximately HK\$1.8 million, will be used for working capital and other general corporate purposes.

If the Offer Size Adjustment Option is exercised in full, we estimate that we would receive additional HK\$9.7 million. The additional net proceeds received from the exercise of the Offer Size Adjustment Option will be allocated pro rata to the abovementioned purposes.

Please refer to the section headed “Future plans and use of proceeds” in this prospectus for further details.

NON-COMPLIANCE

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, there was no non-compliance incident which, whether individually or collectively, has caused or will have a material adverse effect on the Group’s business, results of operations and financial condition.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we continued to focus on our principal business of provision of civil and structural engineering consultancy services.

Subsequent to the Track Record Period and up to the Latest Practicable Date, our Group has been awarded one out of 15 and four out of 23 tendered projects in Singapore and Vietnam respectively. As at the Latest Practicable Date, we had been awarded a contract for site supervision with a contract value of approximately SGD0.6 million in October 2019.

Our Directors have applied for the patents in Europe, Singapore, Hong Kong, China, Malaysia and India in relation to the knowhow of composite shear wall construction system for PPVC which was used in all our PPVC projects during the Track Record Period. The patent registration in Europe has been granted by the European Patent office on 15 May 2019 (subject to any notice of opposition filed by any person within nine months from such date) and the patent registration in Singapore has been granted by the Intellectual Property Office of Singapore on 26 September 2019. For further details of the patent registration, please refer to the paragraph headed “Business — Intellectual property rights” in this prospectus.

Our Directors confirm that since 1 July 2019 and up to the Latest Practicable Date, there were no significant changes to the general business model of our Group and economic environment in Singapore and Vietnam. Based on the unaudited financial information of our Group, for the nine months ended 30 September 2019, our revenue increased by 19.3% and our gross profit slightly decreased by 4.3% when compared to the same period in 2018, while our gross profit margin decreased by 10.1% at 40.9% for the nine months ended 30 September 2019 when compared to the gross profit margin of 51.0% for the same period in 2018. The drop in gross profit margin largely due to payment of special bonus to our Singapore staff as at end of June 2019 and increase in number of staff due to increased workload as a result of the growth in demand for our engineering consultancy services. Our administrative expenses

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increased by 23.1% for nine months ended 30 September 2019 when compared to the same period in 2018. As a result, our financial performance for nine months ended 30 September 2019 dropped in comparison to the comparable period in 2018. Such drop was mainly due to increase in administrative expenses for the nine months ended 30 September 2019 due to higher operation expenses incurred to cope with larger work force. Our Group anticipates that its financial results for the year ending 31 December 2019 will be adversely affected by the listing expenses incurred in 2019.

Our Directors confirm that, save for the listing expenses to be incurred in 2019, (i) there were no material adverse changes in the market conditions or the industry and environment in which we operate that materially and adversely affect our financial or operating position since 30 June 2019 and up to the date of this prospectus; (ii) there was no material adverse change in the business and financial position or prospects of our Group since 30 June 2019 and up to the date of this prospectus; and (iii) no event had occurred since 30 June 2019 and up to the date of this prospectus that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

STATISTICS OF THE SHARE OFFER

	Based on an Offer Price of HK\$0.38 per Offer Share	Based on an Offer Price of HK\$0.48 per Offer Share
Market capitalisation of the Shares	HK\$228.0 million	HK\$288.0 million
Unaudited pro-forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share (<i>Note 1</i>)	SGD0.0178 (equivalent to approximately HK\$0.1011)	SGD0.0219 (equivalent to approximately HK\$0.1244)

Note:

1. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share has been prepared with reference to certain estimation and adjustment. Further details are set out in Appendix II to this prospectus.

OUR SHAREHOLDERS

Controlling Shareholders and Substantial Shareholders

Immediately following completion of the Share Offer and Capitalisation Issue (without taking into account any Shares which may be issued upon exercise of the Offer Size Adjustment Option and any options that may be granted under the Share Option Scheme), WMCH Global Holdings will control 75% of the issued share capital of our Company. WMCH Global Holdings is an investment holding company which is owned as to 55% by Mr. Wong, 20% by Ms. Leow, 17.5% by Mr. Lim and 7.5% by Mr. Heng. For the purpose of the GEM Listing Rules, WMCH Global Holdings, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng are a group of our Controlling Shareholders and Substantial Shareholders.

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DIVIDEND POLICY

During the Track Record Period, the subsidiaries of our Group declared and paid interim dividends of approximately SGD1.4 million, SGD1.7 million and nil respectively. No dividends were declared by our Group after 30 June 2019 and up to the Latest Practicable Date. Upon Listing, our Group shall adopt a general annual dividend policy of declaring and paying dividends, whether interim, final and/or special, of approximately 10% of the net profit attributable to Shareholders in any financial year, taking into account the need for preserving sufficient capital for business development and providing our Shareholders with reasonable returns for their investment.

Going forward, we shall continually review the dividend policy in light of our financial position and the prevailing economic climate. The determination to pay dividends will be based upon factors including but not limited to our actual and expected financial performance, our retained earnings and distributable reserves, our expected working capital requirements and future expansion plans, and any other factors that the Board may deem appropriate.

The above does not amount to any guarantee, representation or indication that we must or will declare and pay dividends in such manner or at all. The declaration and payment of dividends are at the sole discretion of the Board. The above historical dividend payments may not be indicative of the amount of our future dividend payments.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. The relatively material risks encompass the following:

- Our pricing is determined based on the estimated time and costs involved in a project which may deviate from the actual time and costs incurred and any material inaccurate estimation of such time and costs may materially and adversely affect our financial results and profitability
- Failure to secure new projects given the non-recurring nature of our projects could materially and adversely affect our financial performance
- We are exposed to the credit risk of and may experience increasing balance of trade receivables from clients and longer trade receivables' turnover days in the future
- We may not be able to bill and receive the full amount of contract assets
- We face liquidity risk due to mismatch in cash inflow and outflow
- Our business depends on level of activity and growth in the construction industry in Singapore and Vietnam
- We are exposed to potential professional liabilities
- Our expansion plan in Singapore and Vietnam may adversely affect our Group's business and operation

Details of these risks are set out in the section headed "Risk factors" in this prospectus.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report of our Group prepared by our reporting accountant as set out in Appendix I to this prospectus
“Application Form(s)”	WHITE application form(s) and YELLOW application form(s) or, where the context so requires, any of them which is used in relation to the Public Offer
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company conditionally adopted on 6 November 2019 which shall become effective on the Listing Date and as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
“Artus”	Artus Consultancy Services Pte. Ltd., a company incorporated in Singapore on 22 January 2005 and an indirect wholly-owned subsidiary of our Company upon completion of the Reorganisation
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“BCA”	the Building and Construction Authority, an agency under the Ministry of National Development of the Singapore government
“Blue Synergy”	Blue Synergy Global Limited, a company incorporated in the BVI on 2 January 2018 and an indirect wholly-owned subsidiary of our Company upon completion of the Reorganisation
“Board” or “our Board”	the board of Directors
“Buildability and Productivity Regulations”	the Building Control (Buildability and Productivity) Regulations 2011 of Singapore
“Building Control Act”	Building Control Act, Chapter 29 of Singapore
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licenced banks in Hong Kong are generally open for normal business to the public
“BVI”	British Virgin Islands
“CAGR”	compound annual growth rate

DEFINITIONS

“Capitalisation Issue”	the issue of 411,000,000 Shares to be made upon capitalisation of a sum of HK\$4,110,000 standing to the credit of the share premium account of our Company referred to in the section headed “Statutory and general information — A. Further information about our Company — 3. Written resolutions of our sole Shareholder passed on 6 November 2019” in Appendix V to this prospectus
“Cayman Islands/BVI Legal Advisers”	Conyers Dill & Pearman, the legal advisers to our Company as to Cayman Islands/BVI law
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person permitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person permitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practises, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“Chairman”	the chairman of the Board
“Chief Executive Officer”	the chief executive officer of our Group
“China” or “PRC”	the People’s Republic of China, but for the purpose of this prospectus only and except where the context requires otherwise, references in this prospectus to “China” or “PRC” do not include Hong Kong, the Macau Special Administrative Region and Taiwan
“CIT”	corporate income tax
“close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Companies Law” or “Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands

DEFINITIONS

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding up and Miscellaneous Provisions) Ordinance”	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”	WMCH Global Investment Limited, an exempted company with limited liability incorporated in the Cayman Islands on 6 July 2018
“Companies Act”	the Companies Act, Chapter 50 of Singapore
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules and in the context of this prospectus, refers to WMCH Global Holdings, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng as a group
“core connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Corporate Governance Code”	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules
“CPF”	the Central Provident Fund in Singapore
“CPF Act”	Central Provident Fund Act, Chapter 36 of Singapore
“CWSH”	Commissioner for Workplace Safety and Health in Singapore
“Deed of Indemnity”	the deed of indemnity dated 6 November 2019 executed by our Controlling Shareholders in favour of our Company (for itself and as trustee for each of our subsidiaries from time to time), particulars of which are summarised in the section headed “Statutory and general information — E. Other information — 1. Tax and other indemnities” in Appendix V to this prospectus
“Director(s)”	the director(s) of our Company
“DOC”	the provincial or municipal Department of Construction in Vietnam
“DPI”	the provincial or municipal Department of Planning and Investment in Vietnam

DEFINITIONS

“EFMA”	Employment of Foreign Manpower Act, Chapter 91A of Singapore
“Employment Act”	the Employment Act, Chapter 91 of Singapore
“European Patent Bulletin”	the bulletin published by the European Patent Office from time to time which contains data concerning the legal status of European patent applications and patents
“E.U.”	European Union
“EUR”	Euro, the lawful currency of E.U.
“Frost & Sullivan”	Frost & Sullivan International Limited, an Independent Third Party and an independent market research expert
“GeBIZ”	the Singapore Government’s one-stop e-procurement portal where all public sector’s invitations for quotation and tender are posted by individual Singapore Government agencies
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM made by the Stock Exchange from time to time
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Global Speed”	Global Speed Limited (浩迅有限公司), a company incorporated in Hong Kong as a limited company on 23 November 2018 and an indirect wholly-owned subsidiary of our Company upon completion of the Reorganisation
“Green Spring”	Green Spring Global Limited (綠泉環球有限公司), a company incorporated in the BVI on 30 May 2018 and an indirect wholly owned subsidiary of our Company upon completion of the Reorganisation
“Group”, “our Group”, “we”, “our” or “us”	our Company and its subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries pursuant to the Reorganisation, its present subsidiaries and the businesses operated by such subsidiaries or their predecessors (as the case may be)
“GST”	goods and services tax

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“HDB”	Housing & Development Board of Singapore
“HK\$” or “HKD”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“HKICPA”	Hong Kong Institute of Certified Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	Boardroom Share Registrars (HK) Limited, the branch share registrar of the Company in Hong Kong
“Independent Third Party(ies)”	individual(s) or company(ies) who or which to the best of our Directors’ knowledge information and belief, having made all reasonable enquires, is/are not connected person(s) of the Company within the meaning of the GEM Listing Rules
“India”	the Republic of India
“Industry Consultant’s Report”	the industry research report prepared by Frost & Sullivan and commissioned by our Company, the content of which is quoted in this prospectus
“IFRSs”	the International Financial Reporting Standards issued by the International Accounting Standards Board
“Joint Bookrunners”	Astrum Capital Management Limited and Guotai Junan Securities (Hong Kong) Limited
“Joint Lead Managers”	Easy Securities Limited, Fulbright Securities Limited, Quasar Securities Co., Limited and Tianda Securities Limited
“KETs”	key employment terms
“KRW”	South Korean Won, the lawful currency of South Korea
“Latest Practicable Date”	4 November 2019, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information referred to in this prospectus
“Lion City”	Lion City Global Limited (獅城環球有限公司), a company incorporated in the BVI on 28 May 2018 and a direct wholly owned subsidiary of our Company upon completion of the Reorganisation

DEFINITIONS

“Listing”	listing of the Shares on GEM
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date on which dealings in the Shares on GEM first commence, which is expected to be on or around Friday, 29 November 2019
“m ² ”	square metre
“Maldives”	the Republic of Maldives
“Memorandum of Association” or “Memorandum”	the amended and restated memorandum of association of our Company conditionally adopted on 6 November 2019 which shall become effective on the Listing Date and as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
“MOC”	the Ministry of Construction of Vietnam
“MOM”	the Ministry of Manpower of Singapore
“Mr. Wong”	Mr. Wong Seng, an executive Director, the Chief Executive Officer, the chairman of the Board and one of our Controlling Shareholders
“Ms. Leow”	Ms. Leow Geok Mui, an executive Director and one of our Controlling Shareholders
“Mr. Lim”	Mr. Lim Chin Keong, an executive Director and one of our Controlling Shareholders
“Mr. Heng”	Mr. Heng Kim Huat, an executive Director and one of our Controlling Shareholders
“Myanmar”	the Republic of the Union of Myanmar, also known as Burma
“MYR”	Malaysian ringgit, the lawful currency of Malaysia
“NUS”	National University of Singapore
“Offer Price”	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed for and issued pursuant to the Share Offer, to be determined in the manner further described in the section headed “Structure and conditions of the Share Offer” in this prospectus

DEFINITIONS

“Offer Share(s)”	the Public Offer Shares and the Placing Shares, together with, where relevant, any additional Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option
“Offer Size Adjustment Option”	the option expected to be granted by our Company to the Placing Underwriters exercisable by the Joint Bookrunners (for themselves and on behalf of the Placing Underwriters), pursuant to which our Company may be required to allot and issue up to 22,500,000 additional new Shares, representing 15% of the Shares initially available under the Share Offer at the Offer Price as further described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“One-Tier System”	one-tier corporate taxation system of Singapore
“PEB”	The Professional Engineers Board Singapore established under the Professional Engineers Act
“PIT”	personal income tax
“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters for and on behalf of the Company at the Offer Price subject to the terms and conditions as described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Placing Shares”	the 135,000,000 new Shares initially being offered for subscription pursuant to the Placing, representing 90% of the initial number of the Offer Shares, subject to re-allocation and the Offer Size Adjustment Option as described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Placing Underwriters”	the underwriters of the Placing, who are expected to enter into the Placing Underwriting Agreement to underwrite the Placing Shares
“Placing Underwriting Agreement”	the conditional placing underwriting agreement relating to the Placing and expected to be entered into by, among others, our Company and the Placing Underwriters on or about the Price Determination Date
“Practising Certificate”	a licence for construction practise issued to individuals under the laws of Vietnam
“Price Determination Agreement”	the agreement to be entered into between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company on or before the Price Determination Date to record and fix the Offer Price

DEFINITIONS

“Price Determination Date”	the date, expected to be on or about Wednesday, 20 November 2019, or such later date, as may be agreed between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company
“Professional Engineers Act”	the Professional Engineers Act, Chapter 253 of Singapore
“PSPC”	Public Sector Panels of Consultants which list firms that provide consultancy services for public sector building and construction projects in Singapore
“Public Offer”	the offer of the Public Offer Shares for subscription by the members of the public in Hong Kong for cash at the Offer Price, on and subject to the terms and conditions described in the section headed “Structure and conditions of the Share Offer” in this prospectus and the Application Forms
“Public Offer Shares”	the 15,000,000 new Shares initially being offered for subscription at the Offer Price pursuant to the Public Offer, subject to re-allocation as described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Public Offer Underwriters”	the underwriters of the Public Offer listed in the section headed “Underwriting — Public Offer Underwriters” in this prospectus
“Public Offer Underwriting Agreement”	the conditional public offer underwriting agreement dated 13 November 2019 relating to the Public Offer entered into among our Company, our executive Directors, our Controlling Shareholders as covenantors, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters, particulars of which are summarised in the section headed “Underwriting” in this prospectus
“QFM”	Quality Fee Method
“Reorganisation”	the reorganisation of our Group for the purpose of the Listing, particulars of which are set out in the section headed “History, reorganisation and corporate structure” in this prospectus
“S Pass”	working visa issued to foreigner under the laws of Singapore
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time

DEFINITIONS

“SG Tax Adviser”	Assenture Advisory Private Limited, the independent tax adviser to our Group’s Singapore subsidiaries
“SGD”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	collectively, the Placing and the Public Offer
“Share Option Scheme”	the share option scheme conditionally approved and adopted by our Company pursuant to the written resolutions passed by the sole Shareholder on 6 November 2019, the principal terms of which are summarised in the section headed “Statutory and general information — D. Share Option Scheme” in Appendix V to this prospectus
“Singapore”	The Republic of Singapore
“Singapore Legal Advisers”	Rajah & Tann Singapore LLP, the legal advisers to our Company as to Singapore law
“Sole Sponsor”	Titan Financial Services Limited, being the sole sponsor to the Listing and a corporation licenced under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined in the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the GEM Listing Rules
“Substantial Shareholder(s)”	has the meaning ascribed thereto in the GEM Listing Rules and the details of which are set out in the section headed “Substantial Shareholders” in this prospectus
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, modified and supplemented from time to time
“Tham & Wong LLP”	Tham & Wong LLP., a limited liability partnership registered in Singapore
“Track Record Period”	the period comprising the year ended 31 December 2017, the year ended 31 December 2018 and the six months ended 30 June 2019

DEFINITIONS

“TW-Asia”	TW-Asia Consultants Pte. Ltd., a company incorporated in Singapore on 5 June 2013 and an indirect wholly-owned subsidiary of our Company upon completion of the Reorganisation
“TW-Asia Vietnam”	TW-Asia Consultants Company Limited (formerly known as Tham & Wong (Vietnam) Co. Ltd.), a company incorporated in Vietnam on 27 December 2006 and an indirect wholly-owned subsidiary of our Company upon completion of the Reorganisation
“U.N.”	United Nations
“Underwriters”	collectively, the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreements”	collectively, the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“U.S.”	United States of America
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax
“Vietnam”	the Socialist Republic of Vietnam
“Vietnam Legal Advisers”	Rajah & Tann LCT Lawyers, the legal advisers to our Company as to Vietnam law
“VN Tax Adviser”	A&C Auditing and Consulting Company Limited, the independent tax adviser to our Group’s Vietnam subsidiary
“VND”	Vietnamese Dong, the lawful currency of Vietnam
“ WHITE Application Form(s)”	the form(s) of application for the Public Offer Shares for use by the public who require(s) such Public Offer Shares to be issued in the applicant’s or applicants’ own name(s)
“WICA”	the Work Injury Compensation Act, Chapter 354 of Singapore
“WMCH Global Holdings”	WMCH Global Holdings Limited, a company incorporated in the BVI on 18 October 2018 and one of our Controlling Shareholders
“WSHA”	Workplace Safety and Health Act, Chapter 354A of Singapore
“WSHR”	Workplace Safety and Health (General Provisions) Regulations

DEFINITIONS

“**YELLOW** Application Form(s)” the form(s) of application for the Public Offer Shares for use by the public who requires such Public Offer Shares to be deposited directly into CCASS

“%” per cent.

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

For ease of reference, the English translation of a name in another language, or vice versa, has been provided for identification purpose only.

Certain figures used in this prospectus that are expressed in SGD, VND, HK\$ and US\$ are calculated based on the conversion rate of SGD1.00 to HK\$5.68, SGD1.00 to VND17,053.87, VND1.00 to HK\$0.000336 and US\$1.00 to HK\$7.83, respectively.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms used in this prospectus. These terms and their meanings may or may not correspond to standard industry meaning or usage of these terms.

“Authorised Person”	a person whose name is entered into the list of architects, the list of engineers or the list of surveyors in the authorised persons’ register kept by the Building Authority under section 3(1) of the BO
“BIM”	Building Information Modelling
“BO”	the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“BS Index”	Buildable-Design Score Index
“Building Authority”	the Director of Buildings of the Buildings Department of the government of Hong Kong
“composite shear wall system”	a composite shear wall system consists of 2 precast concrete panels with high strength in situ grouting in the middle joint forming a composite concrete wall system
“CSC”	Certificate of Statutory Completion issued by the BCA
“engineering designs”	the method that engineers use to identify and solve problems
“ERB”	the Engineers Registration Board established under the ERO
“ERO”	the Engineers Registration Ordinance (Chapter 409 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“ERP”	Enterprise Resources Planning
“Etabs”	a structural programme used basically for analysis for highrise building
“grouting”	a high strength concrete grout applied or injected to fill cracks, joints and crevices
“ISO”	an acronym for a series of quality management and quality assurance standards published by International Organisation for Standardisation, a non-government organisation based in Geneva, Switzerland, for assessing the quality systems of business organisations

GLOSSARY OF TECHNICAL TERMS

“ISO 14001:2015”	an environmental management system standard that maps out a framework that a company or organisation can follow to set up an effective environmental management system, to provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved
“ISO 9001:2015”	quality management system standard that is based on a number of quality management principles including a strong client focus, the motivation and implication of top management, the process approach and continual improvement
“MiC”	Modular Integrated Construction
“PPVC”	Prefabricated prefinished volumetric construction. According to BCA, Prefabricated prefinished volumetric construction refers to a construction method whereby free-standing volumetric modules, that are completed with finishes for walls, floors and ceilings, are either (i) constructed and assembled; or (ii) manufactured and assembled, in an accredited fabrication facility, in accordance with any accredited fabrication method, and then installed in a building under building works
“Practising Engineer”	a person who has obtained a Practising Certificate issued by the DOC or MOC
“Registered Accredited Checker”	a person who is registered as accredited checker with the BCA in Singapore
“Registered Geotechnical Engineer”	a person who is qualified to perform the duties and functions of geotechnical engineers in accordance with the BO and whose name is for the time being on the geotechnical engineers’ register kept by the Building Authority under section 3(3A) of the BO
“Registered Inspector”	a person who is qualified to perform the duties and functions of inspectors in accordance with the BO and whose name is for the time being on the list of architects, the list of engineers or the list of surveyors in the inspectors’ register kept by the Building Authority under section 3(3B) of the BO
“Registered Professional Engineer”	a person whose name is on the register of registered professional engineers maintained by the PEB under the Professional Engineers Act in the case of Singapore
“Registered Professional Engineer (HK)”	a person whose name is on the register of registered professional engineers maintained by the ERB under the ERO

GLOSSARY OF TECHNICAL TERMS

“Registered Structural Engineer”	a person who is qualified to perform the duties and functions of structural engineers (relating to more advanced structural designs of building works or street works) and whose name is for the time being on the structural engineers’ register kept by the Building Authority under section 3(3) of the BO
“Revit”	a BIM programme used for production of 2D and 3D drawings
“SAFE”	a structural programme used for analysis and design of raft foundation
“structural buildable score”	an assessment of the potential impact of a structural design on the usage of site labour. The higher the score, the less labour required
“structural integrity”	the ability of a structure to withstand its intended loading without failing due to fracture deformation or fatigue
“TAD(D) Index”	Technology Adoption (Design) Index
“Tekla”	an integrated structural programme used for analysis, design and production of drawings
“TOP”	Temporary Occupation Permit issued by the BCA
“WD(D) Index”	Workforce Development (Design) Index

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial known and unknown risks and uncertainties. Any statements that express, or involve discussions with respect to expectations, beliefs, plans, objectives, assumptions or future events or performance (in general, using words such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “plan”, “potential”, “predict”, “project”, “propose”, “seek”, “should”, “will”, “would” or other similar expressions) are not historical facts, may be forward-looking and may involve estimates and assumptions and are subject to risks (including those discussed under the section headed “Risk factors” in this prospectus), uncertainties, and other factors some of which are beyond the control of our Company and which are difficult to predict.

Forward-looking statements in this prospectus include, without limitation, statements relating to:

- our business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our financial condition and performance;
- our ability to control costs;
- our dividend policy;
- our ability to retain and recruit qualified and experienced engineers;
- the trends and conditions in the industry and markets in which we operate;
- the regulatory environment;
- general political and economic conditions;
- other factors beyond our control.

These forward-looking statements reflect the current views of our Company as to future events and are not guarantees of future performance. Accordingly, our Company’s future results and achievements may differ materially and adversely from those expressed. Subject to the requirements of the applicable laws, rules (including the GEM Listing Rules) and regulations, our Group does not have any obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Statements of or references to the intentions of our Company or those of any of our Directors are made as at the date of this prospectus. Any such intentions may change in light of future developments.

Given these risks and uncertainties, prospective investors should not place undue reliance on such forward-looking statements. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

RISK FACTORS

You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in our Company. You should pay particular attention to the fact that the legal and regulatory environment of which may differ in some respects from that which prevails in other countries. The business, financial condition or results of operation of our Group could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks and uncertainties, and you may lose all or part of your investment.

Our Group believes that there are certain risks involved in our business and operations. Many of these risks are beyond our control and can be categorised in the following manner: (i) risks relating to the business operations of our Group and the industry in which we operate; (ii) risks relating to conducting business in Singapore and Vietnam; (iii) risks relating to the Share Offer; and (iv) risks relating to this prospectus.

RISKS RELATING TO THE BUSINESS OPERATIONS OF OUR GROUP AND THE INDUSTRY IN WHICH WE OPERATE

Our pricing is determined based on the estimated time and costs involved in a project which may deviate from the actual time and costs incurred and any material inaccurate estimation of such time and costs may materially and adversely affect our financial results and profitability

Our projects are principally awarded through (i) quotation request from clients, (ii) invitations for tender by clients, and (iii) submission of tender application after visiting government website GeBIZ for new and upcoming public building development projects on which tender invitations from government agencies are published. Our tender price for a project is based on, among other things, our estimated time and costs of completing the work. There is no assurance that the actual time spent and the actual costs for a project would fall within our estimation.

The time taken and the costs actually involved in completing our projects may be adversely affected by many factors, including, among others:

- the departure of key personnel;
- unforeseeable difficulties faced on site;
- disputes with our clients or subcontractors;
- amount of queries issued by the regulatory authorities regarding our submission plans;
- changes in government policies;
- changes in market conditions;
- other unforeseen problems and circumstances; and
- any event or series of events in the nature of force majeure.

RISK FACTORS

Any one of the above factors may give rise to an unexpected increase in our time and costs involved due to the delay in our projects or increase in complexity of our projects. If we are unable to reallocate our resources in an efficient manner or enter into a variation order with our clients, this may result in our profitability being lower than expected. During the Track Record Period, none of our projects was loss-making. During the Track Record Period, there were 15 variation orders in relation to services performed outside the previously agreed scope of work, for example, the area previously covered by the contract has changed, or we needed to provide new tender design for additional service road and drainage system, and the additional charges range from approximately SGD1,600 to approximately SGD53,000. The aggregate amounts of approximately SGD55,000, SGD235,000 and SGD90,000 arising out of variation orders were recognised as revenue in 2017, 2018 and the six months ended 30 June 2019 respectively. There is no guarantee that variation order will be entered into with our client for any unexpected increase in our time and costs involved in the future.

Failure to secure new projects given the non-recurring nature of our projects could materially and adversely affect our financial performance

Our contracts are awarded on a project-by-project basis. As our revenue is not recurring in nature, we cannot guarantee that we will continue to secure new projects from our existing clients after the completion of the existing projects, or secure new projects from new clients. Sometimes, we have to go through competitive tendering processes for both public and private clients in order to secure new contracts. In the event that we are unable to maintain our business relationships with existing clients, or unable to secure new projects or obtain a similar number of projects and maintain our tender success rate, our financial performance will be adversely affected.

We are exposed to the credit risk of and may experience increasing balance of trade receivables from clients and longer trade receivables' turnover days in the future

We are subject to the credit risks of our clients and our liquidity is dependent on the prompt payment of our clients.

As at 31 December 2017, 31 December 2018 and 30 June 2019, the trade receivables from clients amounted to approximately SGD2.1 million, SGD3.2 million and SGD2.8 million respectively, whereas the respective amounts of trade receivables from clients accounted for approximately 27.9%, 41.2% and 32.9% of our total assets, respectively. As at 31 December 2017, 31 December 2018 and 30 June 2019, the trade receivables which were past due for more than 90 days amounted to approximately SGD0.3 million, SGD0.2 million and SGD0.1 million respectively.

The trade receivables' turnover days were approximately 91.1 days, 111.2 days and 86.0 days for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, while we generally grant a credit term of 0 to 30 days to our client. High turnover days may indicate that the clients tend to delay their payment. If our clients fail to settle their bills on time or at all for whatever reason, we may have cash flow mismatch which in turn may have an adverse impact on our liquidity position.

RISK FACTORS

We may not be able to bill and receive the full amount of contract assets

Contract assets are recognised when our Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contracts. There is no assurance that we will be able to bill and receive the full amount of contract assets as we may not be able to reach an agreement with the customers on the value of our work done. If we are not able to do so, our results of operation, liquidity and financial position may be adversely affected.

We face liquidity risk due to mismatch in cash inflow and outflow

As at 30 June 2019, our cash and bank balances were approximately SGD1.8 million which is lower than our total bank borrowings and trade and other payables of approximately SGD2.6 million. We generally grant a credit term of 0 to 30 days to our clients. However, our trade receivables turnover days were approximately 91.1 days, 111.2 days and 86.0 days for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, which were longer than the credit terms we granted.

For the year ended 31 December 2018, our minimum monthly working capital outflow, including but not limited to staff costs, office expenses and other miscellaneous expenses, was approximately SGD0.4 million, and the average monthly outflow in the 12-month time frame was approximately SGD0.6 million. Our trade receivable turnover days being 91.1, 111.2 days and 86.0 days for the two years ended 31 December 2018 and the six months ended 30 June 2019 means that our Group has to prepay around three months' working capital of approximately SGD1.8 million before we can collect the progress payment from our clients. On the other hand, we have to pay salary to our staff on time. Such circumstances leads to the mismatch in our cash inflow and outflow.

If we fail to manage our cashflow properly and maintain sufficient working capital, our liquidity position will be adversely affected which in turn will have a negative impact on our operation.

Our business depends on the level of activity and growth in the construction industry in Singapore and Vietnam

During the Track Record Period, our Group's revenue was mainly generated from projects located in Singapore and Vietnam. In 2017, we had generated revenue in the sums of SGD4.2 million and SGD3.3 million in Singapore and Vietnam, respectively, accounting for 49.8% and 38.7% of our total revenue in 2017. In 2018, we had generated revenue in the sums of SGD6.6 million and SGD3.4 million in Singapore and Vietnam, respectively, accounting for 64.0% and 32.9% of our total revenue in 2018. For the six months ended 30 June 2019, we had generated revenue in the sums of SGD 4.4 million and SGD1.4 million in Singapore and Vietnam respectively, accounting for 73.5% and 24.0% of our total revenue in such period. We expect that Singapore and Vietnam and areas in its vicinity will continue to account for a significant portion of our operations in the near future.

Our services are used primarily in construction projects which are sensitive to changes in general local economic conditions. A decline in construction activities may decrease the demand for civil and structural engineering consultancy services or the fees that can be charged.

RISK FACTORS

Factors that may cause a decline in the local economic conditions include:

- weakness in the global economy or the occurrence of any global economic crisis;
- slowdown of the local economy;
- downturn of the local property market;
- increases in interest rates which will increase the borrowing costs of developers; and
- changes in government policies.

We are exposed to potential professional liabilities

Our Group provides comprehensive civil and structural engineering consultancy service to our clients. In the event that our client suffers losses due to the negligence of our Group in providing such service, it may request for compensation from our Group. Our Directors consider that one of the major business risks associated with our provision of service is the potential lawsuits arising from professional negligence, misconduct and fraudulent act.

In spite of the quality control measures adopted by our Group, there is no assurance that these measures can completely eliminate the professional negligence, misconduct or fraudulent act caused by our employees. If our Group experiences any event of professional negligence, misconduct or fraudulent act, our Group could be exposed to liabilities, such as claims or lawsuits, and the same may have an adverse impact on our Group's reputation. Our Group is covered by professional indemnity insurance and we may experience an adverse impact on our Group's financial position in the event that the claim from our clients exceeds the coverage or the scope of the insurance does not cover such claim. Details of our Group's insurance policies are set out in the section headed "Business — Insurance" in this prospectus.

Our expansion plan in Singapore and Vietnam may adversely affect our Group's business and operation

In order to implement our plan to expand our Group's operation, our Group plans to use approximately 29.3% of the net proceeds from the Share Offer to expand our Group's operation in Singapore, approximately 23.5% of the net proceeds from the Share Offer to expand our Group's operation in Vietnam and 18.8% of the net proceeds from the Share Offer for staff recruitment, rental and other related expenses for our supporting office already leased in Sheung Wan, Hong Kong. For details, please refer to the paragraphs headed "Business — Business strategies and future plans" and "Future plans and use of proceeds — Use of proceeds" in this prospectus.

Our expansion plans described above may involve the following risks:

- (1) Orders from our clients may vary depending on the demand of our clients which in turn may be affected by market trend, clients' preferences or other factors which are beyond our control. Our clients' demand for our services may not increase in line with our increase in our business operation and we cannot assure you that there will not be over-expansion of our business operation.

RISK FACTORS

- (2) In addition, we expect to incur increased costs such as payment on recruitment of additional staff, office rental.

If the increased expense could not be covered by the increased profits as a result of our Group's expansion, it would adversely affect our Group's business, financial conditions and operations.

If we are unable to retain, recruit and hire skilled and experienced management personnel, our ability to effectively manage our operations and meeting our strategic objectives could be harmed

Our success relies, to a significant extent, on our ability to identify, hire, train and retain suitable, skilled and qualified management personnel with the requisite expertise. Members of our management team, comprising our executive Directors namely Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng and our senior management, Dr. Nguyen Ngoc Ba have ample years of experience in the construction industry and our Directors believe that we possess in-depth knowledge and insightful understanding of the culture and preferences of the developers in the market. Further information about our management team's experience is set out in the section headed "Directors and senior management" in this prospectus. If any of our executive Directors or our senior management cease to be involved in the management of our Group in the future and our Group is unable to find a suitable replacement in a timely manner, there could be an adverse impact on the business, results of operations and profitability of our Group.

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

We are regulated by various other regulatory bodies in Singapore and Vietnam. These regulatory bodies stipulate the criteria that must be satisfied before registrations and licences are granted to, and/or renewed and/or maintained for, our business. The maintenance and renewal of our registrations and licences are subject to compliance with the relevant regulations. The requirements laid down by the regulatory bodies may change from time to time, and there is no assurance that we will be able to meet the changing requirements and maintain and/or renew our registrations and licences.

Our registrations and licences may be downgraded, suspended or cancelled if we fail to comply with the applicable requirements. Delay or refusal may also occur when renewing such registrations and licences upon expiry. For details, please refer to the paragraphs headed "Regulations and supervision of our business in Singapore — Professional Engineers Act — Professional engineers" and "Regulations and supervision of our business in Vietnam — Regulations on construction engineering and design services — Licencing" under the section headed "Regulatory overview" in this prospectus. If we are unable to renew our existing registrations and licences or our existing registrations and licences are cancelled or suspended, our operations and financial performance will be adversely affected.

Our business performance is affected by our client's preference

Our civil and structural engineering consultancy service engagement is dependent on our client's preference, which are subjective in nature. We assist our clients by advising them, from a civil and structural engineering consultancy service perspective, according to their preference, feasibility, cost, utility and risks for the development. Our Directors believe that one of the major factors underlying our continued success is our responsiveness to our clients' preference.

RISK FACTORS

Since preference and expectations vary from client to client, we must be able to anticipate, identify and respond promptly to each client's preference in order to achieve a continued success in the industry. If we fail to anticipate or respond to our clients' preference, fail to introduce a commercially viable civil and structural design or fail to do so in a timely manner, our business and results of operations may be materially and adversely affected.

We recorded a net operating cash outflow for the year ended 31 December 2018 and the six months ended 30 June 2019, and may have difficulty meeting our payment obligations if we continue to record net operating cash outflow in the future

During the year ended 31 December 2018, our Group recorded a net operating cash outflow in the amount of approximately SGD0.2 million, consisting of SGD2.1 million of operating cash inflows before movements in working capital, negative net working capital adjustments of SGD1.5 million and income tax paid of SGD0.8 million.

During the six months ended 30 June 2019, our Group recorded a net operating cash outflow in the amount of approximately SGD0.4 million, consisting of approximately SGD0.6 million of operating cash outflows before movements in working capital, adding a net working capital adjustments of approximately SGD0.3 million and income tax paid of approximately SGD0.1 million.

We cannot guarantee that prospective business activities of our Group and/or other matter beyond our control (such as market competition and changes to the macroeconomic environment) will not adversely affect our operating cash flow and lead to net operating cash outflows in the future. If we face a net operating cash outflow in the future, (i) we may not have sufficient working capital to cover our operating costs and we may have to fund our operating costs by obtaining bank borrowings. There is however no assurance that we will succeed in obtaining bank borrowings at terms favourable to us and we may incur significant finance costs for any such bank borrowings; and (ii) our liquidity may be adversely affected and we may not be able to meet the payment obligations, such as our trade payables. This may materially and adversely affect our business, financial position and results of operations.

We are exposed to foreign exchange risks

We have operations in Singapore and Vietnam. We have revenue in SGD and VND. We also incur expenses in SGD, VND and HKD. Our reporting currency is SGD. As a result, any fluctuation in the exchange rate between SGD, VND and HKD will have an impact on our financial performance. If VND depreciates substantially against SGD, our financial results may be adversely affected.

We recorded net foreign exchange loss of approximately SGD5,000, net foreign exchange gain of approximately SGD19,000 and net foreign exchange loss of approximately SGD3,000 for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively. For details of the sensitivity analysis in respect of the foreign exchange risk, please refer to note 30 of the Accountants' Report set out in Appendix I to this prospectus.

RISK FACTORS

Foreign exchange control may affect our operation

Vietnamese Dong is normally not freely convertible into other currencies. To promote foreign investments, the Vietnamese government permits foreign invested enterprises, in certain situation, to convert Vietnamese Dong into foreign currencies to repatriate their profits from business operations and to make payments for the provision of services or licenced technology transfer. However, there is no assurance that such rules and regulations would not be changed in the future.

Further, Vietnam does not possess a fully liberalised foreign exchange control regime and the use, exchange and remittance of foreign currencies are regulated by the relevant ordinance and regulations. Please refer to paragraph headed “Regulatory overview — Regulations and supervision of our business in Vietnam — Regulations on foreign investment” in this prospectus for details. Our business in Vietnam would be adversely affected if further restrictions or regulations on foreign exchange are imposed by the Vietnam government.

Foreign exchange control imposed by different countries may create barriers for our clients to make payment to us, which would cause an increase in our Group’s trade receivable turnover days. Please refer to the paragraph headed “Financial information — Analysis of selected consolidated statement of financial position items — Trade and other receivables” in this prospectus for details.

We engage third parties to carry out some of the tasks in our operations. The sub-standard or delayed performance of these third parties may adversely affect our Group’s reputation

Our Group has engaged third party service providers and subcontractors for the ancillary and supporting services in our clients’ projects. Our Group may not be able to review and monitor the performance of these service providers and subcontractors as directly and as efficiently as managing our own staff. Our inability to ensure the service quality of these third party service providers and subcontractors could also hinder our ability to deliver services to clients in a timely and satisfactory manner. By engaging them for different tasks, our Group is exposed to risks associated with sub-standard or delayed performance by these third party service providers and subcontractors. If such risks materialise, our service quality to clients may deteriorate and could therefore impact our Group’s profitability, financial performance and reputation, and result in litigation or damages claims.

In addition, if the third party service providers and subcontractors are in breach of any rules and regulations, it may expose our Group to prosecutions and/or liable to claims for loss and damages. If there is in fact a violation, our operations and therefore reputation and financial position will be adversely affected.

Our project engagement may be adversely affected if there is negative publicity or damage to our business reputation

As a professional service provider, our Group’s ability to secure new projects depends heavily upon our reputation and the reputation of our team as we principally obtain our business by (i) quotation request from clients, (ii) invitations for tender by clients and (iii) submission of tender application after visiting government website GeBIZ. Negative publicity associated with our Group or our team could result in the loss of clients or lead to increasing difficulty to be awarded new projects in the tendering process. In the event that, (i) any client is not satisfied with our work; (ii) any delay in completing a project because of the quality of our work; or (iii) any party raises any complaint regarding our Group

RISK FACTORS

which comes to the attention of the public, our existing or potential clients, the business, brand and reputation of our Group may be adversely affected, which will in turn, adversely affect our growth prospects and financial condition.

Risks associated with our computer hardware or software system and data storage and potential computer system failure and disruptions

Part of our work is substantially carried out by computers and software used for structural engineering such as Etabs, SAFE, Tekla and Revit. Our computer hardware, software and data storage is maintained by an outsourced information technology company. The computer servers of our Group are currently situated at our offices in Singapore and the Vietnam with restricted access only to authorised personnel. A physical breakdown of and damage to our computer hardware, software and data storage may lead to a loss of data.

There is no assurance that our Group has sufficient ability to protect our computer hardware, software and data storage from all possible damage, including, acts of nature, telecommunications breakdown, electricity failure or other unexpected events. Any damage to our computer hardware, software and data storage will cause business interruptions to our Group, thus will directly and adversely affect our operating performance. Any damage to our computer hardware, software and data storage may have a material impact on our operating performance and reputation.

The network computer system of our Group is vulnerable to the attack of computer viruses, worms, trojan horses, hackers or other computer network disruptions. Any failure in safeguarding our computer network system from these disruptions may cause the breakdown of our computer network system and/or leakage of confidential information, including the designs of our Group, particulars of tenders to be placed by our Group and information of our projects and our clients. There is no assurance that our computer network system is absolutely secure. Any failure in the protection of our computer network system from external threats may cause disruption to our operations and may damage our reputation for any breach of confidentiality to our clients and in turn, may indirectly and adversely affect the business operations and performance of our Group. During the Track Record Period and up to the Latest Practicable Date, as confirmed by our executive Directors, we did not experience any material breakdown in our computer network system or breach of confidentiality.

We operate in a competitive environment

The markets of civil and structural engineering consultancy services in Singapore and Vietnam are relatively competitive with industry participants specialising in various market segments. Clients may appoint consultants based on the project nature and needs, while price, reputation and client relationship are major factors of competition in the industry. According to the Industry Consultant's Report, in 2018, there were more than 200 market participants in Singapore and we ranked tenth with a market share of 2.3% in terms of revenue, and over 100 market participants in Vietnam and we ranked fifth with a market share of 2.4% in terms of revenue. As such, we operate in a competitive environment with other service providers in terms of price and delivery. Civil and structural engineering consultancy service providers may intensify competition if the market experiences a slowdown, which may induce price competition. If we fail to compete effectively, our business operations and financial condition will suffer.

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We may incur unanticipated and non-recoverable costs in order to meet the specifications of our clients

In the course of providing our comprehensive civil and structural engineering consultancy services, our clients, architects or the regulatory authorities may request us to amend or vary any of our project outputs such as layout plans and designs. A certain extent of comments and variations to be made to the aforementioned documents is generally expected and included in our service fee under our engagements. Any substantial amendments outside of the agreed scope of work would be subject to additional charges to be agreed by our clients and us. During the Track Record Period, there were 15 variation orders in relation to services performed outside the previously agreed scope of work, for example, the area previously covered by the contract has changed, or we needed to provide new tender design for additional service road and drainage system, and the additional charges range from approximately SGD1,600 to approximately SGD53,000. The aggregate amounts of approximately SGD55,000, SGD235,000 and SGD90,000 arising out of variation orders were recognised as revenue in 2017 and 2018 and for the six months ended 30 June 2019, respectively. However, there is no assurance that our clients will not dispute on the agreed scope of variations or that agreement on the rate of the additional variation works can be reached between our clients and us. If the rate of additional variation works determined and agreed between our clients and us is materially lower than our original estimation in assessing the profit or loss of each project, our results of operations may be adversely affected. Although during the Track Record Period, none of our projects was loss making, in the event that agreements cannot be reached and we are not paid for the variation works, contractual disputes with our clients may arise and extra costs, such as legal fees, may be incurred in the relevant project, thereby materially and adversely affecting our profitability, financial performance and results of operations.

Our insurance policies may not be sufficient to cover the risks associated with the operations of our business

There are certain risks associated with the operations of our business which may not be fully covered by insurance as insurance may not be available or available on commercially reasonable terms. For example, we do not maintain insurance for credit risks or risk of computer system failure. For further information on our insurance coverage, please refer to the paragraph headed “Business — Insurance” in this prospectus.

If we suffer any losses, damages or liabilities in the course of our business operations arising from the risks for which we do not have any or adequate insurance covers, we may have to bear such losses, damages or liabilities by ourselves. In such case, our business operations and financial results may be adversely affected. Even if we have maintained relevant insurance policies, our insurers may not fully compensate us for all potential losses, damages or liabilities regarding our business operations.

The actions of our employees may adversely affect our Group’s reputation

We cannot assure you that all the actions by our employees will meet our own standards, applicable legal standards, and our clients’ expectations, especially since it is difficult for us to effectively monitor the actions of our employees at all times. We could be held financially liable for any inappropriate actions of our employees in the operation of our business, and our reputation could be materially and adversely affected by their actions, which could lead to a material adverse effect on our business, results of operations, and financial condition.

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RISKS RELATING TO CONDUCTING BUSINESS IN SINGAPORE AND VIETNAM

There is a shortage of professional and experienced engineers in Singapore and in Vietnam. If we are unable to retain or replace such employees, it may affect our business and there is no assurance that our labour costs will not increase

There is a shortage of professional and experienced engineers in the civil and structural engineering consultancy service industry in Singapore and in Vietnam. For example, our Singapore office had declined 4, 6 and 4 tender invitations/quotation requests in 2017, 2018 and the six months ended 30 June 2019, respectively, due to shortage of civil and structural engineers, while our Vietnam office in Ho Chi Minh City had declined 6, 6 and 2 tender invitations/quotation requests in 2017, 2018 and the six months ended 30 June 2019, respectively, due to shortage of civil and structural engineers. If we are unable to retain or replace such employees, it may affect our business and there is no assurance that our labour costs will not increase. According to the Industry Consultant's Report, the civil and structural engineering consultancy services market in Singapore is a people business which requires a number of engineers with qualification and experience that could not be replaced by a layman. Competition for the pool of experienced and qualified engineers is a commonplace among the engineering consultancies. In Vietnam, with the robust growth of construction activities in Vietnam, the demand for engineering force has been increasing. However, the industry has been facing serious problems of insufficient experienced and skilled engineers given that the quantity and quality of public postsecondary education in Vietnam is to be enhanced. Even without such shortage, we generally compete with similar businesses for such employees. Given that we are in a people-intensive industry, we rely on our engineers for our business operations and if we are unable to retain or replace such employees, we may be unable to maintain the quality of our works. During the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, the turnover rates of our engineers were approximately 4.0%, 9.4% and nil, respectively. We cannot assure you that we will be able to maintain a sufficient labour force necessary for us to operate our business, nor can we guarantee that our staff costs will not increase to attract or maintain the employees. If this occurs, it could have a material and adverse effect on our financial performance and inhibit our future growth and business expansion plans.

Changes in regulatory requirements in Singapore and Vietnam may affect our operating costs and profitability

Our operations are subject to laws and regulations that relate to matters such as licencing, employment of foreign workers, workplace health and safety, insurance, foreign investment, foreign exchange tax liabilities and environmental protection with certain material ones summarised under the section headed "Regulatory overview" in this prospectus. In the event that our operations fail to meet them, we may be subject to fines or be required to take remedial measures or they may affect our ability to obtain new business. If any of these events occurs, it may adversely affect our reputation, business, financial condition and financial performance. Additionally, any changes in such requirements may result in our Group incurring additional costs to comply which may increase our operating costs and adversely affect our profitability.

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Further, the MOM also imposes Foreign Worker Levy for foreign workers (subject to changes as and when announced by the Singapore Government). If there is an increase in our operating costs to comply with regulatory changes, there is no assurance that it will not affect our project profitability as the competitive environment or other factors may not allow us to fully recover all the additional costs. Should this occur, our financial performance will be adversely affected.

The economy in Vietnam may be subject to period of high inflation which could materially and adversely affect our business operations, financial performances and growth prospects

Government anti-inflation policies and a decline in global commodity and petroleum prices have led to a decrease in Vietnam's inflation rate from 6.6% in 2013 to 0.6% in 2015. While these inflation rates are lower than rates of earlier years (for example, the inflation rate has reached 28.2% in 2008), there can be no assurance that the Vietnamese economy will not be subject to future periods of high inflation. In fact, the inflation rate has bounced back to 3.5% in 2017. Should inflation in Vietnam increase significantly, our costs, including labour costs and transportation are expected to increase. Furthermore, high inflation rates could have an adverse effect on Vietnam's economic growth, business climate and dampen consumer purchasing power. As a result, a high inflation rate in Vietnam could materially and adversely affect our business, financial condition and results of operations and growth prospects.

RISKS RELATING TO CONDUCTING BUSINESS IN OTHER MARKETS

Conducting business in countries with serious corruption issue and low business efficiency may lead to unfair competition and difficult enforcement of contractual rights

During the Track Record Period, we had conducted business in Maldives and Myanmar. Our revenue attributable to these markets accounted for 11.5%, 3.1% and 2.1% of our total revenue in 2017 and 2018 and the six months ended 30 June 2019, respectively.

Maldives ranked 124 and Myanmar ranked 132 out of a total number of 180 jurisdictions in the Corruption Perception Index 2018 as compiled by Transparency International. According to the Ease of Doing Business Index 2018 compiled by the World Bank, Maldives and Myanmar ranked 136 and 171, respectively out of a total number of 190 jurisdictions.

Conducting business in a country with serious corruption issue may result in our Group facing unfair competition as our competitors may try to secure business through bribery. Our staff may also face the temptation of kickbacks and may involve in other improper conducts, which will result in damage to our reputation and may even lead to criminal prosecution against our Group.

Having a low ranking in the Ease of Doing Business Index means, among other things, difficult contract enforcement. In the event of any contractual dispute with our counterparties who are located in countries where contract enforcement is difficult, we may not be able to enforce our contractual rights in a timely manner or at all.

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We could be exposed to legal risks relating to our business conducted in foreign countries and jurisdictions other than Singapore and Vietnam

During the Track Record Period, we were involved in projects located in Myanmar and Maldives and we have set up an office in Hong Kong to provide services in Hong Kong. Our local operations are subject to laws and regulations of these jurisdiction. The legal, political and business environments in areas such as money-laundering and terrorist financing are evolving and are inconsistent across various jurisdictions and often lack clarity or predictability. These factors may increase our compliance costs and legal risks. Subsequent legislations, regulations, litigations, court rulings or other events could expose us to increased costs, liabilities and risks of reputational damage. Further, uncertainty in the business and legal environment in foreign countries and jurisdictions to which our business activities are related may affect our business and limit our ability to enforce our rights.

We may face country risks such as political and social unrest or foreign exchange control in other markets which may have an impact on our operation

We may face different country risks in different markets. For example, the recent protests and demonstrations in Hong Kong which resulted in violence may have an impact on the local economy and may affect the investment plan and schedule of property developers in Hong Kong, which in turn will affect our business as a provider of civil and structural engineering consultancy services.

In 2018, the Myanmar military was accused of genocide against the Rohingya in Rakhine State by a United Nation report. Doing business in Myanmar may therefore give rise to a risk of damage to our reputation if, for example, we are engaged to do any government related projects in Myanmar.

There may also be foreign exchange control in other markets which makes it difficult for us to remit profit generated in those countries, which in turn may adversely affect our cash flow management.

RISKS RELATING TO THE SHARE OFFER

Our Shareholders' interests in our Company may be diluted as a result of additional equity fund raising

We may issue additional Shares to raise additional funds in the future to finance our business. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of those existing Shareholders may be reduced, and they may experience subsequent dilution, and/or (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of existing Shareholders.

There has been no prior public market for our Shares. If an active trading market for our Shares does not develop, the price of our Shares may be adversely affected and may decline below the Offer Price

Prior to the Share Offer, there was no public market for our Shares. The Offer Price was the result of negotiations between us and Joint Bookrunners (for themselves and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for our Shares following the Share

RISK FACTORS

Offer. In addition, we cannot assure you that an active trading market will develop or be maintained following the completion of the Share Offer, or that the market price of our Shares will not decline below the Offer Price.

The liquidity and market price of our Shares following the Share Offer may be volatile

The price and trading volume of our Shares may be highly volatile. Factors such as variations in our revenues, earnings and cash flows and announcements of major projects awarded could cause the market price of our Shares to change substantially. The securities market may also from time to time experience significant price and volume fluctuations not related to a particular company's operating performance. Any such developments may result in large and sudden changes in the volume and price at which our Shares will trade.

Due to the time lag between pricing and trading of our Shares, there is a risk that the price of our Shares may fall before trading begins

The Offer Price will be determined on the Price Determination Date, which is expected to be on or around Wednesday, 20 November 2019 or such later date as Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company may agree but in any event no later than Wednesday, 20 November 2019. However, trading of the Shares on GEM will not commence until the Listing Date, which is expected to be on Friday, 29 November 2019. During this period, investors may not be able to sell or otherwise deal in our Shares. Accordingly, holders of our Shares are subject to the risk that the Shares' price could fall before trading begins as a result of adverse market conditions or other adverse developments that could occur between the time of the sale and the time trading begins.

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

Future issues of securities by our Company or the disposal of Shares by any of our Controlling Shareholders or the perception that such issues or sale may occur, may negatively impact the prevailing market price of the Shares. The Shares held by our Controlling Shareholders are subject to certain lock-up undertakings for periods up to 24 months after the Listing Date. There is no assurance that our Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after completion of the Share Offer. We cannot predict the effect, if any, of any future sales of Shares by any Controlling Shareholders, or the availability of Shares for sale by any Controlling Shareholders may have on the market price of our Shares. Sales of substantial amounts of Shares by any Controlling Shareholders or the market perception that such sales may occur, could materially and adversely affect the prevailing market price of our Shares.

There is no guarantee that dividends will be declared in the future

The declaration, payment and amount of any future dividends are subject to the discretion of our Board depending on, among other things, our Group's earnings, financial condition and cash requirements and the provisions governing the declaration and distribution as contained in the Articles, applicable laws and other relevant factors. There can be no assurance that we will be able to declare or distribute any dividend or at all in the future. Please see the paragraph headed "Financial information — Dividend policy" in this prospectus for the details of the dividend policy of our Group.

RISK FACTORS

Granting options under the Share Option Scheme may affect our Group's result of operations and dilute our Shareholders' percentage of ownership

Our Company may grant share options under the Share Option Scheme in the future. The subscription price of the share options will be determined by reference to the Share Option Scheme, which may adversely affect our Group's results of operations. Issuance of Shares for the purpose of satisfying any award made under the Share Option Scheme will also increase the number of Shares in issue after such issuance and thus may result in dilution to the percentage of ownership by our Shareholders and the net asset value per Share. No option has been granted pursuant to the Share Option Scheme as at the Latest Practicable Date. For a summary of the major terms of the Share Option Scheme, please see the paragraph headed "Statutory and general information — D. Share Option Scheme" in Appendix V to this prospectus.

RISKS RELATING TO THIS PROSPECTUS

Investors should not place undue reliance on facts, forecasts and other statistics in this prospectus relating to the economy and our industry obtained from public or official sources

This prospectus contains facts, forecasts and other statistics relating to the economy and the industry in which we operate our business that have been derived from various publications and industry-related sources prepared by government officials or Independent Third Parties. In addition, certain facts and information have been extracted from an industry report commissioned by us and prepared by Frost & Sullivan, an independent professional market research consulting company. We believe that the sources of such information are appropriate and reasonable due care has been exercised in extracting and reproducing such information. We have no reason to believe that such information is false, misleading or has been omitted. However, the information has not been independently verified by our Company, our Directors, the Sole Sponsor, nor any parties (except Frost & Sullivan) involved in the Share Offer, and no representation is given as to its accuracy. Due to discrepancies between standards or levels of accuracy between published information and market practise, we make no representation as to the accuracy of the information contained in such sources. Accordingly, such industry information and statistics contained herein may not be accurate and should not be unduly relied upon.

Investors should not place undue reliance on the information contained in press articles or other media

Our Group wishes to emphasise to prospective investors that we do not accept any responsibility for the accuracy or completeness of the information contained in any press articles or other media coverage regarding our Group or the Share Offer, and such information that was not sourced from or authorised by us. We make no representation as to appropriateness, accuracy, completeness or reliability of any information contained in any press articles or other media about our business or financial projections, share valuation or other information. Accordingly, in all cases, prospective investors should give consideration as to how much weight or importance they should attach to, or place on, such press articles or other media coverage.

RISK FACTORS

Our future results could differ materially from those expressed or implied by the forward-looking statements

This prospectus contains certain forward-looking statements and information in relation to our Group that are based on the beliefs of our Directors as well as assumptions made by and information currently available to our Directors. Such statements reflect the current views of our Directors with respect to future events which may not materialise or may change. The accuracy of these statements is subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements in this prospectus involves known and unknown risks and uncertainties. Details of these statements and their associated risks are set out in the section headed “Forward-looking statements” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the GEM Listing Rules for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, (a) the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive; (b) there are no other matters the omission of which would make any statement herein or this prospectus misleading; and (c) all opinion expressed in this prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

INFORMATION ON THE SHARE OFFER

The Public Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus and the Application Forms, and any information or representation not contained herein or therein must not be relied upon as having been authorised by us, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Underwriters, any of our or their respective affiliates or their respective directors, agents, officers, employees or advisers or any other party involved in the Share Offer.

Details of the structure of the Share Offer, including its conditions and the arrangements relating to the Offer Size Adjustment Option, are set out in the section headed “Structure and conditions of the Share Offer” in this prospectus, and the procedures for applying for the Public Offer Shares are set out in the section headed “How to apply for Public Offer Shares” in this prospectus and in the relevant Application Forms.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in it is correct as of any subsequent time.

OFFER SHARES ARE FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Share Offer which is sponsored by the Sole Sponsor and managed by the Joint Bookrunners (for themselves and on behalf of the Underwriters). The Public Offer Shares are fully underwritten by the Public Offer Underwriters under the terms and conditions of the Public Offer Underwriting Agreement. The Placing Shares are fully underwritten by the Placing Underwriters pursuant to the Placing Underwriting Agreement. For further information relating to the Underwriters and the underwriting arrangements, please refer to the section headed “Underwriting” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which is expected to be determined by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company on or around Wednesday, 20 November 2019 (Hong Kong time) or such later date as the Joint Bookrunners (for themselves and on behalf of the Underwriters), and our Company may agree. If, for any reason, the Offer Price is not agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) by Wednesday, 20 November 2019, the Share Offer will not proceed and will lapse.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

No action has been taken to permit any public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation, nor is it circulated to invite to solicit offers in any jurisdiction other than Hong Kong or in any circumstances in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. Persons who possess this prospectus are deemed to have confirmed with our Company, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Underwriters that such restrictions have been observed.

Each person acquiring the Public Offer Shares under the Public Offer will be required to confirm, and is deemed by his acquisition of the Offer Shares, to have confirmed that he is aware of the restrictions on offers of the Offer Shares described in this prospectus and the Application Forms and that he is not acquiring, and has not been offered any Offer Shares in circumstances that contravene any such restrictions.

The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws or any applicable rules and regulations of such jurisdiction pursuant to registration with or authorisation by the relevant regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered or sold, directly or indirectly, in the PRC or the United States.

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 and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

OFFER SIZE ADJUSTMENT OPTION

For details of the Offer Size Adjustment Option, please refer to the section headed “Structure and conditions of the Share Offer” in this prospectus.

APPLICATION FOR LISTING ON GEM

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

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

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

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

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

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 29 November 2019 under the stock code 8208. Shares will be traded in board lots of 6,000 each. Our Company will not issue any temporary document of title.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM and the 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 date of commencement of dealings in the Shares on GEM or on any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

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

All necessary arrangements have been made for the Shares to be admitted into CCASS. If you are unsure about the details of CCASS settlement arrangements and how such arrangements will affect your rights and interests, you should seek the advice from your stockbrokers or other professional advisers.

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of the subscription for, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to the Shares, you should consult your professional adviser. It is emphasised that none of our Company, the Sole Sponsor, the Joint Bookrunners, the Underwriters, any of their respective directors, officers, employees, agents or advisers or any other person involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to the Shares.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

REGISTER OF MEMBERS AND STAMP DUTY

The Shares may be registered on the principal register of members in the Cayman Islands or on the branch register of members of our Company in Hong Kong. All the Offer Shares will be registered on our branch register of members maintained in Hong Kong by our Hong Kong branch share register, Boardroom Share Registrars (HK) Limited. Only Shares registered on the branch register of members maintained in Hong Kong may be traded on GEM, unless the Stock Exchange otherwise agrees.

Dealings in the Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

Unless our Company determines otherwise, dividends payable in Hong Kong dollars in respect of the Shares will be sent by ordinary post at our Shareholder's risk to the registered address of each Shareholder or, in the case of joint holders, the first-named holder.

LANGUAGE

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

EXCHANGE RATE CONVERSION

Unless otherwise specified, this prospectus contains translations for the convenience of the reader the following rates: SGD into HK\$ at the rate of SGD1.00 = HK\$5.68, SGD into VND at the rate of SGD1.00 = VND17,053.87, VND into HK\$ at the rate of VND1.00 = HK\$0.000336 and USD into HK\$ at the rate of USD1.00 = HK\$7.83. These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in HK\$ or US\$ or SGD or VND can be or could have been at the relevant dates converted at the above rates or any other rates at all.

ROUNDING

Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER
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DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Mr. Wong Seng	42 Lorong Ong Lye, #02-06 Rosalia Park 536412, Singapore	Singaporean
Ms. Leow Geok Mui	55, Carabelle, #07-07 West Coast Way 127017 Singapore	Singaporean
Mr. Lim Chin Keong	No. 1903, Block 2A Estella Building District 2, An Phu Ward Ho Chi Minh City Vietnam	Malaysian
Mr. Heng Kim Huat	40 Choa Chu Kang St 64, #04-09, 689103, Singapore	Malaysian
<i>Independent non-executive Director</i>		
Dr. Tan Teng Hooi	80 Jalan Daud #07-02 Singapore 419591	Singaporean
Mr. Ng Shing Kin	Flat H, 39/F, Block 4 Metro Harbour View 8 Fuk Lee Street Tai Kok Tsui, Kowloon Hong Kong	Chinese
Mr. Leong Jay	115J Whitley Road Singapore 297849	Singaporean

For further information regarding our Directors, see “Directors and Senior Management” in this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

PARTIES INVOLVED IN THE SHARE OFFER

Party	Name and Address
<i>Sole Sponsor</i>	Titan Financial Services Limited Suites 3201-02, 32/F COSCO Tower Grand Millennium Plaza 183 Queen's Road Central Hong Kong <i>(A licenced corporation carrying on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO)</i>
<i>Joint Bookrunners</i>	Astrum Capital Management Limited Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong <i>(A licenced corporation carrying on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO)</i>
	Guotai Junan Securities (Hong Kong) Limited 26/F-28/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong <i>(A licenced corporation carrying on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO)</i>
<i>Joint Lead Managers</i>	Easy Securities Limited 11/F, Continental Place, 238 Dex Voeux Road Central, Sheung Wan, Hong Kong <i>(A licenced corporation carrying on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO)</i>
	Fulbright Securities Limited 33/F, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road, Central, Hong Kong <i>(A licenced corporation carrying on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO)</i>

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Tianda Securities Limited

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Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Unit 2504, 25th Floor No. 69 Jervois Street, Sheung Wan Hong Kong
Company's website	<u>http://www.tw-asia.com</u> <i>(information contained in this website does not form part of this prospectus)</i>
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Authorised representatives	Mr. Wong Seng 42 Lorong Ong Lye, #02-06 Rosalia Park 536412, Singapore Mr. Chan Kim Sun <i>Certified Public Accountant</i> Flat D, 24/F, Block 2 Lynwood Court, 3 Tin Kwai Road Kingswood Villas Tin Shui Wai New Territories
Compliance officer	Mr. Wong Seng

CORPORATE INFORMATION

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Nomination Committee	Dr. Tan Teng Hooi (<i>Chairman</i>) Ms. Leow Geok Mui Mr. Leong Jay Mr. Ng Shing Kin
Remuneration Committee	Mr. Leong Jay (<i>Chairman</i>) Mr. Wong Seng Dr. Tan Teng Hooi Mr. Ng Shing Kin
Principal share registrar and transfer office in the Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	Boardroom Share Registrars (HK) Limited 2103B, 21/F 148 Electric Road North Point Hong Kong
Principal banker	DBS Bank Ltd 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982 United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624

INDUSTRY OVERVIEW

The information and statistics in this section, unless otherwise indicated, are derived from various private and official governmental publications, publicly available sources and the Frost & Sullivan Report, a market research report prepared by Frost & Sullivan and commissioned by the Group. The Company believes that the sources of the information in this section are appropriate sources for such information, and has taken reasonable care in extracting and reproducing such information. The Company has 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. The information prepared by Frost & Sullivan and set out in this section has not been independently verified by the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Share Offer and they (except Frost & Sullivan) do not give any representations as to its accuracy or correctness and accordingly it should not be relied upon in making, or refraining from making, any investment decision.

SOURCE AND RELIABILITY OF INFORMATION

Our Group commissioned Frost & Sullivan, an independent market research company, to conduct an analysis of, and to produce a report on, the civil and structural engineering consultancy services market in Singapore, Vietnam and Hong Kong for use in this prospectus. The information from Frost & Sullivan disclosed in this prospectus is extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of HKD720,000 and is disclosed with the consent of Frost & Sullivan.

The Frost & Sullivan Report was undertaken through both primary and secondary research obtained from various sources. Primary research included interviews with industry experts and participants in the Singapore, Vietnam and Hong Kong civil and structural engineering consultancy services market. Secondary research involved reviewing the statistics published by the government official statistics, industry publications, annual reports and data based on Frost & Sullivan's own database. Frost & Sullivan also adopted the following primary assumptions while making projections on the macroeconomic environment, the overall civil and structural engineering consultancy services market in Singapore and Vietnam:

- Singapore, Vietnam and Hong Kong's economy is expected to grow at a steady rate supported by favourable government policies, among other factors; and
- The social, economic and political environment of Singapore, Vietnam and Hong Kong is likely to remain stable during the forecast period, which will ensure a sustainable and steady development of the civil and structural engineering consultancy services market in Singapore, Vietnam and Hong Kong.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, the sources of information used in this section, which are extracted from the Frost & Sullivan Report, are reliable and not misleading as Frost & Sullivan is an independent professional market research agency with extensive experience, and there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

OVERVIEW OF MACRO ECONOMIC AND CONSTRUCTION ENVIRONMENT IN SINGAPORE

Value of Progress Payment

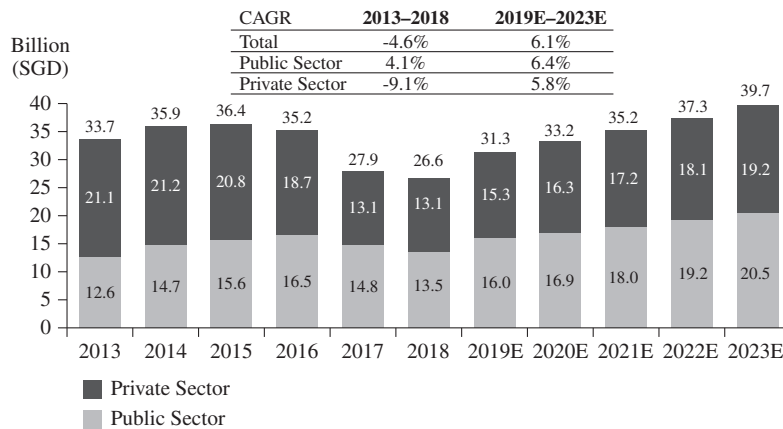
Value of progress payment refers to the payment certified by the construction contractors and correlates to the overall performance of the construction industry in Singapore. The value of progress payment recorded in Singapore in the past five years had recorded a decline from approximately SGD33.7 billion in 2013 to approximately SGD26.6 billion in 2018, representing a CAGR of -4.6%. The decrease in total construction demand in 2016 and 2017 is mainly due to the rescheduling of some major public sector infrastructure projects. For example, the construction of North-South Corridor is rescheduled to 2018. Large-scale public-sector projects are complicated, requires longer preparation time and are subject to uncertainties over resource allocation, such as budget and labour deployment. As a result, they are sometimes delayed owing to their complexity. According to BCA, this is the reason for the lower-than-expected construction demand in 2016 and 2017. With a growing construction demand in various commercial, residential and industrial projects, such as sustained pipelines of institutional and

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civil engineering works and redevelopment of en-bloc sale sites, the value of progress payment of construction works in Singapore is expected to increase at a CAGR of 6.1% in the next five years, reaching approximately SGD39.7 billion by the end of 2023.

The development of the civil and structural engineering consultancy is related to the expansion of building development and real estate activities. Generally, the growth in the number of residential flats, area of commercial and industrial space would be able to indicate on the growth potential of the industry. The expected increase in number of residential units and available commercial and industrial space support the forecasted growth of value of certified progress payment from 2019 to 2023.

Value of Certified Progress Payments (Singapore), 2013–2023E

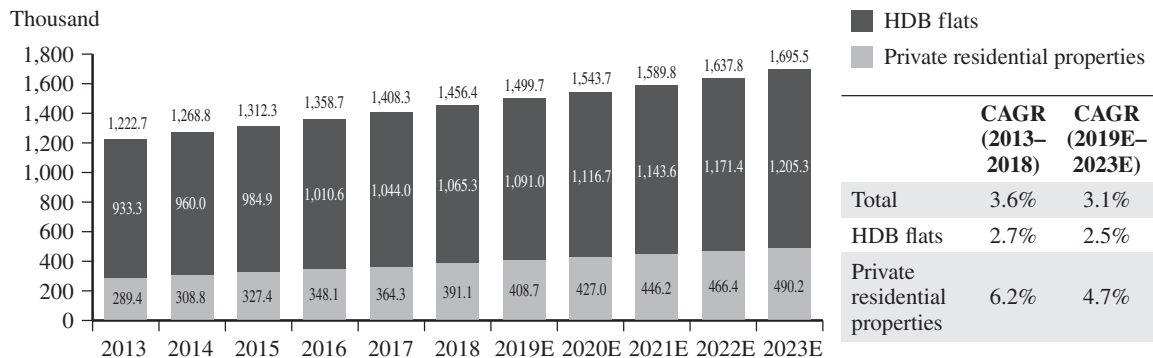


Source: BCA, Frost & Sullivan

Number of Residential Units

The number of residential units, including public flats managed by the HDB (“HDB flats”) and private residential properties in Singapore, had increased steadily from approximately 1,222.7 thousand units in 2013 to approximately 1,456.4 thousand units in 2018, representing a CAGR of 3.6%. The Ministry of National Development of Singapore had set out the target to supply around 700,000 new units by 2030 to accommodate population and cope with growing demand for new residential units. Accordingly, the number of HDB flats and private residential units is expected to increase at a CAGR of 2.5% and 4.7% respectively during 2019 to 2023. The demand for civil and structural engineering consultancy services, including structural due diligence and visual inspection of existing buildings would therefore increase in Singapore.

Number of Residential Units (Singapore), 2013–2023E



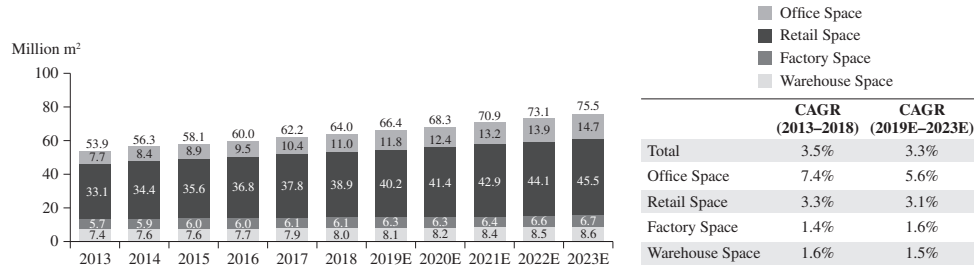
Source: Singapore Department of Statistics, Frost & Sullivan

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Available Commercial and Industrial Space

According to Singapore Department of Statistics, the available commercial and industrial space in Singapore had recorded a growth from approximately 53.9 million m² in 2013 to 64.0 million m² in 2018, representing a CAGR of 3.5%. The number of visitors has grown at a CAGR of 3.5% and amount of foreign direct investment has increased at a CAGR of 15.7% during 2013 to 2018, together with a stable growth of manufacturing sector have stimulated the demand for commercial space, particularly office and retail properties, and industrial space in Singapore. With the expected increase in supply of commercial and industrial land through Industrial Government Land Sales programme and sustained demand for economic development, the available commercial and industrial space is expected to increase at a CAGR of 3.3% during 2019 to 2023.

Available Commercial and Industrial Space (Singapore), 2013–2023E



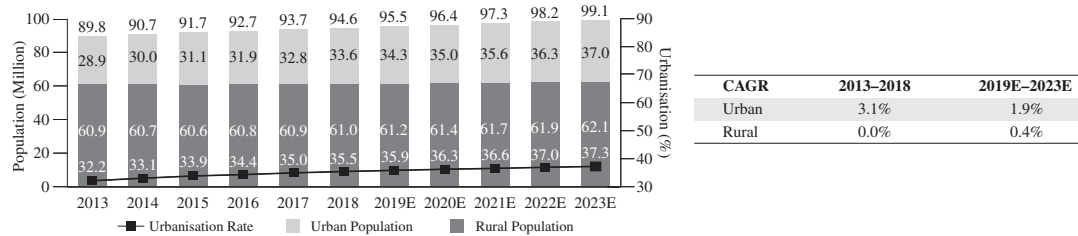
Source: Singapore Department of Statistics, Frost & Sullivan

OVERVIEW OF MACRO ECONOMIC AND CONSTRUCTION ENVIRONMENT IN VIETNAM

Urbanisation Rate

Due to the rapid economic development of Vietnam and the influx of migrants from rural areas to developed areas, Vietnam urban population has been steadily increasing. From 2013 to 2018, Vietnam's urban population increased from approximately 28.9 million to approximately 33.6 million, with a CAGR of 3.1%. During the same period, the urbanisation rate in Vietnam increased from 32.2% to 35.5%. With the inflow of foreign capital, the economy development in Vietnam would speed up, thus translating into growth of urban population. The urbanisation rate in Vietnam is forecasted to rise from 35.9% in 2019 to 37.3% in 2023.

Urbanisation Rate of Urban and Rural Residents (Vietnam), 2013–2023E



Source: Asian Development Bank, Frost & Sullivan

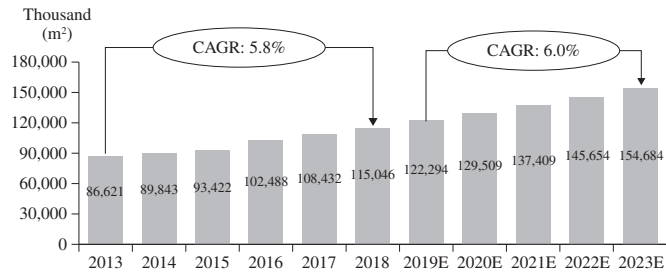
Area of Housing Floors Constructed

Driven by the population growth and rapid development of property market, the area of housing floors constructed in Vietnam increased from approximately 86,621 thousand m² in 2013 to approximately 115,046 thousand m² in 2018, at a CAGR of 5.8%. Supported by the increasing investment in construction industry and urbanisation rate, the area of housing floors constructed in Vietnam is expected to grow at CAGR of 6.0%, reaching approximately 154,684 thousand m² in 2023.

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The expansion of area of housing floors constructed implies the rising demand for construction works and demand for civil and structural engineering consultancy services in Vietnam.

Area of Housing Floors Constructed (Vietnam), 2013–2023E



Source: General Statistics Office of Vietnam, Frost & Sullivan

OVERVIEW OF CIVIL AND STRUCTURAL ENGINEERING CONSULTANCY SERVICES MARKET IN SINGAPORE

Market Size

With the decrease in value of progress payment from 2013 to 2018, the revenue generated from civil and structural engineering consultancy services in Singapore has recorded a slight decline in the past five years, from approximately SGD272.6 million in 2013 to SGD263.8 million in 2018, representing a CAGR of -0.7% during the period. The growth rate of the market size decreased to -13.3% and -15.3% in 2016 and 2017. Civil and structural engineering consultancy services mainly correlate to the construction works performed. The decline in 2016 and 2017 was mainly attributable to the slowdown in property development and the decrease in contracts awarded by building works. Such slowdown in property development in 2016 and 2017 was due to a subdued performance in private construction since 2015, stemming from a less favourable economic conditions, bigger supply of already completed private housing projects and offices, implementation of government’s cooling measures on property market, such as imposing additional buyer’s stamp duty and seller’s stamp duty on property transaction. In 2018, additional cooling measures are implemented that Additional Buyer’s Stamp Duty (“ABSD”) for second home buyers went up from 7% to 12% while ABSD for third/subsequent home buyers went up from 10% to 15%. The contracts awarded by residential building works and institutional & others decreased from SGD7,770.1 million and SGD5,828.1 million in 2015 to SGD6,249.9 million and SGD3,166.2 million in 2017. As estimated, the geotechnical engineering consultancy services account for approximately 18.7% of the market shares in 2018. Including in geotechnical engineering consultancy would also enhance the chance of the Group to be awarded engineering consultancy in Singapore.

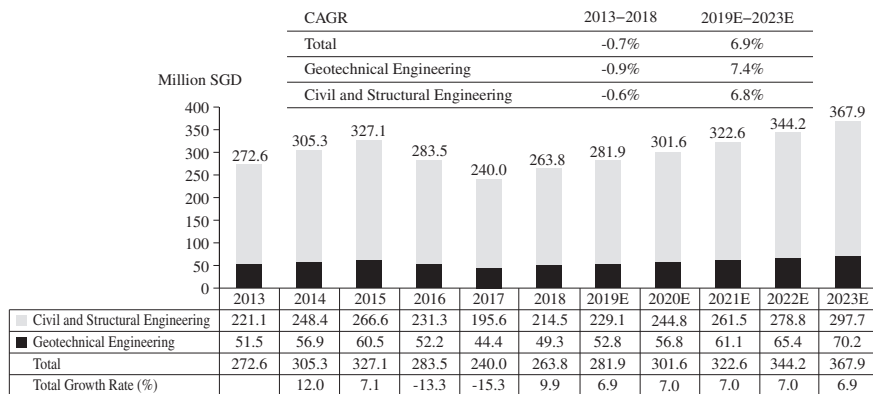
Civil and structural engineering is the major segment in the civil and structural engineering consultancy services market, accounting for 81.3% market share by revenue in 2018. On back of the overall growing demand for the civil and structural engineering consultancy services, the civil and structural engineering segment is estimated to grow at a CAGR of 6.9% from 2019 to 2023.

The revenue generated from geotechnical engineering consultancy services in Singapore decreased from approximately SGD51.5 million in 2013 to SGD49.3 million in 2018, representing a CAGR of -0.9% during the period. Benefiting from sustained development of the property market, including residential units and commercial buildings, geotechnical engineering consultancy services in Singapore is expected to record an increase at a CAGR of 7.4% from 2019 to 2023. As estimated, the number of buildings of 30 or more storeys amount to more than 200 in 2019. High-rise living is being embraced by the developers; more tall buildings are forecasted to be completed in the near future. As such, market participants who are able to provide geotechnical engineering consultancy services for buildings of 30 or more storeys would receive the impetus.

Despite of the implementation of Additional Buyer’s Stamp Duty in 2018, the bulk of demand derived from genuine home buyers and investors as well as the sustained increase in investment of public sector, are forecasted to outweigh the effect of the cooling measure in 2018. Supported by the increasing number of construction projects, the revenue generated from consultancy services in the market is expected to increase at a CAGR of 6.9% from 2019 to 2023.

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Revenue of Civil and Structural Engineering Consultancy Services (Singapore), 2013–2023E



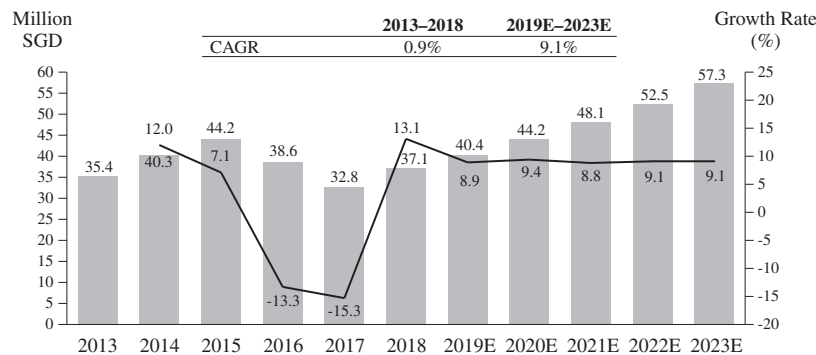
Source: Frost & Sullivan

Remark: The revenue derived from the engineering consultancy relating to infrastructure & environment, mechanical, electrical and plumbing services is excluded.

In structural engineering practise, technology has played a crucial role in simplifying workflow and shortening the building lifecycle. In particular, the transition from conventional method to using PPVC sets a higher requirement for the accuracy of structural design and better project planning. With the increasingly use of technology in building development, the demand for civil and structural engineering consultancy services in relation to PPVC projects rises accordingly. The revenue generated from civil and structural engineering consultancy services in relation to PPVC projects increased from approximately SGD35.4 million in 2013 to approximately SGD37.1 million in 2018, at a CAGR of 0.9%.

Growing along a broader application of PPVC technology in Singapore, in which the PPVC method is planned to be implemented in 35% of HDB projects by 2019, together with the bulk of demand derived from genuine home buyers and investors as well as the sustained increase in investment of public sector, the revenue generated from consultancy services in relation to PPVC projects is expected to increase in the subsequent years, reaching approximately SGD57.3 million by the end of 2023, representing a CAGR of 9.1% over the period of 2019 to 2023.

Revenue of Civil and Structural Engineering Consultancy Services in Relation to PPVC Projects (Singapore), 2013–2023E



Source: Frost & Sullivan

Market Drivers

Enhanced construction productivity — Enhancing construction productivity is a rising trend in Singapore. According to HDB, it achieves a cumulative 12.3% improvement in overall productivity levels at its construction sites, driven by the use of prefabrication method in construction, and precast construction, such as Prefabricated Bathroom Units (PBU) and PPVC methods. Going forward, the construction productivity in HDB projects would be further boosted by the application of PBU and PPVC method. The PPVC method is planned to be implemented in 35% of HDB projects by 2019. With the adoption of PPVC techniques, engineering consultants work with contractors to leverage on the benefits of different building systems to achieve higher productivity while retaining its architectural

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intent, thus significantly raising the construction productivity. In addition, the adoption of PPVC technique may ease the demand for construction workers as most of the building works are completed off-site, which alleviates the labour shortage of construction industry in Singapore. The rising adoption of PPVC technique is expected to spur the growth of civil and structural engineering consultancy services.

Support from government — According to the Singapore Department of Statistics, by the end of 2030, the Singapore government will have made available approximately 766 square kilometres of land, in which 60% of the land will be planned for housing, industry and community facilities. As predicted, there would be a large number of newly completed housing units in the near future. The development plan would increase housing units, recreation and cultural facilities, giving impetus to the civil and structural engineering consultancy services with those real estate projects.

Surging demand from the office segment — The overall outlook for the office segment in Singapore remains positive, as newly completed office buildings enjoy rising take-up rate. The rising rental in Grade A offices are also driving the upgrading works of commercial buildings. The demand for civil and structural engineering consultancy services in relation to upgrading works in Singapore is forecasted to rise accordingly.

Increasing supply of industrial area — A total of 5.9 million m² of new industrial space is under planning and construction, according to the Urban Redevelopment Authority (URA). It is expected to be completed from 2018 to 2020. JTC Corporation, a Singaporean state-owned developer, has stated that the supply of local industrial space has increased to 2.4 million m² in 2017. There will be more technical industrial space and business parks in Singapore as well in order to meet the strong demand for data centres under the “Smart Nation initiative”. The supply of industrial area such as business parks, single user factory, multi-user factory and warehouse had increased for the past few years. With the help from government policies, the trend is likely to be maintained for next five years, providing substantial opportunities for the construction industry in Singapore. The civil and structural engineering consultancy services would benefit from the growth accordingly.

Industry Outlook

According to the BCA, the value of construction contracts to be awarded in 2019 is projected to range between SGD27 billion and SGD32 billion. The projected outlook is due to sustained public sector construction demand, which is expected to reach between SGD16.5 billion and SGD19.5 billion in 2019, contributing to about 60% of the projected demand for this year. Public construction demand is expected to be boosted by major infrastructure projects and a pipeline of major industrial building projects. BCA expects a steady improvement in construction demand over the medium term. The value of construction contracts to be awarded is projected to reach between SGD27 billion and SGD34 billion per annum for 2020 and 2021 and continue to increase to between SGD28 billion and SGD35 billion per annum for 2022 and 2023.

Supported by a strong pipeline of new building development projects, such as new housing developments in Jurong Lake District, Punggol and Woodlands, more positive market sentiment arising from the improved economic climate as well as emerging opportunities associated with upcoming redevelopment works of collective sale sites, the civil and structural engineering consultancy market in Singapore is expected to benefit from the rising demand and grow in the future.

Analysis of PPVC Projects in Singapore

PPVC is a trending construction method adopted in Singapore which uses free-standing volumetric modules with completed finishes for walls, floors and ceilings. Relative to conventional construction method, PPVC facilitates overall construction productivity by reducing the manpower and raw materials required, enhances on-site safety by minimising potential accidents occurred during installation works, efficiently control the building quality by standardising the production procedures at a controlled factory environment, as well as improving the surrounding environment of the construction site by cutting down potential pollutants emission and noise generated. In 2014, the construction of student hostel at Nanyang Technological University was the first construction project with the application of PPVC method. Since then, there were 36 construction projects using PPVC technology and the Group has been awarded 17 of them, which reflects the Group is one of the leading civil and structural engineering consultancy company with the application of PPVC method in Singapore. As estimated, the revenue of civil and

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structural engineering consultancy services in relation to PPVC project in Singapore is approximately SGD37.1 million in 2018. Following the growing needs for consultancy services in PPVC, the number of engineering consultancy companies engaging in PPVC is more than 20 in Singapore in 2018.

Competitive Overview of Geotechnical Engineering Consultancy Services in Singapore

The geotechnical engineering consultancy industry in Singapore is fragmented with more than 100 market participants. Integrated solution is the rising trend in the industry. Apart from civil and structural engineering consultancy services, the market participants also engage in other professional services, including geotechnical engineering consultancy services.

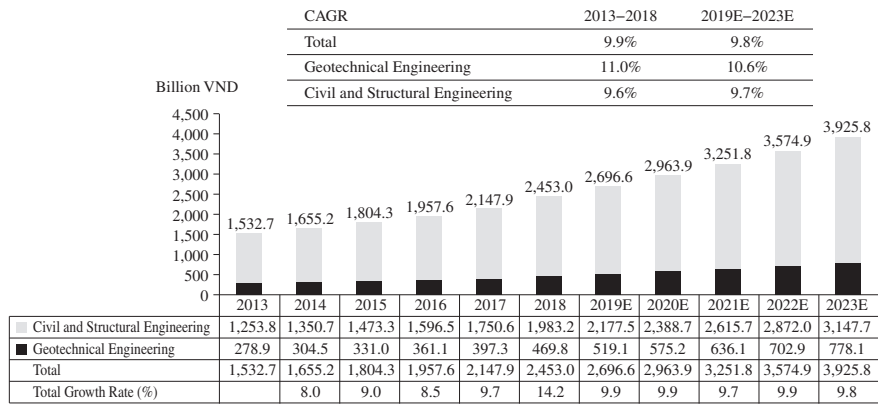
OVERVIEW OF CIVIL AND STRUCTURAL ENGINEERING CONSULTANCY SERVICES MARKET IN VIETNAM

Market Size

The estimated revenue of civil and structural engineering consultancy services market in Vietnam increased from approximately VND1,532.7 billion in 2013 to approximately VND2,453.0 billion in 2018, representing a CAGR of 9.9%, primarily due to the rising housing supply, which drives the needs of civil and structural engineering consultancy services.

The sustained increase in foreign direct investment and supportive government policies would continue to boost the demand for civil and structural engineering. The estimated revenue of civil and structural engineering consultancy services market in Vietnam is forecasted to reach approximately VND3,925.8 billion in 2023, at a CAGR of 9.8% from 2019 to 2023. The growth rate of the market size is relatively stable over the period.

Revenue of Civil and Structural Engineering Consultancy Services (Vietnam), 2013–2023E



Source: Frost & Sullivan

Remark: The revenue derived from the engineering consultancy relating to infrastructure & environment, mechanical, electrical and plumbing services is excluded.

Market Drivers

Accelerated urbanisation — Accelerated urbanisation is seen in Vietnam of which many rural areas are developing. The local government and corporate investment in infrastructure and buildings support the urbanisation. Urbanisation is defined as the percentage of population dwelling in towns and cities. In Vietnam, the urbanisation is driven by increase in population and economic growth. Movement from rural to urban areas would increase the demand for residential buildings and infrastructure to meet the growing need of the community. Migration to urban areas is mostly due to factors such as education, medical facilities, better access to job opportunities and other amenities. Increasing urbanisation expedite the development of construction market. It is believed that population growth and rapid urbanisation would continue to drive needs for building construction and infrastructure development. Hence, it will act as a driver to the growth of civil and structural engineering consultancy services in Vietnam.

Growth of foreign direct investment — The Vietnamese economy has benefited from the steady inflow of foreign direct investment in the past five years. Attracted by cheap labour and tax incentives offered by the government and partly in anticipation of the Trans-Pacific Partnership, rising foreign

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investment inflows is seen in Vietnam. According to General Statistics Office of Vietnam, the total registered capital of foreign direct investment in Vietnam increased from USD22,352.2 million in 2013 to USD42,287.5 million in 2018, at a CAGR of 13.6% and the number of foreign direct investment projects also recorded growth from 1,530 in 2013 to 3,070 in 2018. Vietnam is expected to benefit from foreign investments and inter-regional trades with neighbouring economies. The increase in foreign direct investment is likely to accelerate building construction activities in both building and infrastructure, promoting further growth of civil and structural engineering consultancy services in Vietnam.

Industry Outlook

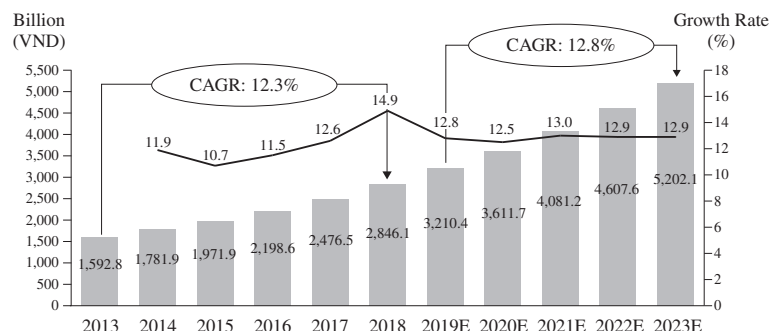
The government relaxed policies on foreign ownership of property in 2015 to allow foreign investment funds, foreigners with valid visas, international firms operating in Vietnam and overseas Vietnamese to buy residential property. This attracts the foreign investment inflows to boost liquidity in the real estate market. On the other hand, the Ministry of Construction has proposed a new law to revise the Law on Construction 2014, the Law on Housing 2014, the Law on Real Estate Business 2014, and the Law on Urban Planning 2009. Changes in the laws would streamline and reduce the time-consuming and unnecessary administrative procedures leading to an open business environment. Some of the amendments under consideration include reducing the number of subsectors which require practising certificates and relaxing the requirements on capacity and company size. Other changes proposed include reducing and simplifying procedures for granting construction permits, which has been a major problem for firms in Vietnam, thus translating into needs for consultancy services. The supportive government policies thus present strong market potential for civil and structural engineering consultancy services in Vietnam.

Analysis of Construction Supervision Services in Vietnam

Following the economic growth and the rapid building development, the construction sector in Vietnam has outpaced the regulatory framework and industry standard, highlighting the concerns over safety and quality of buildings. The government have been taking actions to enhance the mechanism for supervision, promote the modernisation of the construction industry, and elevate the quality of professionals in construction industry. The revenue of construction supervision services in Vietnam increased from VND1,592.8 billion in 2013 to VND2,846.1 billion in 2018, at a CAGR of 12.3%. In response to the rising needs for project management expertise and quality control, project coordination, planning and quality assurance, the government has launched the Construction Eligibility Certificate with the category of construction supervision. Such measures effectively regulate the measures of construction supervision and spurred the needs for construction works. This has prompted established engineering consultancy to expand their business portfolio of construction supervision into Vietnam to tap the market's vast growth potential by leveraging their established track records and project execution capabilities. The construction supervision market in Vietnam is expected to experience rapid growth in the near future. The revenue of construction supervision services in Vietnam is forecasted to grow at a CAGR of 12.8% from 2019 to 2023.

The construction supervision services market in Vietnam is considered competitive with over 200 market participants.

Revenue of Construction Supervision Services (Vietnam), 2013–2023E



Source: Frost & Sullivan

INDUSTRY OVERVIEW

Competition Overview of Construction Supervision Services in Vietnam

Overall, the construction supervision services industry in Vietnam is fragmented and highly competitive with a number of service providers who also engage in other consultancy service, such as civil and structural engineering consultancy.

Key entry barriers of construction supervision services in Vietnam include the following:

- Good Relationship with Property Developers — Only the established construction supervision services providers in Vietnam are on the tender list of major property developers for the projects. Clients would prefer the players with long-term cooperative relationship, high reputation and proven track record in execution and management of construction supervision projects. The business opportunities for the new entrants would be limited.
- Industry Expertise and Service Offering — The extensive project experience, expertise and service offering also serve as an entry barrier to the new market entrants.
- Initial Investment — Initial funding is required for new market entrant to start the business which covers setting up offices and recruitment of labour and professionals.

COMPETITIVE LANDSCAPE OF CIVIL AND STRUCTURAL ENGINEERING CONSULTANCY SERVICES MARKET IN SINGAPORE AND VIETNAM

An increasing number of civil and structural engineering consultancy companies are integrating their business models as one-stop solution providers in the industry as it is considered that quality of services is more guaranteed and the needs of client are better met through comprehensive services. As such, the established civil and structural engineering consultancy companies with proven track record and industry recognition are preferred by the clients.

In 2018, the civil and structural engineering consultancy services market in Singapore is considered relatively competitive in terms of number of market participants. As estimated, there are more than 200 market participants, mainly local and international consultancy companies, with different business focuses targeting a wide variety of sizeable construction projects.

The civil and structural engineering consultancy services market in Singapore is relatively consolidated as the top ten market participants in Singapore accounted for an estimated aggregate market share of approximately 53.3% in terms of revenue in 2018. The Group is the tenth largest civil and structural engineering consultancy in Singapore with an approximate market share of 2.3% in 2018. In addition, our Group is one of the leading civil and structural engineering consultants in the area of PPVC in Singapore, which is evidenced by the fact that our Group has been selected in 17 out of 36 PPVC projects in Singapore since the introduction of PPVC in Singapore in 2014.

In 2018, the overall civil and structural engineering consultancy services market in Vietnam is considered consolidated with top five market participants accounting for 21.8% of market shares. As estimated, there are over 100 market participants in the civil and structural engineering consultancy services market in Vietnam. The Group is the fifth largest civil and structural engineering consultancy in Vietnam with an approximate market share of 2.4% in 2018.

INDUSTRY OVERVIEW

Leading market participants in civil and structural engineering consultancy services market (Singapore), 2018

Rank	Market Participant	Estimated Revenue (SGD million)	Market Share (%)
1	Company A	28.3	10.7%
2	Company B	24.3	9.2%
3	Company C	18.9	7.2%
4	Company D	16.2	6.1%
5	Company E	14.3	5.4%
6	Company F	10.7	4.1%
7	Company G	8.1	3.1%
8	Company H	7.2	2.7%
9	Company I	6.6	2.5%
10	The Group	6.1	2.3%
	Subtotal	140.7	53.3%
	Total	263.8	100.0%

Source: Frost & Sullivan

Remark: The revenue derived from the engineering consultancy relating to infrastructure & environment, mechanical, electrical and plumbing services is excluded.

Notes:

- (i) Company A is a private Asia-based consultancy company which delivers urbanisation and engineering solutions.
- (ii) Company B is a private global multi-disciplinary consultancy firm with more than 2000 employees worldwide in 2018.
- (iii) Company C is a private international engineering consultancy.
- (iv) Company D is a private Singapore-based company which develop and manage infrastructure and building facilities.
- (v) Company E is a private multi-disciplinary engineering consultancy in Asia.
- (vi) Company F is an American company listed on New York Stock Exchange with an approximate employee of 87,000 worldwide in 2018. It offers design, consulting, construction and management services to different clients.
- (vii) Company G is a private engineering consultancy specialising in architecture, environmental sustainability design, lighting design, M&E engineering, civil and structural engineering, project management and other consultancies.
- (viii) Company H is a private Singapore-based civil and structural engineering consultancy.
- (ix) Company I is a private global multi-disciplinary infrastructure consultancy.

Leading market participants in civil and structural engineering consultancy services market (Vietnam), 2018

Rank	Market Participant	Estimated Revenue (VND billion)	Market Share (%)
1	Company D	150.6	6.1%
2	Company J	128.8	5.3%
3	Company K	108.3	4.4%
4	Company G	88.5	3.6%
5	The Group	58.5	2.4%
	Subtotal	534.7	21.8%
	Total	2,453.00	100.0%

Remark: The revenue derived from the engineering consultancy relating to infrastructure & environment, mechanical, electrical and plumbing services is excluded.

Source: Frost & Sullivan

Notes:

- (x) Company J is a private multinational construction consultancy firm with over 10,000 employees globally in 2018.
- (xi) Company K is a private global engineering and infrastructure consulting company.

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Factors of market competition

Wide variety of expertise — Providing consistent quality services to clients is the core competitiveness to engineering consultancy, especially to those who provide diversified services in civil engineering, geotechnical engineering and structural engineering. Consultancy companies engaging in various business segments would, have the advantages of fully benefiting from the growth of industry in Singapore and Vietnam. Moreover, extensive capacity is one of the most important criteria for selecting consultancy companies during tendering process, which in turn increases the possibility of bidding large scale projects. For example, consultancy companies capable of carrying out services of geotechnical engineering work, which is in general carried out at early stage of construction projects, can have a higher chance of being awarded contracts in other fields of works, including structural engineering.

Price strategy — Apart from considering reputation, past project experiences and professional qualifications of project team, competitive pricing strategy is another competition focus of the engineering consultancy industry. Competitive pricing enables the consultancy to have a better chance of landing projects from clients. In addition, flexibility in pricing is preferred to meet the varying market changes and client needs. The leading engineering consultancies are usually able to provide clients with competitive and flexible pricing whilst maintaining the quality of works.

Collaboration with industry stakeholders — The leading players in engineering consultancy usually have the established long-term relationship with clients, contractors and government, which facilitates the resources deployment and division of labour for certain area of construction works based on business relationship, track record, ability in project delivery. By leveraging the good working relationship built on collaboration with industry stakeholders, time and cost could be greatly saved in the day-to-day operation. As such, it would further enhance the execution capacity of the engineering consultancy.

Award of international standards certification — Competent market players generally obtain various accreditation from different international bodies in order to raise its public credibility of service provided. ISO9001 Quality Management System is one of the common standards that is awarded to certify the products and services are consistently improved. The established management system enables market players to gain confidence from clients so as to increase the chance to receive business contracts. In addition, consultancy firms listed on PSPC are highly regarded as they commonly receive recognition of their service provided in the public sector and therefore, they also enjoy reputational advantage and are more preferred in private construction projects.

Entry barriers

Long-established project reference — Proven track record is the key competitive factor in the civil and structural engineering consultancy services industry. Credible track record for quality of works, timely delivery within budget control are the critical metrics for the provision of engineering consultancy. A proven track record and a strong company profile may help market participants to earn reputation and confidence from the public and thus, increasing the opportunities to earn engineering consultancy projects from clients. New entrants without sound reputation built on the past collaboration with the industry stakeholders and experience in engineering consultancy would compromise a company's overall competitiveness in the market.

Industry expertise and sound reputation — Extensive experience combined with deep industry knowledge and expertise is important in clients' evaluation of civil and structural engineering consultancy companies. Being recognised and having a good reputation allows the consultancies to win trust of clients and other industry stakeholders, and more importantly increases the possibilities of landing projects. On the other hand, this can also be a barrier for new entrants to enter the civil and structural engineering consultancy services industry since they are new to the market and have limited experience and reputation in the industry.

Initial capital requirements — Consultancy companies usually receive payment by stages until the completion of the projects. On the other hand, consultancy companies must invest in office equipment, computers, softwares and recruit sufficient experienced staff irrespective of whether they have business or not. Therefore, new comers must overcome cash flow mismatch. An established consultancy company like our Group can undertake larger projects with higher fees, and has stronger financial strength to cater for possible mismatch of cash flow and enjoys economies of scale.

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Key entry barriers of geotechnical engineering consultancy services in Singapore include the following:

- Licence and Requirements — All types of foundation works for buildings of 30 or more storeys are prescribed as geotechnical building works. Only registered geotechnical engineers are able to prepare plans relating to the geotechnical aspects of such type of foundation works for buildings of 30 or more storeys.
- Business Relationship — Established business relationship with the key clients, such as major property developers, is an important asset for the geotechnical engineering consultants in Singapore
- Market know-how — new entrant are required to demonstrate specific knowledge in geotechnical engineering. Hence, new entrant without industry experience may be hindered from expansion.

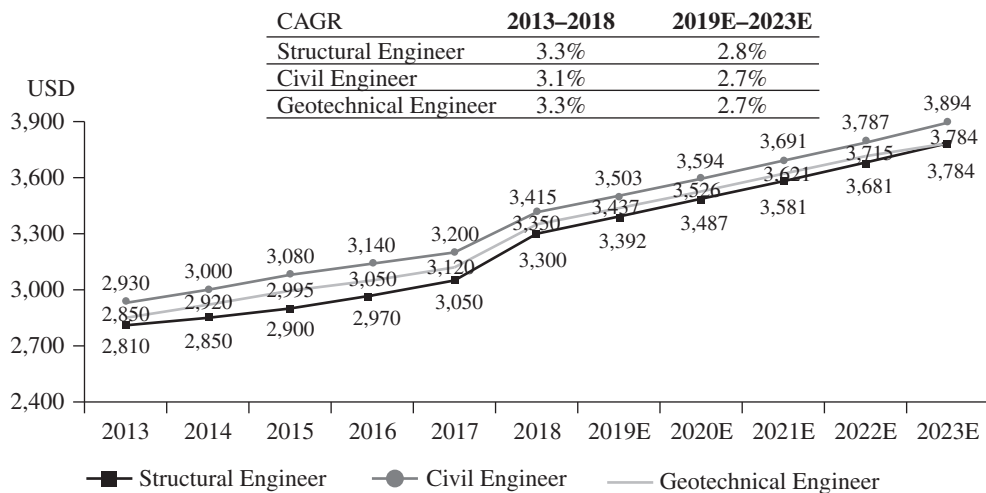
Cost Analysis

According to the publications from the Ministry of Manpower in Singapore, the median monthly wages of civil engineers increased from approximately USD2,930 per month in 2013 to approximately USD3,415 per month in 2018. It is estimated that the median monthly wages will further attain approximately USD3,894 per month by 2023, representing a CAGR of 2.7%

On the other hand, the median monthly wages of structural engineer in Singapore rose from approximate USD2,810 per month in 2013 to approximately USD3,300 per month in 2018, representing a CAGR of 3.3%. The increase in median monthly wages is likely to continue, reaching approximately USD3,784 per month by the end of 2023, representing a CAGR of 2.8%.

The median monthly wages of geotechnical engineers increased from approximately USD2,850 per month in 2013 to approximately USD3,350 per month in 2018, at a CAGR of 3.3%. Supported by the growing construction market in near future, median monthly wages of geotechnical engineers is likely to grow at a CAGR of 2.7% from 2019 to 2023. The steady increase in median monthly wages is due to the rising demand for engineering consultancy services and increased competition for civil and structural engineers and geotechnical engineers in Singapore.

Median Monthly Wages of Engineers (Singapore), 2013–2023E



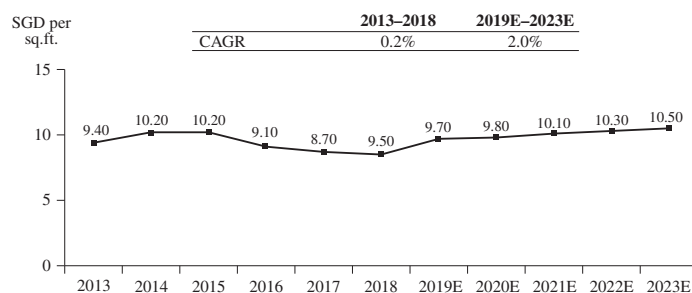
Source: Ministry of Manpower, Frost & Sullivan

According to Urban Renewal Authority (URA), the median monthly rents of office space recorded in Singapore has slightly increased from approximately SGD9.4 per sq. ft. in 2013 to approximately SGD9.5 per sq. ft. in 2018, representing a CAGR of 0.2%. The monthly rent only slightly increased from 2013 to 2018 was mainly attributable to the a weak global economic growth and escalated financial market volatility in 2016. However, the rental price of Singapore offices is expected to rebound due to improved economic outlook and progressive and pro-business initiatives launched by the Government, such as the Smart Nation national effort. Moreover, URA also foresees a surge in office rent as the firm

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demand for office space has outpaced office space supply since the third quarter of 2018. Therefore, it is anticipated that the median monthly rent of office space in Singapore will reach approximately SGD10.5 per sq. ft. by the end of 2023, representing a CAGR of 2.0%.

Median Monthly Rents of Office Space (Singapore), 2013–2023E

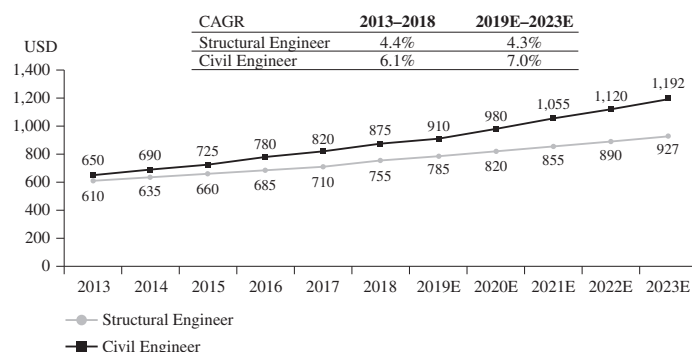


Source: Urban Renewal Authority, Frost & Sullivan

The median monthly wages of civil and structural engineers in Vietnam recorded an upward trend in 2013 to 2018. In general, the median monthly wages of civil engineers increased from approximately USD650 per month in 2013 to approximately USD875 per month in 2018, representing a CAGR of 6.1% whereas that of structural engineer rose from approximately USD610 per month in 2013 to approximately USD755 per month in 2018.

In the future years, the median monthly wages of civil engineers is expected to grow at a CAGR of 7.0%, attaining approximately USD1,192 per month, whereas that of structural engineers is expected to reach approximately USD927 per month by the end of 2023, representing a CAGR of 4.3%. The increase in median monthly wages correlates to the growth of civil and structural engineering consultancy market in Vietnam.

Median Monthly Wages of Civil and Structural Engineers (Vietnam), 2013–2023E

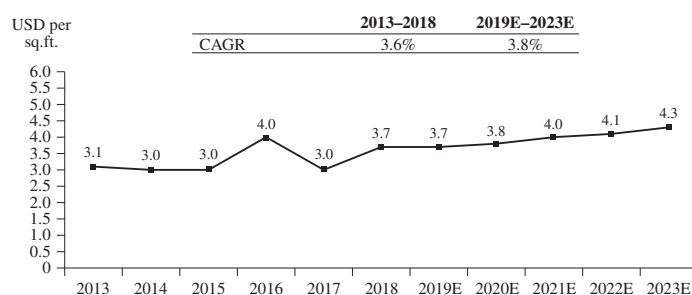


Source: Frost & Sullivan

During 2013 to 2018, the median monthly rents of office space in Vietnam has recorded a steady growth from approximately USD3.1 per sq. ft. to approximately USD3.7 per sq. ft., representing a CAGR of 3.6%. In 2016, the median monthly rents of office space in Vietnam increased due to limited supply, and this was combined with the enlarged imbalance between demand and supply as a result of the rising demand for Grade A office together with the rise in number of newly setup enterprises. In 2016, the newly office completed in Ho Chi Minh City, namely Hai Quan Tower, Royal Tower, Saigon Giai Phong and The Waterfront Saigon, are all Grade B offices. As there is no newly completed grade A offices in Ho Chi Minh City in 2016, the imbalance between the demand and supply enlarged in 2016 and led to the rise in the median monthly rents of Grade A office space in Vietnam. With the completion of new Grade A offices, such as Deutsches Haus Ho Chi Minh City and Saigon Center Phase 2, the median monthly rents of office space in Vietnam in 2017 was stabilised after a rapid increase in 2016. Propelled by continued domestic reforms and a sustained growth in the global economy, the expansion of service sector has remained robust in the past years with an optimistic outlook. As such, it is anticipated that the median monthly rents of office space in Vietnam will reach approximately USD4.3 per sq. ft. by the end of 2023, representing a CAGR of 3.8%.

INDUSTRY OVERVIEW

Median Monthly Rents of Office Space (Vietnam), 2013–2023E



Note: The rental price refers to the Grade A office in Ho Chi Minh City.

Source: Frost & Sullivan

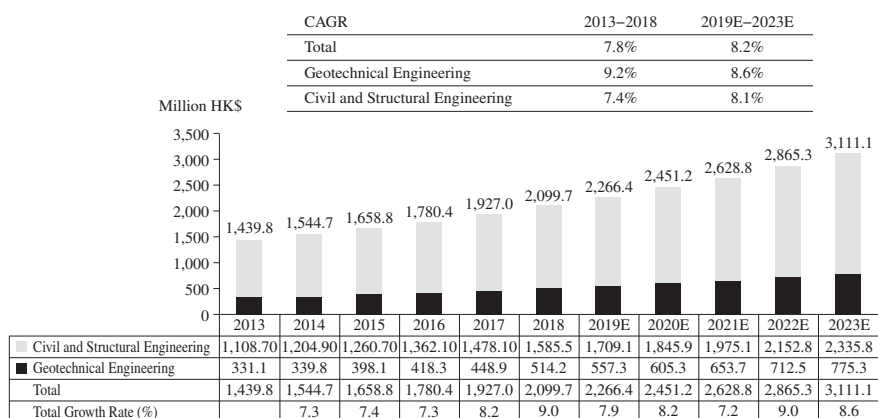
OVERVIEW OF CIVIL AND STRUCTURAL ENGINEERING CONSULTANCY SERVICES MARKET IN HONG KONG

Market Size

The estimated revenue recorded in civil and structural engineering consultancy market in Hong Kong rose from approximately HKD1,439.8 million to approximately HKD2,099.7 million in 2018, representing a CAGR of 7.8%, principally driven by a series of building development projects due to accelerated urban renewal scheme and rising housing supply. Looking forward, a sustained investment in building projects will further drive the demand for civil and structural engineering services, as well as its associated consultancy services. By the end of 2023, the estimated revenue is expected to reach approximately HKD3,111.1 million, growing at a CAGR of 8.2% during the period of 2019 to 2023.

The steady annual growth rate of revenue of Civil and Structural Engineering Consultancy in Hong Kong reflects the healthy and stable development of the market.

Revenue of Civil and Structural Engineering Consultancy (Hong Kong), 2013–2023E



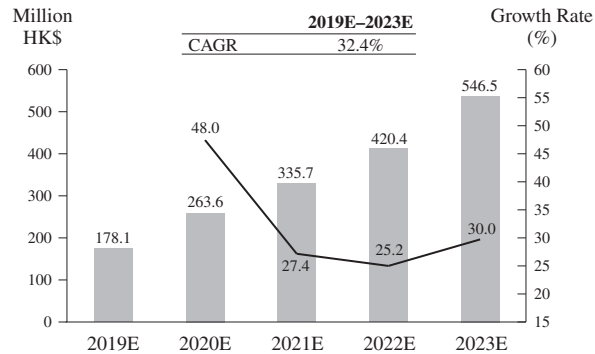
Source: Frost & Sullivan

Remark: The revenue derived from the engineering consultancy relating to infrastructure & environment, mechanical, electrical and plumbing services is excluded.

With the rising application of PPVC technology in Hong Kong, the revenue generated from consultancy services in relation to PPVC projects is expected to reach approximately HK\$546.5 million by the end of 2023, representing a CAGR of 32.4% over the period of 2019 to 2023.

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Revenue of Civil and Structural Engineering Consultancy Services in Relation to PPVC Projects (Hong Kong), 2019E–2023E



Source: Frost & Sullivan

Industry Outlook

In Hong Kong, PPVC is also referred to as Modular Integrated Construction (“MiC”). As set out in The Chief Executive’s 2017 Policy Address (“2017 Policy Address”), the adoption of MiC is promoted in the construction industry. In 2018, the Buildings Department of Hong Kong announced the lists of pre-accepted MiC systems components to provide a web-based reference to authorised persons, registered structural engineers and other concerned parties in the building industry. It is intended to help sharing of information on MiC with the parties and to enhance public access to information. To encourage wider use of MiC in new buildings, the Building Authority is prepared to grant the following gross floor area (“GFA”) exemptions, including (i) 6% of the MiC floor area of a new building may be disregarded from the GFA of the development upon submission of an application for exemption under section 42 of the Buildings Ordinance; and (ii) the disregarded GFA under item (i) above is not subject to the overall GFA cap of 10%.

In response to the Hong Kong government’s initiative of adopting advanced technology and innovative construction methods to enhance productivity and cost-effectiveness as introduced in the 2017 Policy Address, seven pilot construction projects is using or planning to use MiC up to 27 September 2019. The first pilot project in Hong Kong adopting MiC is the construction of the disciplined services quarters for the Fire Services Department at Pak Shing Kok, Tseung Kwan O, which commenced in September 2018. Other pilot projects include the student residence at Wong Chuk Hang for the University of Hong Kong, the residential units for the Innocell of Hong Kong Science & Technology Parks, the Elderly’s Home at Jat Min Chuen in Sha Tin, the transitional homes at Nam Cheong Street, Yen Chow Street and Yip Shing Street.

Market participants with track record in delivering MiC projects are able to tap into the market growth. The Group’s experience in PPVC projects and the patents of our Group’s knowhow of composite shear wall construction system for PPVC to be registered would be competitive advantages of the Group against its peers in Hong Kong to provide consultancy services in relation to PPVC projects.

Competitive Landscape of Civil and Structural Consultancy Industry in Hong Kong

The civil and structural engineering consultancy services market in Hong Kong is considered as relatively competitive and fragmented and comprised of both international firms and local firms. As estimated, there are more than 150 market participants in 2018 and offer a wide spectrum of civil and structural engineering consultancy services, such as feasibility studies, investigation, geotechnical engineering services and etc. In general, international consultancy firms with proven project references, track record and industry reputation may leverage their overseas experiences and apply their expertise to civil and structural projects. Relative to international players, local consultancy firms are usually committed to a strong partnership with local networks and information access, which alternatively serves as a competitive edge.

The major entry barriers of Hong Kong civil and structural engineering consultancy services market include the industry reputation with key customers and recruitment of skillful talents.

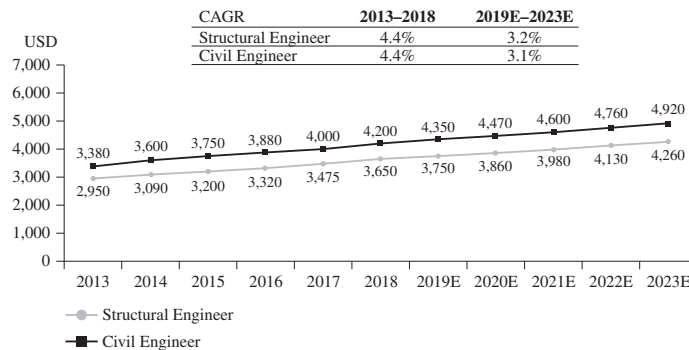
INDUSTRY OVERVIEW

Industry reputation with key customers: Existing market participants, in general, are able to demonstrate profound industry knowledge with a proven track record projects of different sizeable civil and structural engineering consultancy projects. As major customers, such as property developers, typically show a stronger preference towards market participants with a strong market portfolio, new market entrants may find it difficult to receive consultancy projects and establish a credible business relationship with the major customers, which therefore hinder them from seeking business opportunities.

Recruitment of skillful talents: In the interests of providing comprehensive and credible consultancy services to customers, market participants tend to employ a team of experienced staff with professional qualifications, such as qualified personnel with registered professional engineer on Engineers Registration Board. New market entrants with limited business scale may find it difficult to recruit these qualified employees as they generally shown a stronger preference towards sizeable and reputable international consultancy firms. Accordingly, it may become a hindrance for new market entrants to attract skillful talents and enter the civil and structural engineering consultancy services market to compete with international consultancy firms.

The median monthly wages of civil and structural engineers have shown an increasing trend during the period of 2013 to 2018. That of civil engineer grew from approximately USD3,380 per month in 2013 to approximately USD4,200 per month in 2018. On the other hand, the median monthly wages of structural engineers also increased from approximately USD2,950 per month in 2013 to approximately USD3,650 per month in 2018. The rising median monthly wages of civil and structural engineers reflects the healthy development of the market in Hong Kong. In the future years, with a holistic urban development plan outlined by the Government, the rising trend is likely to continue and the median monthly wages of civil and structural engineers is expected to reach approximately USD4,920 per month and USD4,260 per month by 2023 respectively.

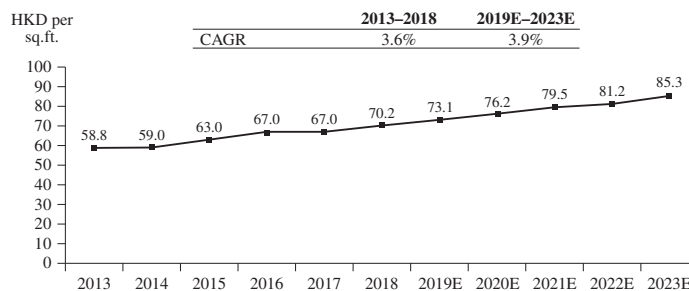
Median Monthly Wages of Civil and Structural Engineers (Hong Kong), 2013–2023E



Source: Frost & Sullivan

According to the Rating and Valuation Department of Hong Kong, due to an increasing number of both international and mainland Chinese companies, the average monthly rents of office space in Hong Kong rose from approximately HKD58.8 per sq. ft. to approximately HKD70.2 per sq. ft. during 2013 to 2018, representing a CAGR of 3.6%. With a positive economic outlook and favourable investment environment in Hong Kong, the average monthly rents of office space is likely to rise in the following years, reaching approximately HKD85.3 sq. ft. by 2023, representing a CAGR of 3.9%.

Average Monthly Rents of Office Space (Hong Kong), 2013–2023E



Note: The average rental price refers to the Grade A office in Hong Kong.

Source: Rating and Valuation Department, Frost & Sullivan

REGULATORY OVERVIEW

This section of the prospectus contains a summary of certain laws and regulations currently relevant to the material aspects of our Group's operations and the civil and structural engineering consultancy services industry. Having made all reasonable enquiries and to their best knowledge, our Directors confirm that save as disclosed in this section and the sections headed "Risk factors" and "Business" in this Prospectus, our Group has complied with all material laws and regulations applicable to our Group's operations in Singapore and Vietnam during the Track Record Period, and as at the Latest Practicable Date has obtained all necessary permits, licences and certificates for our operations. 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 and Vietnam.

REGULATIONS AND SUPERVISION OF OUR BUSINESS IN SINGAPORE

Professional Engineers Act

The Professional Engineers Act is a statute to establish the PEB, to provide for the registration of professional engineers, to regulate the qualifications and conduct of professional engineers and to regulate corporations, partnerships and limited liability partnerships which supply professional engineering services in Singapore. The PEB registers professional engineers in the prescribed branches of professional engineering work, which comprises the branches of civil engineering, chemical engineering, electrical engineering, mechanical engineering and such other branches of engineering as may be prescribed.

Professional Engineers

Under the Professional Engineers Act, a person applying for registration as a professional engineer is required to:

- hold an approved degree or qualification listed in the Professional Engineers (Approved Qualifications) Notification 2009;
- acquire relevant practical experience of such nature and duration as may be prescribed by the PEB;
- sit and pass examinations prescribed by the PEB;
- sit and pass the Fundamentals of Engineering Examination and the Practise of Professional Engineering Examination or the oral examination (for a person previously registered as a professional engineer or is an experienced applicant); and
- attend a professional interview conducted by the PEB.

An application for registration as a professional engineer shall be made within five years of passing the oral examination or Practise of Professional Engineering Examination. There are no restrictions based on age, citizenship or residency status, and no requirement on membership of any professional body.

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A Registered Professional Engineer may also apply to be registered as a specialist professional engineer if he has (i) sat and passed such examination or hold such postgraduate degrees or qualifications or has gained such special knowledge in a specialised branch of engineering as may be prescribed or approved by the PEB, (ii) has such experience in that specialised branch of engineering and (iii) fulfilled such further conditions as may be required or specified by the PEB.

Pursuant to the Professional Engineers Rules, a specialist professional engineer includes, among others, geotechnical engineering as a specialised branch of engineering. A person may apply to the PEB to be registered as a geotechnical engineer provided that the PEB is satisfied that the applicant:

- (a) is a Registered Professional Engineer in civil engineering, which criteria for registration is as set out above;
- (b) has a valid practising certificate; and
- (c) has met all the requirements of any of the following sets of conditions as specified in the third column of the Fourth Schedule of the Professional Engineers Rules, which are:

Set (A):

- (i) he has not less than 4 years (in aggregate) of such experience in geotechnical engineering (whether in Singapore or elsewhere) as may be acceptable to PEB, of which at least 3 years of that experience was obtained whilst practising as a registered professional engineer in Singapore; and
- (ii) he has a post-graduate engineering degree (such as M.Sc or PhD) majoring in geotechnical engineering from a university set out under the Professional Engineers (Approved Qualifications) Notification 2009 or such other qualifications as may be acceptable to PEB;

Set (B):

- (i) he has not less than 5 years (in aggregate) of such experience in geotechnical engineering (whether in Singapore or elsewhere) as may be acceptable to the Board, of which at least 3 years of that experience was obtained whilst practising as a registered professional engineer in Singapore; and
- (ii) he has sat for and passed a specialist registration examination on geotechnical engineering conducted by PEB.

As at the Latest Practicable Date, we do not have any geotechnical engineers registered as a specialist professional engineer in Singapore.

REGULATORY OVERVIEW

Licensed Professional Engineering Practises

Subject to the provisions of the Professional Engineers Act, the PEB may grant a licence to any limited corporation to supply professional engineering services relating to any of the prescribed branches of professional engineering work in Singapore, if the following requirements are fulfilled:

- the memorandum of association or constitution of the corporation provides that a primary object of the corporation is to supply such professional engineering services;
- the paid-up capital of the corporation is not less than SGD500,000;
- the articles of association or constitution of the corporation provides that a majority of the directors of the corporation shall be registered professional engineers or allied professionals who each has in force a practising certificate;
- professional engineering work in Singapore will be under the control and management of a director of the corporation who is a Registered Professional Engineer and has in force a practising certificate; and
- the corporation is insured against professional liability in accordance with the Professional Engineers Act and the rules.

Subject to the provisions of the Professional Engineers Act, the PEB may also grant a licence to any limited liability partnership to supply professional engineering services relating to any of the prescribed branches of professional engineering work in Singapore, if the following requirements are fulfilled:

- the statement lodged by the partners of the limited liability partnership with the Registrar of Limited Liability Partnerships provides that a primary nature of the business of the limited liability partnership is to supply such professional engineering services;
- the partners in the limited liability partnership consist only of persons who satisfy such requirements as the PEB may prescribe;
- at least one of the partners of the limited liability partnership is a Registered Professional Engineer who has in force a practising certificate;
- professional engineering work in Singapore will be under the control and management of a partner who is a Registered Professional Engineer who has in force a practising certificate and is authorised under a resolution of the partners of the limited liability partnership to make all final engineering decisions on behalf of the limited liability partnership with respect to the requirements of Professional Engineers Act, the rules or any other law relating to the supply of professional engineering services by the limited liability partnership; and
- the limited liability partnership is insured against professional liability in accordance with the Professional Engineers Act and the rules.

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The PEB may refuse to grant a licence to any corporation or limited liability partnership if, in its opinion, the past conduct of any director, manager or employee of the corporation or any partner, manager or employee of the limited liability partnership affords reasonable grounds for believing that the corporation or limited liability partnership, as the case may be, will not supply professional engineering services in accordance with any written law and with honesty and integrity. All applications for the licence shall be in standard form prescribed by the PEB and each licence shall be issued for a period of up to 12 months. However, the licence can only be issued for the validity period of the insurance cover obtained by the corporation and any application for a new licence should be made two months before the expiry date of the current licence. As at the Latest Practicable Date, TW-Asia has been issued with a licence by the PEB to supply professional engineering services relating to civil engineering. Our Executive Director, Mr. Wong, is a Registered Professional Engineer and is the supervising director of TW-Asia (the licenced corporation). As at the Latest Practicable Date, TW-Asia had four Directors, of which three Directors, namely, Mr. Wong, Ms. Leow and Mr. Heng are also Registered Professional Engineers. Further, Mr. Ng Yean Sin and Mr. He Hao, who are employees of TW-Asia, are also Registered Professional Engineers. Please refer to the paragraph entitled “Business — Major qualifications” of this prospectus for further details of the licences obtained by the Group.

The Professional Engineers Act requires every licenced corporation and licenced limited liability partnership to be insured against liability for any breach of professional duty arising out of the conduct of its business of supplying professional engineering services relating to any of the prescribed branches of professional engineering work as a direct result of any negligent act, error or omission committed by the corporation or its directors, managers, secretaries or employees. Please refer to the paragraph entitled “Business — Insurance” of this prospectus for further details of insurances obtained by the Group.

A Registered Professional Engineer who has the control and management of the business of a licenced corporation or limited liability partnership relating to the supply of professional engineering services in respect of any of the prescribed branches of professional engineering work in Singapore shall be subject to the same standards of professional conduct in respect of the business as if the professional engineering services were personally supplied by the Registered Professional Engineer.

The Professional Engineers Act and the rules do not contain any prohibition or restriction against tendering for professional engineering projects and activities regulated under the Professional Engineers Act. The Professional Engineers Act and the rules also do not contain any prohibition or restriction against subcontracting agreements and/or arrangements with third parties or hiring external consultants, and a licenced professional engineering practise is entitled to engage and/or subcontract to a third party to carry out and perform professional engineering works under a contract for the supply of professional engineering works entered into by such licenced professional engineering practise, provided that the relevant third party subcontractor is a Registered Professional Engineer who has in force a practising certificate or a licenced professional engineering practise licenced to supply professional engineering services relating to that prescribed branch of professional engineering work.

Building Control Act

The building and construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore’s building and construction industry. The prime objective of the BCA is to ensure building works comply with standards of safety, amenity and matters of public policy as described in the Building Control Act and its subsidiary legislation.

REGULATORY OVERVIEW

Under the Building Control Act, a qualified person includes a person who is registered as a professional engineer and has in force a practising certificate issued under the Professional Engineers Act. Subject to the provisions of the Building Control Act, every developer of building works shall, *inter alia*, appoint an appropriate qualified person to prepare the plans of the building works and an appropriate qualified person to supervise the carrying out of those building works, if no such persons are appointed by the builder carrying out those building works.

The Building Control Act contains provisions relating to, *inter alia*, that:

- an application for approval of the plans of any building works shall be accompanied by the names and particulars of the appropriate qualified person whom the developer or builder of the building works has appointed to prepare the plans of those building works and the certificate in the prescribed form signed by the qualified person certifying that he prepared those plans;
- an application for a permit to carry out structural works in any building works may be made, *inter alia*, by the qualified person whom the developer or builder has appointed to supervise those building works and shall be accompanied by names and particulars of such appropriate qualified person and a confirmation of his appointment in respect of such building works;
- an application for approval of the plans of any building works that comprise wholly or partly of any geotechnical building works must be accompanied by the names and particulars of the geotechnical engineer whom the developer or builder of the building works has appointed to prepare the plans relating to the geotechnical aspects of those geotechnical building works. Under the Building Control Act, “geotechnical building works” means any of the following building works:
 - (a) any excavation or other building works to make
 - (i) a tunnel with a diameter, width or height of more than 2 metres; or
 - (ii) a caisson, cofferdam, trench, ditch, shaft or well with a depth of more than 6 metres;
 - (b) any building works for constructing, altering or repairing any earth retaining structure in or for a trench, ditch, shaft or well with a depth or height of more than 6 metres;
 - (c) any earthworks or other building works for constructing or stabilising a slope with a height of more than 6 metres (measured as the vertical distance between the highest level and lowest level of the slope);
 - (d) such type of foundation works as the Minister may prescribe in the building regulations for buildings of 30 storeys or more.

Geotechnical aspects is defined under Section 2 of the Building Control Act as, in relation to any geotechnical building works:

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- (a) an analysis of the geological structure and earth materials of the site of the geotechnical building works and its influence on the geotechnical building works;
 - (b) an analysis of the ground-water regime and its influence on the wall stability and integrity of the geotechnical building works over time; and
 - (c) such other applications of earth sciences to and engineering aspects of the geotechnical building works as may be prescribed;
- all building works shall be carried out under the supervision of an appropriate qualified person;
 - the qualified person appointed to supervise the carrying out of any building works shall carry out or cause to be carried out such tests of or in connection with the building works as may be prescribed in the building regulations or required by the Commissioner of Building Control; and
 - (i) a qualified person supervising the carrying out of any building works; and (ii) a site supervisor supervising structural work of any major building works, must not be (including any nominee of his) a partner, an officer or employee of the developer or builder of those building works or an associate of such developer or builder.

Under the Building Control Act, a qualified person and site supervisor must not be a partner, an officer, an employee or an associate of the developer of the building works. As such, we have from time to time seconded some of our employees to the developer for a specified period of time to supervise building works or the structural work of any major building works. By reason of the restriction imposed by the Building Control Act, even if our client has in-house engineers, they cannot perform the full range of services that can be provided by a professional consultancy firm, and their services are usually limited to design works only.

Every qualified person who is appointed to prepare the plans of any building works is required to:

- take all reasonable steps and exercise due diligence to ensure that the building works are designed in accordance with the provisions of the Building Control Act and the requirements prescribed in the building regulations;
- notify the Commissioner of Building Control of any contravention of the Building Control Act or the building regulations in relation to those building works of which the qualified person knows or ought reasonably to know; and
- supply a copy of every plan of the building works approved by the Commissioner of Building Control to the site supervisor or the team of site supervisors, the builder of those building works and the qualified person appointed to supervise those building works.

If any qualified person appointed to prepare the plans of any building works fails to take all reasonable steps and exercise due diligence to ensure that the building works are designed in accordance with the provisions of the Building Control Act and the requirements prescribed in the building regulations, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding

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SGD200,000 or to imprisonment for a term not exceeding two years or to both. In respect of a continuing contravention, he may be liable to an additional fine not exceeding SGD1,000 for each day or part thereof that the qualified person fails to comply with the requirement, and if the contravention continues after the conviction, the qualified person shall be guilty of a further offence and shall be liable on conviction of this further offence to a further fine not exceeding SGD2,000 for every day or part thereof during which the contravention continues after conviction.

Building Control (Buildability and Productivity) Regulations

The Buildability and Productivity Regulations sets out requirements on the use of labour-efficient construction methods and building design, and applies to building works in respect of which an application for planning permission is submitted and involves a gross floor area of 2,000 square metres or more.

Under the Buildability and Productivity Regulations, every qualified person shall ensure that the building works are designed and carried out such that the buildable design score of the building works is not less than the prescribed minimum building design score. At the time of application for approval of building plans, every developer shall submit a document as to the buildable design score of the building works which bears an endorsement by all qualified persons in respect of the building works to the Commission of Building Control.

The BCA uses the BS Index under the tender evaluation framework for public sector projects to recognise consultants who have achieved higher buildability in their projects. The BS Index is a measure tracking the performance of design firms with respect to its buildable design and applies to firms in the design disciplines of civil and structural engineering and architecture. A firm's BS Index is derived based on its as-built buildable design score for the latest five completed projects within the last three years. The BS Index is also linked to the Quality Fee Method framework, which applies to public tenders, and is further described below.

Public Tender Guidelines

All government agencies are required to post their invitations for tenders and quotations on GeBIZ, an online portal on which tender bids and supporting documents may be submitted and all tender notices, including tender qualifications, tender schedules and tender awards can be viewed. Quotations and tenders are awarded on the basis of best value-for-money, and not necessarily to the lowest bidder. Bids are evaluated holistically based on their ability to meet the stated requirements of the quotation or tender. When evaluating bids, government agencies are expected to take into account price and other factors such as quality and reliability of the product or service.

Government agencies utilise the QFM framework to evaluate tenders involving all public sector consultancy tenders above SGD70,000 sent to the PSPC. There are no maximum thresholds for public sector consultancy tenders to be evaluated under the QFM framework. The disciplines covered under the PSPC include civil and structural engineering, project management and architecture, and consultants in these disciplines are evaluated based on the tender requirements under the QFM. The QFM framework is a competitive selection method that takes into consideration the quality and fee proposals submitted in the tender and the firms' productivity records (where applicable), and is primarily quality-based with a higher weightage given for quality proposals.

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The QFM framework comprises fee, quality and productivity components. The fee component may have a weightage of 10% to 30% and is evaluated based on the consultants' fee score, for which government agencies are to state clearly at tender stage if the tenderers should quote the fee proposals by percentage of final construction cost or by lump sum. The quality component may have a weightage of 50% to 70% and is evaluated based on the consultants' performance score, based on the overall consultants' performance scores derived from the Consultants' Performance Appraisal System, and may also include attributes such as the firm's track record, relevant expertise and experience of the proposed project team. This range of weightages are considered under the QFM, depending on project requirements such as the complexity of the project.

In particular, the productivity component will have a total weightage of 20% under the QFM and comprises the BS Index, the TA(D) Index, the WD(D) Index and other productivity attributes specified by the government agencies. The BS Index is a mandatory quality attribute under the productivity component of the QFM. The TA(D) Index and WD(D) Index were established to track the amount of construction productivity and capability fund that firms tapped on to gauge their pro-activeness towards productivity improvement.

The above applies to TW-Asia, as well as other professional engineers, in its tenders for public sector projects as a consultant under the civil and structural engineering discipline.

Employment Act

The Employment Act is the main legislation governing employment in Singapore. The Employment Act covers every employee who is under a contract of service with an employer and includes *inter alia*, (a) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any apprentice, and (b) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work. The definition of "employee" under the Employment Act does not extend to freelance contractors who have entered into a contract for service. Accordingly, freelance contractors are not considered to be employees of our Group. From 1 April 2019, the Singapore government has removed the salary threshold for the coverage of core employment provisions such as public holiday and sick leave entitlements, minimum days of annual leave, payment of salary and allowable deductions and redress for wrongful dismissal, to cover all employees, including persons employed in a managerial or executive position, except public servants, domestic works, seafarers and those who are covered separately.

Part IV of the Employment Act contains provisions relating to, *inter alia*, working hours, overtime, rest days, holidays, annual leave, payment of retrenchment benefit, priority of retirement benefit, annual wage supplement and other conditions of work or service and apply to: (a) workmen earning basic monthly salaries of not more than SGD4,500 and (b) employees (excluding workmen) earning basic monthly salaries of not more than SGD2,600. Section 38(8) of the Employment Act provides that an employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the Employment Act limits the extent of overtime work that an employee can perform to 72 hours a month. Employers must seek the prior approval of the Commissioner for Labour ("**Commissioner**") for exemption if they require an employee or class of employees to work for more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner may, after

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considering the operational needs of the employer and the health and safety of the employee or class of employees, by order in writing exempt such employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

Following the amendments to the Employment Act in effect from 1 April 2016, all employers must issue KETs in writing to employees covered under the Employment Act. Such employees include employees who: (a) enter into a contract of service with the company on or after 1 April 2016; (b) are covered by the Employment Act and (c) are employed for 14 days or more in relation to the length of contract (does not apply to number of days of work). KETs include, *inter alia*, full names of the employer and employee, job title, duties and responsibilities, start date of employment, duration of employment, basic salary, fixed allowances, fixed deductions, overtime pay, leave, medical benefits, probation period and notice period. KETs which are not applicable to specific employees may be excluded from their contracts.

Under Regulation 7 of the Employment Regulations 2016, for the purposes of Section 96(1)(a) of the Employment Act, employers must also issue to all their employees itemised pay slips at least once a month on the date of salary payment or not more than 3 working days after the date of salary payment. In the event of termination of employment or dismissal, the pay slip must be given to the employee together with the final payment of salary or the employee's last day of employment. The pay slip must include details such as payments and deductions for each salary period, and overtime pay, if applicable.

Under the Employment Regulations 2016, for the purposes of Section 95(1) of the Employment Act, employers must maintain detailed employment records for each employee in 2 categories: (i) salary records, with the same information as required in the itemised pay slips; and (ii) employee records, with information such as address of the employee, identity card or foreign identification number, date of birth, gender, date of starting and leaving employment, working hours including duration of meals and breaks, dates and other details of public holidays and leave taken. For current employees, such records must be kept for the latest 2 years. For ex-employees, records of the last 2 years are to be kept for one year after the employment ended.

Employment of Foreign Manpower Act

The policies and regulations relating to the employment of foreign workers are set out under the EFMA and relevant government gazettes to regulate the availability and cost of foreign workers, both skilled and unskilled, in the domestic labour market.

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 SGD5,000 and not more than SGD30,000 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 SGD10,000 and not more than SGD30,000 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 SGD20,000 and not more than SGD60,000.

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The availability of foreign workers is dependent on the MOM's policies in relation to the countries from which foreign workers may be sourced, the maximum period of employment, the dependency ratio ceiling for local and foreign workers and the imposition of security bonds and levies.

Employers are required to ensure that foreign workers employed are in possession of the necessary work pass, being: (a) a "Work Permit" for semi-skilled workers; (b) a "S-Pass" for eligible mid-level skilled workers with a monthly fixed salary of at least SGD2,300; or (c) an "Employment Pass" for eligible professionals, managers and executives earning a monthly fixed salary of at least SGD3,600.

Please refer to the section headed "Risk factors" and the paragraph "Business — Employees and employee benefits" in this prospectus for further details.

Business activity

To be considered under the services sector, a company must have registered its principal business activity as, *inter alia*, financial, insurance, real estate and business services or commerce (retail and wholesale trade).

Work Permits/S Pass holders

As at the Latest Practicable Date the Group does not have any foreign employees who require a work permit under Singapore law.

The S Pass allows mid-level skilled workers who earn at least SGD2,300 a month and have the relevant qualifications and work experience to work in Singapore. For the services sector, the number of S Pass holders that employers can hire is limited by the quota or dependency ratio ceiling, and employers are also required to pay a monthly levy for these S Pass holders.

The quota for S Pass holders for the services sector is as at the Latest Practicable Date capped at 15% of the company's total workforce. With effect from 1 January 2020 and 1 January 2021, the quota for S pass holders for the services sector is capped at 13% and 10% of the company's total workforce. Local employees refer to Singaporean and permanent resident staff employed by a company under a contract of service, which includes the company's directors. The number of local employees who can be used to calculate the S Pass quota entitlement is determined by the local qualifying salary ("LQS"). A Singaporean or permanent resident employee (including the company's director) employed under a contract of service is considered as one local employee (one LQS count) if he/she earns the LQS of at least SGD1,200 per month, and 0.5 local employee (0.5 LQS count) if he/she earns the LQS of SGD600 to below SGD1,200 per month. If the quota is exceeded, new applications for and renewals of work passes may be rejected.

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The levy rates are tiered so that employers who hire close to the maximum quota will be required to pay a higher levy, and the levy rates are subject to changes as and when announced by the Singapore government. The quota and levy rates for S Pass holders for the services sector are as follows:

Quota	Monthly levy rate	Daily levy rate
Basic Tier/Tier 1: Up to 10% of the total local employees	SGD330	SGD10.85
Tier 2: Above 10% to 15% of the total local employees	SGD650	SGD21.37

Note:

- (1) The daily levy rate only applies to S Pass holders who did not work a full calendar month. The daily levy rate is calculated as follows: $(\text{Monthly levy rate} \times 12) / 365 = \text{rounding up to the nearest cent.}$

Based on the latest information available from the MOM database as at the Latest Practicable Date, TW-Asia has utilised seven of its quota balance for S Pass holders. Artus did not employ any local or foreign employees during the Track Record Period.

Based on the quota of 15% of the total local workforce for the services sector, the maximum number of S Pass holders that TW-Asia can hire as at the Latest Practicable Date is 10, which means that three additional S Pass holders can be hired by TW-Asia.

As at the Latest Practicable Date, TW-Asia has 67 local employees. Following the Listing, our Group intends to recruit two additional engineers in Singapore during the six months ending 31 December 2019 through utilising internal resources. Assuming TW-Asia continues to hire 69 local employees throughout 2020 and 2021, TW-Asia will be able to hire a maximum number of nine S Pass holders based on the quota of 13% with effect from 1 January 2020, and seven S Pass holders based on the quota of 10% with effect from 1 January 2021. As at the Latest Practicable Date, TW-Asia employs seven S Pass holders, which is within the quota to be implemented in 2020 and 2021.

In the event our Group wishes to hire more mid level skilled workers and the quota has already been met, our Group can and will hire more local employees instead, thereby increasing the quota for our Group. Accordingly, our Directors are of the view that the decrease in quota in 2020 and 2021 will not have a material impact to our Group.

The conditions and requirements for work permit holders vary from the conditions and requirements for S Pass holders, and there are additional requirements for work permit holders which are specific to the services sector.

Employment Pass holders

The Employment Pass allows foreign professionals, managers and executives who earn at least SGD3,600 a month and have acceptable qualifications to work in Singapore. The number of Employment Pass holders that employers can hire is not restricted by any foreign worker quota or levy requirements. Based on the latest information available from the MOM database as at the Latest Practicable Date, TW-Asia has employed one Employment Pass Holder.

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Workplace Safety and Health Act

Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards to 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.

More specific duties imposed on employers are laid out in the WSHR. Some of these duties include taking effective measures to protect persons at work from safety and health risks arising from overcrowding of the workplace, to ensure that every workroom of the workplace is provided with adequate ventilation and to provide and maintain sufficient and suitable lighting, whether natural or artificial, in every part of the workplace in which persons are at work or passing.

In addition to the above, under the WSHA, inspectors appointed by the CWSH may, *inter alia*, 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 (a) 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; (b) any person has contravened any duty imposed by the WSHA; or (c) 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.

Pursuant to the Workplace Safety and Health (Risk Management) Regulations, the employer in a workplace is supposed to, *inter alia*, conduct a risk assessment in relation to the safety and health risks posed to any person who may be affected by his undertaking in the workplace, take all reasonably practicable steps to eliminate or minimise foreseeable risks, implement measures/safety procedures to

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address the risks, and to inform workers of the same, maintain records of such risk assessments and measures/safety procedures for a period of not less than three years, and submit such records to the CWSH from time to time when required by the CWSH.

Work Injury Compensation Act

The WICA which is regulated by the MOM, applies to employees who are engaged under a contract of service or apprenticeship, regardless of their level of earnings. The WICA does not cover self-employed persons or independent contractors. However, as the WICA provides 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 subcontractor employer), the principal shall be liable to compensate those employees of the subcontractor employer who were injured while employed in the execution of work for the principal.

The WICA provides that if an employee dies or sustains injuries in a work-related accident or contracted occupational diseases in the course of the employment, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. An injured employee is entitled to claim medical leave wages, medical expenses and lump sum compensation for permanent incapacity or death, subject to certain limits stipulated in the WICA.

An employee who has suffered an injury arising out of and in the course of his employment can choose to either:

- submit a claim for compensation through the MOM without needing to prove negligence or breach of statutory duty by employer. There is a fixed formula in the WICA on amount of compensation to be awarded; or
- commence legal proceedings to claim damages under common law against the employer for breach of duty or negligence.

Damages under a common law claim are usually more than an award under WICA and may include compensation for pain and suffering, loss of wages, medical expenses and any future loss of earnings. However the employee must show that the employer has failed to provide a safe system of work, or breached a duty required by law or that the employer's negligence caused the injury.

Under the WICA, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which he may incur under the provisions of the WICA in respect of all employees employed by him, unless specifically exempted.

Central Provident Fund Act

The CPF system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the CPF Act, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for non-exempted owners). CPF contributions are not applicable for foreigners who hold employment passes, S-passes or work permits. CPF contributions are required for both ordinary wages and additional wages (subject to a yearly additional wage ceiling) of

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employees at the applicable prescribed rates which is dependent on, *inter alia*, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's share of the monthly CPF contribution at the end of each month with a grace period of 14 days. However, an employer can recover the employee's share of CPF contributions by deducting it from their wages when the contributions are paid for that month.

Companies Act

TW-Asia and Artus, which are wholly-owned subsidiaries of our Company, are private companies limited by shares, incorporated and governed under the provisions of the Companies Act and its regulations.

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

In addition, members of a company are subject to, and bound by the provisions of the constitution of the company. The constitution of a company provides for, *inter alia*, the objects of the company, provisions relating to some of the matters in the foregoing paragraph, transfers of shares as well as the rights and privileges attached to the different classes of shares of the company (if applicable).

Singapore taxation

Corporate tax

The prevailing corporate tax rate in Singapore is 17% with effect from Year of Assessment ("YA") 2010. In addition, the partial tax exemption scheme applies on the first SGD300,000 of normal chargeable income; and specifically 75% of up to the first SGD10,000 of a company's normal chargeable income, and 50% of up to the next SGD290,000 is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at 17%. Further, companies were granted a corporate income tax rebate of 50% of the tax payable for YA2016 and YA2017, subject to a cap of SGD20,000 for YA2016 and SGD25,000 for YA2017. For YA2018, companies were granted a corporate income tax rebate of 40%, subject to a cap of SGD15,000. The corporate income tax rebate will be extended to YA2019 at a rate of 20% of the tax payable, subject to a cap of SGD10,000.

Dividend distributions

(i) One tier corporate taxation system

Singapore adopts the One-Tier System. Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt (One-Tier) dividends. Such 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.

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(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 or countries of residence and the applicability of any double taxation agreement which the relevant tax jurisdiction may have with Singapore.

Goods and services tax

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%.

REGULATIONS AND SUPERVISION OF OUR BUSINESS IN VIETNAM

Regulations on Construction Engineering and Design Services — Licencing

Vietnam's WTO Commitments on Services permit foreign investors to carry on construction engineering and design services in Vietnam by establishing a commercial presence — e.g., a subsidiary. In particular:

(a) *Architectural services*

Unrestricted: no foreign ownership ceilings apply, to the extent of services not subject to national treatment limitations.

(b) *Engineering services*

Unrestricted: no foreign ownership ceilings apply, to the extent of services not subject to national treatment limitations.

Our Group confirms that none of its services rendered in Vietnam during the Track Record Period were subject to national treatment limitations as specified in Vietnam's WTO Commitments.

Notwithstanding the “*unrestricted*” status, where the supply of such services are related to topographical, geotechnical, hydro-geological and environmental surveys and technical surveys for urban-rural development planning or sectorial development planning, Vietnam has imposed national treatment limitations, where the conduct of the services in such areas will be subject to authorisation by the government of Vietnam.

Construction engineering and design services can be categorised as “*construction activities*”, which include, among others, construction planning, formulation of a construction projects, construction design, project management and “*other activities*” which relate to construction. A Vietnam company's construction engineering and design services are subject to the Law on Construction in Vietnam, together with its guiding and implementing legal instruments.

Among those is Decree 59/2015/ND-CP on construction project management (as amended and supplemented by Decree 42/2017/ND-CP and thereafter Decree 100/2018/ND-CP), which specifically regulates the licencing regime applicable to the provision construction engineering and design services. Every Vietnamese enterprise that conducts construction activities in the field of (i) “*construction*

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design”, (ii) “*construction project management*” and/or (iii) “*construction supervision*” is required to obtain a Certificate of Eligibility corresponding to each of such activities (“**Construction Eligibility Certificate**”) from the relevant DOC or MOC. Accordingly, a foreign investor, in addition to obtaining licencing approval for its investment in Vietnam and establishment of an enterprise, is also required to obtain the Construction Eligibility Certificate prior to the commencing the above construction activities. Note that prior to the above Decree 59/2015/ND-CP, the eligibility or capacity of an organisation to carry out construction works was published on the Ministry of Construction’s national system (instead of being recorded in a separate Construction Eligibility Certificate). However, even if such organisation’s eligibility or capacity was previously published prior to Decree 59/2015/ND-CP, as of 1 March 2016, such organisation is required to obtain the Construction Eligibility Certificate.

Due to this legal requirement, our clients will not be able to perform construction design, construction project management and construction supervision (other than for a Class IV project) even if they have in-house engineers, unless they have obtained the Construction Eligibility Certificate. In addition, developers usually set up special purpose vehicles to hold and develop individual projects. These project companies will not have the necessary experience to be eligible to apply for the Construction Eligibility Certificate. Our client will engage our Group for our civil and structural consultancy services under such circumstances.

This Construction Eligibility Certificate is categorised into three classes: Class I, Class II and Class III. The type of projects for which the enterprise may render its services is dependent on such class and the specific scope prescribed in the Construction Eligibility Certificate. Class I is the highest class, enabling the enterprise to render its services for “Special” and “Class I” works as prescribed under law (typically being projects of larger scale (capital, scale, etc.) or sensitivity). Similarly, a Class II certificate and a Class III certificate allows the certificate-holder to render services for “Class II” and “Class III” works respectively within the scope of the certificate.

Circular 03/2016/TT-BXD sets forth the relevant scope of works that may be carried out. For example, for residential houses/apartments:

Classification Criteria	Class				
	Special	I	II	III	IV
Height (m)	> 200	> 75–200	> 28–75	> 6–28	≤ 6
Number of stories	> 50	> 20–50	8–20	2–7	1
Total floor area (‘000 m ²)		> 20	> 10–20	1–10	< 1
Largest structural span (m)	> 200	100–200	50–< 100	15–< 50	< 15
Underground depth (m)		> 18	6–18	< 6	
No. of underground stories		≥ 5	2–4	1	

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For Class IV projects, a company typically does not require a Construction Eligibility Certificate to carry on construction activities for such projects. The issuing of the Construction Eligibility Certificate is subject to two primary criteria:

- (a) The employment by the enterprise of qualified personnel.

For this purpose, individuals (whether Vietnamese citizens, overseas Vietnamese or foreigners) that work for the enterprise and will be in charge of and/or be involved in the relevant construction activities are required to possess the necessary qualifications — namely, Practising Certificate from the relevant DOC or MOC (or its assigned organisations).

Note that while the absence of a Practising Certificate does not prevent an individual from working in the construction sector corresponding to his/her field of training, he/she will not be able to hold certain managerial positions (e.g. project manager).

Similar to the Construction Eligibility Certificate, Practising Certificates that were issued after 1 September 2016 is categorised into three classes: Class I, Class II and Class III. Note that prior to this date, Practising Certificates did not specify such classes — instead, only generally specifying the scope of work that the licenced individuals could carry out. Individuals with Practising Certificates issued prior to September 2016 can either continue to practise under those certificates or apply to convert to a new Practising Certificate that includes the corresponding classification.

To obtain a Practising Certificate, there are three main criteria that the individual must meet: (i) having appropriate qualifications (e.g. diploma or undergraduate degree), (ii) having passed an examination covering professional working knowledge and legal knowledge and (iii) possessing sufficient experience in the field covered by the Practising Certificate (generally determined by the number of projects in which he/she has participated).

For individuals who have attained a practising certificate (or equivalent) outside of Vietnam (i.e. foreign qualification), the law sets forth a conversion system that allows him/her to obtain the requisite Practising Certificate.

- (b) The experience of the enterprise in providing the relevant services to construction projects for which it is permitted, for Class I and Class II Construction Eligibility Certificates.

As a result of such experience requirement, every enterprise is required to start with obtaining a Class III Construction Eligibility Certificate. Upon the attainment of sufficient experience in projects for which such certificate permits the enterprise to carry out, the enterprise may then, subject to satisfaction of any personnel requirements, apply towards a Class II Construction Eligibility Certificate, and so forth.

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Particularly, below is a tabulated summary of the present requirements for the relevant Construction Eligibility Certificates:

	Class I	Class II	Class III
Construction Design	<ul style="list-style-type: none"> ● The individual who is in charge of construction design has a relevant Practising Certificate of Class I rank. ● The individual who is involved in construction design has expertise that is relevant to the field and type of work registered for the Certificate of Eligibility. ● The company has designed or appraised the design of either (i) at least 1 Class I work or (ii) at least 2 Class II works or higher of the same type. 	<ul style="list-style-type: none"> ● The individual who is in charge of construction design has a relevant Practising Certificate of Class II or higher rank. ● The individual who is involved in construction design has expertise that is relevant to the field and type of work registered for the Certificate of Eligibility. ● The company has designed or appraised the design of either (i) at least 1 Class II work or higher or (ii) at least 2 Class III works or higher of the same type. 	<ul style="list-style-type: none"> ● The individual who is in charge of construction design has a relevant Practising Certificate of Class III or higher rank. ● The individual who is involved in construction design has expertise that is relevant to the field and type of work registered for the Certificate of Eligibility.
	<p>Eligible Projects: design and appraisal of designs of projects of the same type associated with the certificate, for all classes of projects.</p>	<p>Eligible Projects: design and appraisal of designs of projects of the same type associated with the certificate, for Class II or lower.</p>	<p>Eligible Projects: design and appraisal of designs of projects of the same type associated with the certificate, for Class III.</p>

REGULATORY OVERVIEW

	Class I	Class II	Class III
Project Management Consultancy	<ul style="list-style-type: none"> ● The individual working as a project manager has a Practising Certificate (for project management in the type of projects associated with the certificate) of Class I. ● The individuals who are in charge of the relevant professional fields have a relevant Practising Certificate of Class I or higher rank. ● The individuals involved in project management have knowledge and skills for the works they undertake and the type of projects registered for the Certificate of Eligibility. ● The company has carried out project management for either (i) at least 1 “Group A” project or (ii) at least 2 “Group B” projects or higher of the same type. 	<ul style="list-style-type: none"> ● The individual working as a project manager has a Practising Certificate (for project management in the type of projects associated with the certificate) of Class II or higher rank. ● The individuals who are in charge of the relevant professional fields have a relevant Practising Certificate of Class II or higher rank. ● The individuals involved in project management have knowledge and skills for the works they undertake and the type of projects registered for the Certificate of Eligibility. ● The company has carried out project management for either (i) at least 1 “Group B” project or higher or (ii) at least 2 “Group C” projects or higher of the same type. 	<ul style="list-style-type: none"> ● The individual working as a project manager has a Practising Certificate (for project management in the type of projects associated with the certificate) of Class III or higher rank. ● The individuals who are in charge of the relevant professional fields have a relevant Practising Certificate of Class III or higher rank. ● The individuals involved in project management have knowledge and skills for the works they undertake and the type of projects registered for the Certificate of Eligibility.
	<p>Eligible Projects: management of projects of the same type associated with the certificate, of any group.</p>	<p>Eligible Projects: management of projects of the same type associated with the certificate, of “Group B” or lower.</p>	<p>Eligible Projects: management of projects of the same type associated with the certificate, of “Group C” and projects for which only an <i>economic-technical report on construction investment</i> is required.</p>

REGULATORY OVERVIEW

	Class I	Class II	Class III
Construction Supervision	<ul style="list-style-type: none"> ● The individual who holds the position of “chief supervisor” has a relevant Practising Certificate of Class I rank, or the supervisor will obtain a construction supervision Practising Certificate for the relevant work that would be covered by the Construction Eligibility Certificate. ● The company has supervised he construction of (i) at least 1 Class I work or higher or (ii) at least 2 Class II works or higher of the same type. ● Eligible Projects: supervision of construction of all works of the same type specified in the certificate, for all classes of projects. 	<ul style="list-style-type: none"> ● The individual who holds the position of “chief supervisor” has a relevant Practising Certificate of Class II rank, or the supervisor will obtain a construction supervision Practising Certificate for the relevant work that would be covered by the Construction Eligibility Certificate. ● The company has supervised he construction of (i) at least 1 Class II work or higher or (ii) at least 2 Class III works or higher of the same type. ● Eligible Projects: supervision of construction of Class II works or below of the same type specified in the certificate, for all classes of projects. 	<ul style="list-style-type: none"> ● The individual who holds the position of “chief supervisor” has a relevant Practising Certificate of Class III rank, or the supervisor will obtain a construction supervision Practising Certificate for the relevant work that would be covered by the Construction Eligibility Certificate. ● The company has supervised he construction of (i) at least 1 Class III work or higher of the same type. ● Eligible Projects: supervision of construction of Class III works or below of the same type specified in the certificate, for all classes of projects.

As regard to the grouping of projects as described in the above table (i.e. Group A, Group B and Group C), this is prescribed under the Law on Public Investment, in which “**Group A**” is generally associated with nationally important projects or those with significant investment capital (e.g. project involving national defence or residential construction projects with and investment capital of more than VND2,300 billion), while “**Group B**” and “**Group C**”, in descending order, generally represents the projects with smaller investment capital (e.g. residential construction projects with investment capital of VND120 billion — VND2,300 billion and less than VND120 billion, respectively.)

REGULATORY OVERVIEW

Regulations on Construction Engineering and Design Services — Design Approving Authorities

Under Decree 59/2015/ND-CP (as amended by Decree 42/2017/ND-CP), subject to the type and class of construction projects, the basic design of such project will be approved by different levels of construction authorities. Particularly:

The Ministry of Construction will appraise the construction designs (save for technology aspects) of Class I or higher works (save for residential projects with a scale of less than 25 storeys and not exceeding 75 metres in height), public work projects, and projects that have a major impact on the landscape, environment and community safety to be construction in administrative areas of at least 2 provinces).

The services of construction management (generally, the relevant Department of Construction) will appraise the construction designs (save for technology aspects) of residential projects with a scale of less than 25 storeys and not exceeding 75 metres in height, as well as Class II or Class III works being public works or works that materially impact the landscape, environment and community safety.

The investor can self-arrange the economic and technical aspects of the works for small-scale projects (e.g., Class IV works) or construction works that are used for religious purposes.

Regulations on Construction Engineering and Design Services — Insurance

The Law on Construction together with its guiding and implementing legal instruments, requires consultancy contractors to take out the following mandatory insurance:

- (a) professional liability insurance for the provision of construction survey and construction design services for construction works classified as “*Class II or higher*”; and
- (b) insurance for employees who work at construction sites, covering for injuries and death caused by occupational accidents and occupational diseases on site.

Decree 119/2015/ND-CP, as guided by Circular 329/2016/TT-BTC, regulates the specific scope of coverage of such insurance policies.

Regulations on Foreign Investment

Foreign investment into Vietnam is regulated by both domestic legislation and international agreements, with the primary regulations being the Law on Investment and Vietnam’s WTO Commitments on Services. Foreign investment is divided into three general categories: unrestricted, restricted and prohibited. With respect to the restricted category, such restrictions can take the form of a specific foreign ownership ceiling in a foreign-invested company, or a general requirement to enter into a joint venture with a Vietnamese party with no mandated maximum foreign ownership ceiling. The category of foreign investment in which a company may fall under depends on the business carried out by the company, and with respect to the Group, is further elaborated above (please see sub-section headed “Regulations on construction engineering and design services — Licencing” of this prospectus).

REGULATORY OVERVIEW

Regulations on Labour

Vietnam's Labour Code, along with a number of guiding instruments, regulates the relationship between Vietnamese employers and employees, including both Vietnamese nationals and expatriates. It specifies that an employment contract must be made in writing. There are broadly three types of labour contracts: indefinite term contracts, fixed term contracts, and temporary or seasonal contracts. An employer is only permitted to offer two consecutive fixed term contracts, subsequent to which the employment contract must be an indefinite term contract.

Vietnam has a particularly employee-friendly labour law regime. Employees are entitled to statutory benefits payable by the employer, including health, social and unemployment insurance. Contributions to such insurance regime are to be made by both employer and employee, taken as a proportion of the employee's monthly salary. For social insurance, this regime guarantees the full or partial offset of an employee's income that is reduced or lost due to sickness, maternity, labour accidents, occupational diseases, retirement or death. The present mandatory contribution levels are as follows:

Type of Insurance	Employer	Employee	Total
Social Insurance	17.5%	8%	25.5%
Health Insurance	3%	1.5%	4.5%
Unemployment Insurance	1%	1%	2%
TOTAL			32%

For foreign nationals, they are required to participate in the health insurance and social insurance regime under Decree 143/2018/ND-CP, this will be applicable from 1 December 2018 onwards, in which:

- (i) 3.5% will be payable from 1 December 2018 onwards (comprising 3% for sickness and parental insurance, 0.5% for occupational accident and disease insurance); and
- (ii) 17.5% will be payable from 1 January 2022 onwards (comprising 3% for sickness and parental insurance, 0.5% for occupational accident and disease insurance, and 14% for retirement and death insurance).

Compensation in the form of severance pay is owed in most cases to an employee upon the expiration or termination of employment, save for instances of dismissal for cause. Moreover, non-compete, non-solicitation and any other labour contract clauses which may be deemed to interfere in a person's right to seek employment are difficult, if not impossible, to enforce.

Vietnamese law does not prescribe a maximum number of foreign employees that a company can hire. However, prior to hiring foreign employees, the company is required to report on its foreign labour usage to the relevant provincial People's Committee and obtain approval on such usage.

REGULATORY OVERVIEW

Foreign employees who work in Vietnam must obtain a work permit prior to commencement of their employment in Vietnam, except for certain cases in which the employees are eligible for a work permit exemption. Notwithstanding such exemption, in many cases, a decision by the relevant Department of Labour, Invalids and Social Affairs is required to certify the employee's eligibility for such exemption prior to the employee's commencement of work in Vietnam.

Regulations on Occupational Safety & Hygiene (OSH)

Under the Law on Occupational Safety and Hygiene, employers are under a general obligation to implement measures to ensure OSH at the workplace. Towards complying with this obligation, the employers are required to:

- (a) ensure that all machinery, equipment and materials strictly comply with labour safety requirements as regulated by the government, and must be tested and assessed prior to being commissioned for use, and be periodically tested and verified by a competent testing organisation;
- (b) provide sufficient personal protective equipment and facilities to employees working in dangerous or hazardous jobs;
- (c) hold training classes on OSH for employees, apprentices and trainees when they are recruited and when work is assigned to them; and
- (d) arrange periodic health checks for employees.

Regarding the workplace, employers must also ensure safe and hygienic working conditions for employees in accordance with the regulations. Measures towards meeting such conditions include display of signboards and instructions, periodic inspection of machines and equipment, and consulting with the trade union when formulating rules or plans for OSH compliance.

Regulations on Environmental Compliance

Vietnam's laws on environmental protection are generally prescribed under the Law on Environmental Protection, with specific industry requirements set forth in specialised legal instruments. For construction, this is prescribed under Circular 02/2018/TT-BXD dated 6 February 2018 and issued by the MOC.

Consulting contractors and supervision contractors (as opposed to those involved in building construction) have a general obligation to:

- (a) promptly inform the project owner and relevant contractors of any risks or issues that may adversely affect the environmental protection works during the execution of construction works so as to take appropriate preventive or corrective actions; and
- (b) submit periodic or ad-hoc reports to the project owner on the satisfaction of environmental protection requirements in accordance with the terms of their consulting service agreements.

REGULATORY OVERVIEW

Regulations on Foreign Exchange

Vietnam does not possess a fully liberalised foreign exchange control regime, and the use, exchange and remittance of foreign currencies are regulated by the Ordinance on Foreign Exchange Control and its guiding instruments, along with miscellaneous regulations on inward investment. Apart from a few significant exceptions, only Vietnamese Dong is permitted for use in transactions occurring in Vietnam.

The use of, and exchange of foreign currencies for, Vietnamese Dong, and vice versa, is broadly dependent on whether such foreign currencies are used for capital investment purposes or general transactional purposes. Capital investment comprises both “indirect investment” and “direct investment,” with direct investment defined as any foreign investment where the investor participates in the management and operation of the invested company. Foreign currencies and Vietnamese Dong are permitted to be used for direct investments and only Vietnamese Dong may be used for indirect investments. All capital investments into Vietnam, whether direct or indirect, must be made through specialised investment capital bank accounts, and any distributions and returns of capital from such investments must be made through the same accounts. There are no foreign exchange control or remittance restrictions imposed on amounts held in such investment capital bank accounts.

Vietnamese Dong held in current accounts can generally be freely exchanged for foreign currency and subsequently remitted offshore, provided that the origin of such amounts and the reason for the exchange and remittance are legitimate and legal. Contracts for the supply of goods or services entered into between a Vietnamese individual or company and a foreign company are valid bases upon which to conduct such foreign currency exchange transactions.

Regulations on Dividends and Distributions

Vietnam’s Law on Enterprises permits companies to distribute profits to its members (owners) when their business operation has been profitable, the tax liabilities and other financial obligations have been fulfilled in accordance with the law, and if the companies’ debts and other liabilities can be paid after profit distribution. Vietnam’s Law on Investment assures the foreign investors’ right to transfer their income from business investments in Vietnam to abroad upon their fulfilment of all financial obligations to the Vietnamese government.

Dividends can be paid in cash or other assets in accordance with the company’s charter. Companies can remit dividends in foreign currency to their foreign investors overseas. Furthermore, dividends paid to foreign investors, whether to corporate or individual investors, are exempt from dividend (withholding) tax when being transferred abroad or retained outside of Vietnam. However, prior to remitting dividends overseas, the foreign-invested companies are required to make and submit their profit remittance declaration to the tax authorities.

Regulations on Tax Liabilities

CIT is primarily governed by the Law on Corporate Income Tax and its guiding instruments. Under this law, as of 1 January 2016, the standard CIT rate is 20% (with the exemption of enterprises eligible for CIT incentives or for those whose income is derived from prospecting, exploring and mining of oil, gas and other rare/precious natural resources).

REGULATORY OVERVIEW

VAT is primarily governed by the Law on Value-Added Tax and its guiding instruments. VAT applies to goods and services circulated and consumed in Vietnam, and is collected through production, trading and provision of services. There are three VAT rates: 0%, 5%, and 10%, depending on the nature of the transaction and the goods. Most goods to be exported are subject to the VAT rate of 10%. VAT rate reductions and exemptions are provided for certain categories of goods.

PIT is primarily governed by the Law on Personal Income Tax and its guiding instruments. PIT is payable on the worldwide income of persons who are considered as tax residents in Vietnam. PIT is also applicable to non-residents if their income is derived in Vietnam, irrespective of where the income is paid. Residency is defined by the persons' period of stay in Vietnam. The PIT rate for income arising from salary of a resident in Vietnam will be calculated according to the scale of progressive tax tariff applied for each portion of the income. For a non-resident, a flat tax rate of 20% is applied to the taxable income from his/her salary.

REGULATIONS AND SUPERVISION OF OUR BUSINESS IN HONG KONG

Licences, permits or approvals required to be obtained by our Group for business operation in Hong Kong

Except for the business registration under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), there are no licences, permits or approvals required to be obtained by our Group to carry on our business in providing civil and structural engineering consultancy services in Hong Kong.

Legislation and rules governing the professionals hired by our Group

Depending on specific project needs, our civil and structural engineering consultancy service may require the professional service of Registered Structural Engineer(s), Registered Geotechnical Engineer(s) (if necessary), Authorised Person(s), Registered Inspector(s), and/or Registered Professional Engineer(s) (HK).

Registered Structural Engineer

Pursuant to sections 2 and 3(3) of the BO, a Registered Structural Engineer is a person who is qualified to perform the duties and functions of structural engineers (relating to more advanced structural designs of building works or street works) and whose name is for the time being on the structural engineers' register kept by the Building Authority.

Statutory Duties

Every person for whom building works (save as (i) Minor Works commenced under the simplified requirements, (ii) certain building works in New Territories (as defined under the Buildings Ordinance (Application to the New Territories) Ordinance ("BO(ANT)O") (Chapter 121 of the Laws of Hong Kong)) for which certificates of exemption are issued by the Director of Lands under the BO(ANT)O and (iii) works exempted under section 41 of BO) or street works are to be carried out shall appoint a Registered Structural Engineer for the structural elements of such building works or street works if so required under BO.

REGULATORY OVERVIEW

A Registered Structural Engineer has the statutory duty under section 4(3) of BO to (i) supervise the carrying out of the building works or street works; (ii) notify the Building Authority if any work shown in any plan approved by the Building Authority regarding the building works or street works is carried out in contravention of the regulations; and (iii) comply with the BO generally.

Qualifications

A person must not be included in the structural engineers' register unless he/she has obtained the qualifications prescribed under regulation 3 of the Building (Administration) Regulations and is recommended by the Structural Engineers Registration Committee for inclusion.

Pursuant to regulation 3 of the Building (Administration) Regulations, an applicant shall not be included in the structural engineers' register unless he/she:

- (a) is a Registered Professional Engineer (HK) in the structural or the civil engineering discipline, and in the latter case unless he/she has such practical experience in structural engineering as may be approved by the Structural Engineers Registration Committee; and
- (b) has had, for a continuous period of 1 year within the 3 years preceding the date of his/her application, such practical experience gained in Hong Kong as the Structural Engineers Registration Committee considers appropriate.

The applicant must produce, to the Structural Engineers Registration Committee, documentary evidence to prove compliance with the requirements of regulation 3 of the Building (Administration) Regulations and satisfy the committee of his/her suitability for inclusion in the structural engineers' register and, if required by the committee, attend a professional interview before the committee.

Disciplinary Proceedings

A Registered Structural Engineer is subject to the same disciplinary regime under section 7 of the BO as the one applicable to an Authorised Person.

Registered Geotechnical Engineer

Pursuant to sections 2 and 3(3A) of the BO, a Registered Geotechnical Engineer is a person who is qualified to perform the duties and functions of geotechnical engineers in accordance with the BO and whose name is for the time being on the geotechnical engineers' register kept by the Building Authority.

Statutory Duties

Every person for whom building works (save as (i) Minor Works commenced under the simplified requirements, (ii) certain building works in New Territories (as defined in the BO(ANT)O) for which certificates of exemption are issued by the Director of Lands under the BO(ANT)O and (iii) works exempted under section 41 of BO) or street works are to be carried out shall appoint a Registered Geotechnical Engineer for the geotechnical elements of such building works or street works if so required under BO.

REGULATORY OVERVIEW

A Registered Geotechnical Engineer has the statutory duty under section 4(3) of BO to (i) supervise the carrying out of the building works or street works; (ii) notify the Building Authority if any work shown in any plan approved by the Building Authority regarding the building works or street works is carried out in contravention of the regulations; and (iii) comply with the BO generally.

Qualifications

A person must not be included in the geotechnical engineers' register unless he/she has obtained the qualifications prescribed under regulation 3 of the Building (Administration) Regulations and is recommended by the Geotechnical Engineers Registration Committee for inclusion.

Pursuant to regulation 3 of the Building (Administration) Regulations, an applicant must not be included in the geotechnical engineers' register unless he/she:

- (a) is a Registered Professional Engineer (HK) in the geotechnical engineering discipline; and
- (b) has had, for a continuous period of 1 year within the 3 years preceding the date of his/her application, such practical experience gained in Hong Kong as the Geotechnical Engineers Registration Committee considers appropriate.

The applicant must produce, to the Geotechnical Engineers Registration Committee, documentary evidence to prove compliance with the requirements of regulation 3 of the Building (Administration) Regulations and satisfy the committee of his/her suitability for inclusion in the geotechnical engineers' register and, if required by the committee, attend a professional interview before the committee.

Disciplinary Proceedings

A Registered Geotechnical Engineer is subject to the same disciplinary regime under section 7 of the BO as the one applicable to an Authorised Person or a Registered Structural Engineer.

Authorised Person

Pursuant to sections 2 and 3(1) of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) (the "BO"), an Authorised Person is a person whose name is entered into the list of architects, the list of engineers or the list of surveyors in the authorised persons' register kept by the Building Authority.

Statutory Duties

Every person for whom building works (save as (i) works exempted under section 41 of BO and (ii) Minor Works commenced under the simplified requirements and (iii) certain building works in New Territories under the BO(ANT)O for which certificates of exemption are issued by the Director of Lands under the BO(ANT)O or street works are to be carried out shall appoint an Authorised Person as the co-ordinator.

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An Authorised Person has the various duties and obligations under the BO and the related regulations. In summary, pursuant to section 4(3) of BO, an Authorised Person is required to (i) supervise the carrying out of the building works or street works; (ii) notify the Building Authority if any work shown in any plan approved by the Building Authority regarding the building works or street works is carried out in contravention of the regulations and (iii) comply with the BO generally.

Qualification for registration

A person shall not be included in the authorised persons' register unless he/she has obtained the qualifications prescribed under the Building (Administration) Regulations (Chapter 123A of the Laws of Hong Kong) and is recommended by the Authorised Persons Registration Committee for inclusion.

Pursuant to regulation 3 of the Building (Administration) Regulations, an applicant shall not be included in the list of engineers in the authorised persons' register unless he/she:

- (a) is a Registered Professional Engineer (HK) in the civil or structural engineering discipline; and
- (b) has had, for a continuous period of 1 year within the 3 years preceding the date of his/her application, such practical experience gained in Hong Kong as the Authorised Persons Registration Committee considers appropriate.

The applicant must produce, to the Authorised Persons Registration Committee, documentary evidence to prove compliance with the requirements of regulation 3 and satisfy the committee of his/her suitability for inclusion in the authorised persons' register and, if required by the committee, attend a professional interview before the committee.

After considering the application, the Authorised Persons Registration Committee will advise the Building Authority to accept, defer or reject the application. Once the application is accepted, the name of the applicant will be entered into the authorised persons' register for a period of 5 years. The persons in the register may apply for retention of his/her name in the register for further periods of 5 years shortly before expiry of the current period.

Disciplinary Proceedings

An Authorised Person is subject to the disciplinary regime under section 7 of the BO as summarised below if any of the events specified in (a) takes place and that event may trigger the consequence in (b).

- (a) He/she:
 - (i) has been convicted by any court of an offence related to carrying out his/her professional duties;
 - (ii) has been negligent or has misconducted himself/herself in a professional way;
 - (iii) has permitted a material deviation from a supervision plan for which he/she is responsible without reasonable cause;

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- (iv) has drawn up a supervision plan that does not comply with the material requirements of BO;
 - (v) has repeatedly drawn up supervision plans that do not comply with the requirements of BO;
 - (vi) has certified Minor Works commenced under the simplified requirements that have been carried out in contravention of BO;
 - (vii) has supervised Minor Works commenced under the simplified requirements that have been carried out in such a manner that they have caused injury to a person (whether or not while under such supervision);
 - (viii) has certified building works (other than Minor Works) as if it were Minor Works commenced under the simplified requirements;
 - (ix) has supervised building works (other than Minor Works) as if it were Minor Works commenced under the simplified requirements;
 - (x) has not carried out his/her duties under section 4B(2)(d), (e) or (f) of BO in respect of Minor Works commenced under the simplified requirements;
 - (xi) has failed to discharge the duties, or abide by the requirements, imposed on a Registered Inspector under BO; or
 - (xii) has failed to discharge the duties, or abide by the requirements, imposed on a qualified person under BO; and
- (b) the conduct referred to in (a) may:
- (i) render the person unfit to remain on the relevant register;
 - (ii) make further inclusion of the person on the relevant register prejudicial to the due administration of BO;
 - (iii) render the person unfit for certifying any Minor Works commenced or to be commenced under the simplified requirements;
 - (iv) make further certification of Minor Works commenced or to be commenced under the simplified requirements by him/her prejudicial to the due administration of BO;
 - (v) render the person unfit for certifying any prescribed inspection, or certifying or supervising any prescribed repair;
 - (vi) make further certification of any prescribed inspection, or certification or supervision of any prescribed repair, by that person prejudicial to the due administration of BO;
 - (vii) render the person deserving of suspension from certifying any prescribed inspection, or certifying or supervising any prescribed repair; or

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(viii) render the person deserving of suspension from the relevant register, a fine or a reprimand.

The disciplinary board has the power, after due inquiry, to make the following sanctions against the Authorised Person, such as:

- (a) order that the name of such person be removed from the authorised persons' register, or if his/her name appears in more than one register, from those registers, either permanently or for such period as the board thinks fit;
- (b) order that such person be reprimanded;
- (c) order that the person be fined up to a prescribed maximum sum;
- (d) order that the person be prohibited from certifying any Minor Works commenced or to be commenced under the simplified requirements, either permanently or for such period as the disciplinary board thinks fit; or
- (e) order that the person be prohibited from certifying any prescribed inspection, or certifying or supervising any prescribed repair, in respect of a window in a building, either permanently or for any period that the disciplinary board thinks fit.

Registered Inspector

Pursuant to sections 2 and 3(3B) of the BO, a Registered Inspector is a person who is qualified to perform the duties and functions of inspectors in accordance with the BO and whose name is for the time being on the list of architects, the list of engineers or the list of surveyors in the inspectors' register kept by the Building Authority.

Statutory Duties

Any person for whom a prescribed inspection or prescribed repair in respect of a building is to be carried out must appoint a Registered Inspector to (i) carry out the examination or assessment of a building as prescribed in the rules and regulations made under BO (the "**prescribed inspection**"); and (ii) supervise the repair or testing of a building as prescribed in the rules and regulations made under BO (the "**prescribed repair**").

In respect of the prescribed inspection (other than inspection of windows in the building), section 30D(3) of the BO requires the Registered Inspector to carry out the prescribed inspection personally unless otherwise exempted by the rules and regulations made under BO and comply generally with the BO.

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In respect of the prescribed repair (other than repair of windows in the building), section 30D(4) of the BO requires the Registered Inspector to:

- (a) provide proper supervision of the carrying out of the prescribed repair;
- (b) ensure the repair materials to be used (i) are not defective and comply with BO; and (ii) have been mixed, prepared, applied, used, erected, constructed, placed or fixed in the manner required for such materials under BO;
- (c) ensure the building, for which the Registered Inspector is appointed to supervise the prescribed repair, is safe or has been rendered safe; and
- (d) comply generally with BO.

Qualification for registration

A person must not be included in the list of engineers in the inspectors' register unless he/she has obtained the qualifications prescribed under regulation 3 of the Building (Administration) Regulations and:

- (a) is recommended by the Inspectors Registration Committee for inclusion; or
- (b) is an Authorised Person in the list of engineers or a Registered Structural Engineer with relevant experience as prescribed in the Building (Administration) Regulations.

Pursuant to regulation 3 of the Building (Administration) Regulations, an applicant must not be included in:

- (c) the list of engineers in the Registered Inspectors' register unless he/she:
 - (i) is an Authorised Person in the list of engineers in the authorised persons' register, or a Registered Structural Engineer, and satisfies the Building Authority that, within the 7 years preceding the date of application, he/she has had appropriate practical experience gained in Hong Kong in any building repair and maintenance project as an Authorised Person, Registered Structural Engineer, Registered Architect, Registered Professional Engineer (HK) or registered professional surveyor; or
 - (ii) is a Registered Professional Engineer (HK) in the building or structural engineering discipline and has had the practical experience for a period or periods in aggregate of 1 to 3 years preceding the date of application in building construction, repair and maintenance gained in Hong Kong that the Inspectors Registration Committee considers appropriate; or
 - (iii) is a Registered Professional Engineer (HK) in the building services (building), civil or materials (building) engineering discipline and has had, for a period or periods in aggregate of not less than 3 years and of which at least 1 year falls within the 3 years preceding the date of application, the practical experience in building construction, repair and maintenance gained in Hong Kong that the Inspectors Registration Committee considers appropriate.

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In general, the applicant must produce, to the Inspectors Registration Committee, documentary evidence to prove compliance with the requirements of regulation 3 of the Building (Administration) Regulations and satisfy the committee of his/her suitability for inclusion in the inspectors' register and, if required by the committee, attend a professional interview before the committee.

After considering the application, the Inspectors Registration Committee will advise the Building Authority to accept, defer or reject the application. Once the application is accepted, the name of the applicant will be entered into the Registered Inspectors' register for a period of 5 years. The persons in the register may apply for retention of his/her name in the register for further periods of 5 years shortly before expiry of the current period.

Disciplinary Proceedings

A Registered Inspector is subject to the same disciplinary regime under section 7 of the BO as the one applicable to an Authorised Person.

Engineer

Engineers Registration Ordinance

The Engineers Registration Ordinance (Chapter 409 of the Laws of Hong Kong) ("**ERO**") governs the registration of professional engineers, the recognition of disciplines within the profession and disciplinary control of the professional activities of Registered Professional Engineers (HK).

Qualification for registration

The register of Registered Professional Engineers (HK) is maintained by the Engineers Registration Board ("**ERB**"). ERB shall not register a person as a Registered Professional Engineer (HK) unless:

- (a) he/she is a member of the Hong Kong Institution of Engineers ("**HKIE**") within a discipline or a member of an engineering body the membership of which is accepted by ERB, or has passed such examinations and received such training experience as ERB may accept; and
- (b) he/she satisfies ERB that he/she has had 1 year's relevant professional experience in Hong Kong before the date of his/her application for registration; and
- (c) he/she is ordinarily resident in Hong Kong; and
- (d) he/she is not the subject of an inquiry committee or a disciplinary order under Part IV of ERO which precludes him/her from being registered under ERO; and
- (e) he/she satisfies ERB by declaration in writing that he/she is competent to practise in the relevant discipline; and
- (f) he/she is a fit and proper person to be registered.

The entry in the register of a person as a Registered Professional Engineer (HK) under ERO:

- (a) shall remain in force for 12 months from the date when he/she was registered; and
- (b) may be renewed annually by application of the person so registered.

REGULATORY OVERVIEW

Use of Title

Section 29(1) of the ERO prohibits a person from describing himself/herself as a “registered professional engineer” with or without a qualifying discipline or to use the initials “R.P.E.” with or without a qualifying discipline if his/her name is not registered in the register of engineers under the ERO.

Section 29(2) of the ERO further prohibits a person from using the description of “registered professional engineer” or the initials “R.P.E.” unless the person includes in the description the qualifying discipline either in full or by an abbreviation approved by the Board.

Section 29(4) of the ERO also specifies that a person, including a firm or company shall not use the description of “registered professional engineers” or the initials “R.P.E.” unless:

- (a) at each place where the person carries on the business of engineering, that business is conducted under the supervision of a Registered Professional Engineer (HK) of the appropriate discipline who does not act at the same time for any other person other than for a firm or company that has substantially the same beneficial ownership and management as the person (where the person is a firm or company);
- (b) where the person carries on a multi-disciplinary practise, that business, so far as it relates to engineering, is under the full time control and management of a Registered Professional Engineer (HK) of the appropriate discipline who does not act at the same time in a similar capacity for any other person other than for a firm or company that has substantially the same beneficial ownership and management as the person (where the person is a firm or company).

Disciplinary Offences

Pursuant to section 20 of the ERO, a Registered Professional Engineer (HK) commits a disciplinary offence if he/she:

- (a) commits misconduct or neglect in any professional respect;
- (b) has been convicted of an offence under ERO;
- (c) has obtained registration under ERO by fraud or misrepresentation;
- (d) was not at the time of his/her registration under ERO entitled to be registered;
- (e) has held himself/herself out to be a Registered Professional Engineer (HK) in a specific discipline when he was not so registered;
- (f) without reasonable excuse, fails to attend before an inquiry committee when summoned either as a witness or as a person in respect of whom the inquiry committee is meeting; or
- (g) has been convicted in Hong Kong or elsewhere of any offence which may bring the profession into disrepute and sentenced to imprisonment, whether the sentence is suspended or not.

REGULATORY OVERVIEW

In deciding whether a person has committed a disciplinary offence, an inquiry committee established by the ERB may have regard to any code of professional conduct or practise promulgated by ERB or currently in use by the HKIE (referred to as the “**HKIE Rules**” below).

The HKIE Rules

The HKIE Rules sets out the rules of conduct which a member of the HKIE (“**HKIE Member**”) must comply with. The HKIE Rules outlines generally the responsibility owed by an HKIE Member to his/her profession, colleagues, employers or clients and the public:

- (a) An HKIE Member shall order his/her conduct so as to uphold the dignity, standing and reputation of the profession. (Rule 1 of the HKIE Rules)
- (b) An HKIE Member shall not maliciously or recklessly injure nor attempt to injure whether directly or indirectly the professional reputation of another engineer, and shall foster the mutual advancement of the profession. (Rule 2 of the HKIE Rules)
- (c) An HKIE Member shall discharge his/her duties to his/her employer or client with integrity and in accordance with the highest standards of business ethics. (Rule 3 of the HKIE Rules)
- (d) An HKIE Member in discharging his/her responsibilities to his/her employer and the profession shall at all times be governed by the overriding interest of the general public, in particular their environment, welfare, health and safety. (Rule 4 of the HKIE Rules)

If a Registered Professional Engineer (HK) is found to have committed a disciplinary offence, the inquiry committee may make any one or more of the following orders:

- (a) order the Registrar of ERB (the “**ERB Registrar**”) to remove the name of the Registered Professional Engineer (HK) from the register permanently or for such period as the inquiry committee may think fit;
- (b) reprimand the Registered Professional Engineer (HK) in writing and order the ERB Registrar to record the reprimand on the register;
- (c) order that an order made under section 23 of ERO be suspended, subject to such conditions as the inquiry committee may think fit, for a period not exceeding 2 years;
- (d) order that ERB shall not accept an application from the Registered Professional Engineer (HK) for registration as a Registered Professional Engineer (HK) either for a fixed period or until the Registered Professional Engineer (HK) satisfies ERB that he/she should be registered;
- (e) order that the chairman of ERB admonish the Registered Professional Engineer (HK) orally;
- (f) order the Registered Professional Engineer (HK) to pay all or part of the costs of any of the ERB Registrar, ERB or the inquiry committee arising from the case.

REGULATORY OVERVIEW

The HKIE Constitution

Registered Professional Engineers (HK) are also bound by the constitution of the HKIE (the “**HKIE Constitution**”) if they are HKIE Members.

Professional Conduct

The HKIE Constitution is the constitution adopted by the council of the HKIE (the “**HKIE Council**”) to ensure the fulfilment of the key principles below which a HKIE Member must follow:

- (a) every HKIE Member shall at all times so order his/her conduct as to uphold the dignity and reputation of the Institution, and act with fairness and integrity towards all persons with whom his/her work is connected and towards other members;
- (b) every HKIE Member shall at all times so order his/her conduct as to uphold the dignity and reputation of his/her profession and to safeguard the public interest in matters of safety and health and otherwise. He/she shall exercise his/her professional skill and judgement to the best of his/her ability and discharge his/her professional responsibilities with integrity.

Disciplinary Actions

If a HKIE Member of any class shall be found by the board of inquiry to have been guilty of any of the following improper conduct, the HKIE Council may order him/her to be expelled from the HKIE, or that his/her membership be suspended for any period, or that he/she be reprimanded or admonished and/or that he/she be removed from the register maintained by ERB and the list of HKIE Members:

- (a) the making of any false representation or untrue or misleading statement in applying for election or transfer to any class of membership of the HKIE or inclusion on the register maintained by the ERB;
- (b) any breach of the HKIE Constitution or of any regulation, rule or direction made or given thereunder;
- (c) conviction by a competent tribunal of a criminal offence which in the opinion of the HKIE Council renders a member unfit to be a HKIE Member;
- (d) any conduct injurious to the HKIE.

Key legislation relevant to the business of our Group

The major legislations which we deal with in the course of providing our civil and structural engineering consultancy service are: (i) the Buildings Ordinance; (ii) the Buildings Ordinance (Application to the New Territories) Ordinance; and (iii) the Fire Services Ordinance (Chapter 95 of the Laws of Hong Kong).

REGULATORY OVERVIEW

Buildings Ordinance

Apart from governing the registration, appointment and duties of various professional parties involved in building works or street works (including Authorised Persons, Registered Structural Engineers, Registered Geotechnical Engineers and Registered Inspectors as mentioned in this section), the BO gives wide ranging powers to the Building Authority from control of building and building works to order for inspection or repair of buildings and windows.

Section 14 of BO provides that no person shall commence or carry out any building works or street works (other than Minor Works with simplified requirements) without obtaining (i) the prior written approval of the Building Authority of documents submitted to him in accordance with the rules and regulations made under the BO and (ii) the prior written consent of the Building Authority for the commencement of building works or street works shown in the approved plan. Section 24 gives the power to the Building Authority to make an order to require the demolition or alteration of the building or building works if the building or the building works has/have been or are being carried out in contravention of any provision of BO. Section 24C empowers the Building Authority to issue written notice requiring the demolition or alteration of unauthorised building or building works and to cause the notice to be registered with the Land Registry against the land or premises to which the notice relates if the work is not demolished or altered by a specified date.

The powers of the Building Authority under sections 24 and 24C of BO are however restricted by section 39C of BO, which provides that the Building Authority must not serve an order or a notice under section 24 or section 24C in respect of a prescribed building or building works on the ground that the building or building works have been completed or carried out in contravention of section 14(1) or not in compliance with the simplified requirements (defined under regulation 4 of the Building (Minor Works) Regulation (Chapter 123N of the Laws of Hong Kong) (“**B(MW)R**”)) (the “**Simplified Requirements**”) if certain conditions are met. Such conditions include but is not limited to:

- (a) an Authorised Person, a Registered Structural Engineer, a Registered Inspector, a registered general building contractor, a registered specialist contractor or a registered Minor Works contractor as required by the B(MW)R is to be appointed to inspect the prescribed building or building works;
- (b) the persons referred to in (a) is to submit or deliver to the Building Authority or other persons prescribed plans, certificates, notices and other documents as required by the B(MW)R; and
- (c) where the persons referred to in (a) considers that for the safety of the prescribed building or building works, it is necessary to carry out Minor Works to alter, rectify or reinforce the prescribed building or building works, such works are to be carried out by a prescribed registered contractor under the Simplified Requirements.

Sections 30B and 30C of the BO also give power to Building Authority to serve a written notice on any owners of buildings which (i) are aged 30 years or above to carry out a prescribed inspection and/or prescribed repairs in respect of buildings and (ii) are aged 10 years or above to carry out prescribed inspection and/or prescribed repair in respect of windows.

REGULATORY OVERVIEW

The service rendered by our Group involves the liaison with the Buildings Department. Our Group prepares and reviews documents for the submission to the Building Authority prior to commencement of building works. The Authorised Persons, Registered Structural Engineers and Registered Geotechnical Engineers prepare for submission of the prescribed plans, certificates, notices and other documents as required by B(MW)R and determines whether it is necessary to carry out Minor Works to alter, rectify or reinforce the prescribed building or building works.

The Register Inspectors of our Group appointed by the owners who receive notices under sections 30B and 30C will carry out the prescribed inspection and supervise the prescribed repair pursuant to the Building (Inspection and Repair) Regulation (Chapter 123P of the Laws of Hong Kong) and perform other duties required under section 30D of the BO.

Buildings Ordinance (Application to the New Territories) Ordinance

Under sections 4 and 5 of BO(ANT)O, the Director of Lands may issue a certificate of exemption in respect of building works in the New Territories (as defined in the BO(ANT)O) and shall issue a certificate of exemption in respect of building works in the New Territories for (i) a building to be built by any person and to be used for non-industrial purposes; (ii) a building to be built by a community organisation for the use of the community; (iii) a building to be built on agricultural land and to be used solely for agricultural purposes; and (iv) for the replacement of a temporary structure in the New Territories. The Director of Lands may also issue certificates of exemption in respect of site formation works and drainage works.

A certificate of exemption has the effect, subject to section 7(2) of BO(ANT)O and to the compliance with any conditions imposed by the Director of Lands, of a waiver of compliance with various sections of the BO specified in section 7(1) of BO(ANT)O in respect of buildings works, site formation works or drainage works for any building specified in the certificate carried out by or on behalf of the person named in that certificate. Section 7(2) of BO(ANT)O has the effect of limiting the physical dimensions of a building in respect of which a certificate of exemption is granted. The waived provisions of the BO under certificates of exemption may include, among others, those requiring the appointment of an Authorised Person, Registered Structural Engineer, Registered Geotechnical Engineer or Registered Inspector. As explained in the information pamphlet titled “Building New Territories Exempted Houses” issued by the Lands Department in December 2014, applicants applying for certificates of exemption in respect of a New Territories exempted house shall, among others, appoint a RSE/RPE to monitor the construction of the critical structural elements if the subject building contains certain critical structural elements. Upon completion of building works, the RSE/RPE appointed shall submit to the District Lands Officer a construction completion report certifying that, among others, the as-constructed critical structural elements are structurally safe. In respect of a New Territories exempted house shall, among others, appoint a RSE/RPE.

REGULATORY OVERVIEW

Fire Services Ordinance

Section 16(1)(b) of BO provides that one of the grounds for the Building Authority to refuse to give approval to any plans of building works where the plans are not endorsed with or accompanied by a certificate from the Director of Fire Services certifying either:

- (a) that, having regard to the purpose to which the building is intended to be put (which purpose shall be stated in the certificate), no fire service installation or equipment is necessary in connection with the building that will result from the carrying out of the building works shown on the plans; or
- (b) that the plans have been examined and are approved by him as showing all such fire service installations and equipment as in his opinion, having regard to the purpose to which the building is intended to be put (which purpose shall be stated in the certificate), comprise the minimum fire service installations and equipment necessary for such building in accordance with the Code of Practise for Minimum Fire Service Installations and Equipment and published from time to time by the Director of Fire Services.

Further, the Building Authority may refuse to issue a temporary occupation permit or an occupation permit under section 21 of BO where in the case of a building the plans whereof were certified by the Director of Fire Services in the terms indicated in section 16(1)(b)(ii) of BO, the applicant for the permit fails to produce to the Building Authority a certificate from the Director of Fire Services in such form as may be prescribed certifying that he is satisfied that the fire service installations and equipment shown on the plans aforesaid have been provided and are in efficient working order and satisfactory condition.

The Code of Practise for Inspection, Testing and Maintenance of Installations and Equipment is published in accordance with regulation 10 of the Fire Service (Installations and Equipment) Regulations (Chapter 95B of the Laws of Hong Kong) to indicate the type and nature of inspections and tests which installations and equipment must normally pass in order to satisfy the Director of Fire Services and to give guidance as to the conduct of inspections and tests. It does not lay down any hard and fast rules. Special factors and circumstances may require variations in respect of any particular building, and in particular case the Director of Fire Services may require additional inspections or tests before he is so satisfied.

Our Group prepares building designs for its clients and specify what sort of installations and equipment are necessary for the relevant premises under the aforesaid codes of practise. Following the submission of the building designs, the clients will hire registered contractors registered under the Fire Service (Installation Contractors) Regulations (Chapter 95A of the Laws of Hong Kong) to install, maintain, repair or inspect any fire service installation or equipment in any premises.

Security of Payment Legislation for the Construction Industry (“SOPL”)

The government finished public consultation exercise on the proposed legislation for the construction industry in August 2015 to address unfair payment terms, payment delays and disputes. The SOPL is intended to encourage fair payment, rapid dispute resolution and increase cash flow in the contractual chain.

REGULATORY OVERVIEW

When it comes into force, all public sector construction contracts and consultancy appointments will be caught by the legislation, whereas in the private sector, only contracts and consultancy appointments relating to a “new building” (as defined by the Buildings Ordinance) which has a value in excess of HK\$5 million for construction contracts and HK\$500,000 for professional services and supply only contracts will be caught by the legislation. Where the SOPL applies to main contract, it also automatically applies to all subcontracts in the contractual chain.

The new legislation will, among others:

- prohibit “pay when paid” and similar clauses in contracts. Payers will not be able to rely on such clauses in court, arbitration or adjudication;
- prohibit payment periods of more than 60 calendar days for interim payments or 120 calendar days for final payments;
- enable parties who are entitled to progress payments under the terms of a contract covered by the SOPL to claim such payments as statutory payment claims, upon receipt of which the payer has 30 calendar days to serve a payment response, and parties who are entitled to payments under statutory payment claims will be entitled to pursue adjudication if the statutory payment claims are disputed or ignored; and
- give parties the right to suspend or reduce the rate of progress of works after either non-payment of an adjudicator’s decision or non-payment of amounts admitted as due.

As at the Latest Practicable Date, the date of implementation of SOPL has not been announced.

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

The Inland Revenue Ordinance is enacted for the purpose of imposing taxes on property, earnings and profits in Hong Kong. The Inland Revenue Ordinance provides, among other things, that profits tax shall be charged on every person carrying on a trade, profession or business in Hong Kong in respect of his or her assessable profits arising in or derived from Hong Kong. The Inland Revenue Ordinance also contains detailed provisions relating to, among other things, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciations of capital assets.

Our Directors believe that our Group’s profit generates from our business operation in Hong Kong is subject to Hong Kong tax, and accordingly, the profit generated by the Hong Kong project, namely the services provided by our Group as MiC consultant in preparation for a tendering of a project in Hong Kong, is subject to Hong Kong tax, as the services were delivered in Hong Kong.

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

REGULATORY OVERVIEW

According to the FAQ on the website of the Inland Revenue Department, all entities with profits chargeable to profits tax in Hong Kong would qualify for the two-tiered profits tax rates except where there are connected entities and only one entity can be nominated to enjoy the two-tiered profits tax rates. Our Directors therefore believe that the two-tiered profits tax rates regime applies to all profits generated by our Group's Hong Kong operation.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OUR BUSINESS DEVELOPMENT

Overview

We are a civil and structural engineering consultancy service provider in Singapore and Vietnam. The history of our Group can be traced back to 2005 when Mr. Wong, our executive Director, chief executive officer and chairman of the Board, founded Artus in Singapore with his own financial resources. Following the incorporation of Artus, our Group has commenced its business of providing civil and structural engineering consultancy services in Singapore since 2005. In view of our Directors' belief of the promising outlook on the construction markets in Singapore and other Southeast Asian regions, we have expanded our service portfolio and offered (i) civil and structural engineering consultancy services and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings, in various types of buildings, ranging from government-related buildings, to residential, commercial and industrial buildings for the private sector.

In view of our Directors' belief of the positive outlook on the construction market in Vietnam, our Directors considered it was of strategic importance to develop our business in the Vietnam market. In March 2009, Mr. Wong and Ms. Leow acquired the entire shareholding of TW-Asia Vietnam, our operating subsidiary in Vietnam which mainly focuses on residential, commercial and integrated buildings for the private sector in Vietnam. Mr. Lim later joined TW-Asia Vietnam as a shareholder in November 2009. In 2013, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng established TW-Asia for purpose of strengthening the professional capability of our operation of civil and structural engineering consultancy services in Singapore. Upon the incorporation of TW-Asia in 2013, our Group underwent internal reorganisation for the purpose of streamlining our Group's business operations. Since then, TW-Asia has taken up the role of providing civil and structural engineering consultancy services, while Artus has gradually shifted its focus to investment property holding for our Group. Over the years, we have continuously strengthened our capability to capture business opportunity through expanding our project portfolio and building up our professional qualifications and certifications from governmental bodies. During the Track Record Period and up to the Latest Practicable Date, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng had been instrumental in the business development of our Group. Please refer to the section headed "Directors and senior management" of this prospectus for details of their background and industry experience.

Business Milestones

The following table sets out the key developments and milestones of our Group since our establishment:

Year	Milestone
2005	Artus, our first operating subsidiary was established in Singapore.
2009	We commenced our business operation in Vietnam, which mainly focused on residential, commercial and integrated buildings for the private sector in Vietnam.
2013	TW-Asia was established as our second operating subsidiary in Singapore for the purpose of strengthening the professional capability of our operation of civil and structural engineering consultancy services in Singapore.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Year	Milestone
2015	We expanded the business to provide civil and structural engineering consultancy services for projects using PPVC method in response to the Singapore Government's call for constructing buildings with advanced technology.
2017	We were accredited with ISO 9001:2015 in respect of our quality management system and ISO 14001:2015 in respect of our environmental management system in Singapore.
2018	We were listed on the PSPC for providing consultancy services for public sector building and construction projects in Singapore.
2019	We have been examined by and received recommendation from SGS Vietnam Ltd for certification of compliance with ISO 9001:2015 in respect of our quality management system and ISO 14001:2015 in respect of our environmental management system in Vietnam.

OUR CORPORATE DEVELOPMENT

Our major operating subsidiaries

During the Track Record Period and up to the Latest Practicable Date, our Company has three operating subsidiaries, namely Artus, TW-Asia Vietnam and TW-Asia.

Artus

Artus was incorporated on 22 January 2005 in Singapore as an exempt private company limited by shares. On the date of incorporation, Artus issued and allotted 10,000 fully-paid ordinary shares of SGD1.00 each to Mr. Wong. On 21 October 2009, Artus further issued and allotted 40,000 fully-paid ordinary shares of SGD1.00 each to Mr. Wong. On 7 March 2011, Mr. Wong transferred (i) 7,500 ordinary shares to Ms. Leow at the consideration of SGD7,500.00 which was determined based on the issue price of the shares and was fully settled and transferred (ii) 7,500 ordinary shares to Mr. Lim at the consideration of SGD7,500.00 which was determined based on the issue price of the shares and was fully settled. Immediately prior to the Reorganisation, Artus was owned as to 70% by Mr. Wong, as to 15% by Ms. Leow and as to 15% by Mr. Lim.

Since 2005, Artus engaged in the business of providing civil and structural engineering consultancy services in Singapore. Artus has then gradually shifted its focus to property investment holding for our Group since 2013, details of which are set out in the paragraph headed "Our business development — Overview" in this section. During the Track Record Period and up to the Latest Practicable Date, Artus was engaged in the investment property holding.

TW-Asia Vietnam

TW-Asia Vietnam was incorporated on 27 December 2006 in Vietnam under the name of Tham & Wong (Vietnam) Co. Ltd. as a limited liability company wholly owned by Tham & Wong (later converted to a limited partnership named Tham & Wong LLP in May 2007), in which Mr. Wong was one of the partners. On the date of incorporation, the registered charter capital of TW-Asia Vietnam was

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

VND480,000,000. In March 2009, Tham & Wong LLP transferred (i) its 80% equity interest in TW-Asia Vietnam to Mr. Wong at the consideration of VND384,000,000 which was determined with reference to the registered charter capital of TW-Asia Vietnam at the material time and was fully settled; and (ii) its 20% equity interest in TW-Asia Vietnam to Ms. Leow at the consideration of VND96,000,000 which was determined with reference to the registered charter capital of TW-Asia Vietnam at the material time and was fully settled. In November 2009, Mr. Wong transferred his 20% equity interest in TW-Asia Vietnam to Mr. Lim at the consideration of VND96,000,000 which was determined with reference to the registered charter capital of TW-Asia Vietnam at the material time and was fully settled. In April 2016, the registered charter capital of TW-Asia Vietnam was increased to VND7,417,800,476 by the injection of an amount of VND6,937,800,476 by Mr. Wong, Ms. Leow and Mr. Lim. As a result of the capital injection, TW-Asia Vietnam was owned as to approximately 78.6% by Mr. Wong, 10.7% by Ms. Leow and 10.7% by Mr. Lim. Later in November 2016, Mr. Wong further transferred (i) approximately 9.3% of equity interest in TW-Asia Vietnam to Ms. Leow at the consideration of VND690,807,095 which was determined with reference to the registered charter capital of TW-Asia Vietnam at the material time and was fully settled; and (ii) approximately 9.3% of equity interest in TW-Asia Vietnam to Mr. Lim at the consideration of VND690,807,095 which was determined with reference to the registered charter capital of TW-Asia Vietnam at the material time and was fully settled. Immediately prior to the Reorganisation, TW-Asia Vietnam was wholly-owned as to 60% by Mr. Wong, as to 20% by Ms. Leow and as to 20% by Mr. Lim. On 13 December 2018, the company name was changed to TW-Asia Consultants Company Limited.

During the Track Record Period and up to the Latest Practicable Date, TW-Asia Vietnam was engaged in the provision of civil, structural and geotechnical engineering consultancy services.

TW-Asia

TW-Asia was incorporated on 5 June 2013 in Singapore as an exempt private company limited by shares. On the date of incorporation, TW-Asia issued and allotted an aggregate of 10,000 fully-paid ordinary shares of SGD1.00 each to Mr. Wong (as to 5,000 ordinary shares), Ms. Leow (as to 2,000 ordinary shares), Mr. Lim (as to 1,500 ordinary shares) and Mr. Heng (as to 1,500 ordinary shares). On 1 July 2013, TW-Asia further issued and allotted an aggregate of 490,000 fully-paid ordinary shares of SGD1.00 each to Mr. Wong (as to 245,000 ordinary shares), Ms. Leow (as to 98,000 ordinary shares), Mr. Lim (as to 73,500 ordinary shares) and Mr. Heng (as to 73,500 ordinary shares). Immediately prior to the Reorganisation, TW-Asia was owned as to 50% by Mr. Wong, as to 20% by Ms. Leow, as to 15% by Mr. Lim and as to 15% by Mr. Heng.

During the Track Record Period and up to the Latest Practicable Date, TW-Asia was engaged in the provision of civil, structural and geotechnical engineering consultancy services. The provision of geotechnical engineering consultancy services in Singapore are in respect of, amongst other things, buildings of less than 30 storeys.

Ownership continuity under Rule 11.12A(2) of the GEM Listing Rules

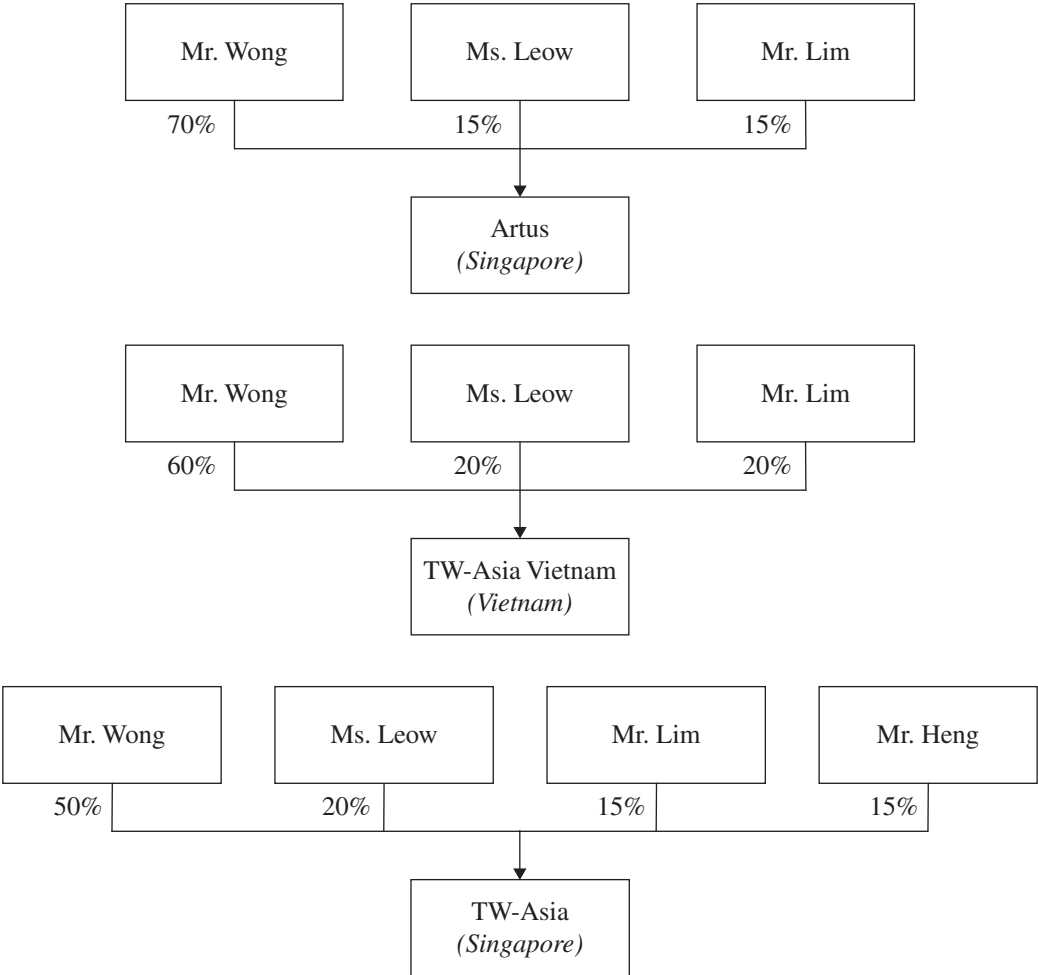
Notwithstanding the fact that Mr. Heng did not hold any shares in TW-Asia Vietnam and Artus prior to the Reorganisation, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng confirmed that since Mr. Heng joined our Group in 2011, when Mr. Wong, Ms. Leow and Mr. Lim exercised their voting rights as the shareholders of TW-Asia Vietnam and Artus, they have always consulted Mr. Heng to reach unanimous consensus among themselves on such matters which required shareholders' approval of TW-

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Asia Vietnam and Artus. Each of Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng had been involved in decision-making and implementation of the management and operation decisions of TW-Asia Vietnam and Artus to ensure that the businesses of TW-Asia Vietnam and Artus are heading to a direction consistent with our Group's business strategy as a whole. Where there were suitable business opportunities or projects for TW-Asia Vietnam and Artus, Mr. Wong, Ms. Leow and Mr. Lim had always consulted Mr. Heng to reach unanimous consensus as to whether TW-Asia Vietnam and Artus should participate in those new business opportunities and projects in view of our Group's business strategies as a whole. Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have together centralised the ultimate control and right to make final decisions with respect to the businesses and projects of TW-Asia Vietnam and Artus. In view of the above, our Directors consider that our Group is able to meet the ownership continuity requirement under Rule 11.12A(2) of the GEM Listing Rules.

REORGANISATION

The following chart sets forth the corporate and shareholding structure of our Group immediately prior to the Reorganisation:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

In preparation for the Listing, our Group underwent the Reorganisation to rationalise the corporate structure of our Group. On 20 June 2019, our Company completed the Reorganisation and became the holding company of our Group. The Reorganisation involved the following major steps:

(a) Incorporation of Lion City, Global Speed, Blue Synergy and Green Spring

Lion City was incorporated in the BVI with limited liability on 28 May 2018. Upon incorporation, Lion City was authorised to issue a maximum of 50,000 ordinary shares with a par value of US\$1.00. On 19 June 2018, Lion City issued and allotted an aggregate of 50,000 partly-paid ordinary shares at par to Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares). After the said allotments, Lion City was owned as to 55% by Mr. Wong, as to 20% by Ms. Leow, as to 17.5% by Mr. Lim and as to 7.5% by Mr. Heng. Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have paid US\$5,500.00, US\$2,000.00, US\$1,750.00 and US\$750.00, respectively, for the said allotments. Hence, the shares were partly paid immediately after the said allotments, and the outstanding issue price was fully settled upon the acquisition of Green Spring and Blue Synergy by Lion City as mentioned in paragraph (f) below.

Global Speed was incorporated in Hong Kong as a limited company on 23 November 2018 with an issued share capital of HK\$1.00 comprising 1 ordinary share. Upon its incorporation, Global Speed issued and allotted 1 ordinary share to the initial subscriber of Global Speed. Such ordinary share (comprising the entire issued share capital of Global Speed) was then transferred to Lion City on 14 December 2018 and was fully-paid at HK\$1.00. Upon completion of such share transfer, Global Speed became a direct wholly-owned subsidiary of Lion City. Global Speed will be our administration and operation arm in Hong Kong.

Blue Synergy was incorporated in the BVI with limited liability on 2 January 2018. Upon incorporation, Blue Synergy was authorised to issue a maximum of 50,000 ordinary shares with a par value of US\$1.00. On 9 January 2018, Blue Synergy issued and allotted an aggregate of 50,000 partly-paid ordinary shares at par to Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares). After the said allotments, Blue Synergy was owned as to 55% by Mr. Wong, as to 20% by Ms. Leow, as to 17.5% by Mr. Lim and as to 7.5% by Mr. Heng. Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have paid US\$5,500.00, US\$2,000.00, US\$1,750.00 and US\$750.00, respectively, for the said allotments. On 14 January 2019, an aggregate of 40,000 unpaid shares (the “Unpaid Shares”), which were held by Mr. Wong (as to 22,000 shares), Ms. Leow (as to 8,000 shares), Mr. Lim (as to 7,000 shares) and Mr. Heng (as to 3,000 shares), were forfeited and cancelled. Following the forfeiture and cancellation of the Unpaid Shares, the number of issued shares became 10,000 fully paid shares held by Mr. Wong (as to 5,500 shares), Ms. Leow (as to 2,000 shares), Mr. Lim (as to 1,750 shares) and Mr. Heng (as to 750 shares).

Green Spring was incorporated in the BVI with limited liability on 30 May 2018. Upon incorporation, Green Spring was authorised to issue a maximum of 50,000 ordinary shares with a par value of US\$1.00. On 19 June 2018, Green Spring issued and allotted an aggregate of 50,000 partly-paid ordinary shares at par to Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares). After the said allotments, Green Spring was owned as to 55% by Mr. Wong, as to 20% by Ms. Leow, as to 17.5% by Mr.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Lim and as to 7.5% by Mr. Heng. Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have paid US\$5,500.00, US\$2,000.00, US\$1,750.00 and US\$750.00, respectively, for the said allotments. Hence, the shares were partly paid immediately after the said allotments, and the outstanding issue price was fully settled upon the acquisition of TW-Asia and Artus by Green Spring as mentioned in paragraph (e) below.

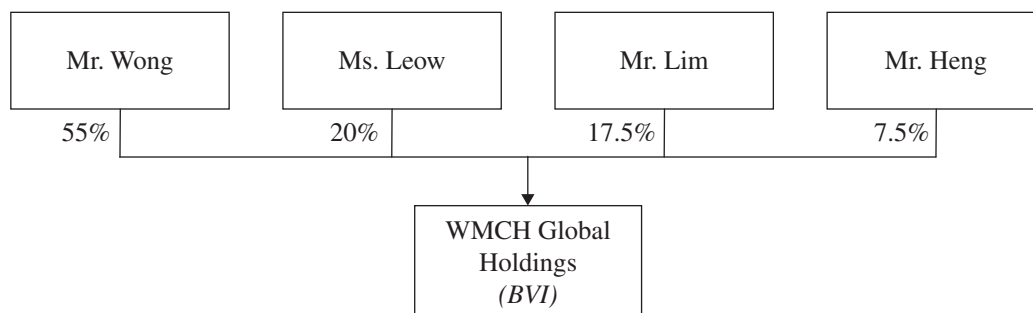
(b) Incorporation of our Company

Our Company was incorporated in the Cayman Islands with limited liability on 6 July 2018. Upon incorporation, our Company was authorised to issue a maximum of 50,000 ordinary shares with a par value of US\$1.00. On the date of incorporation, 1 share was allotted and issued partly-paid to the initial subscriber of our Company. Such share was then transferred to Mr. Wong on the same date. On the same date, our Company issued and allotted an aggregate of 49,999 shares to Mr. Wong (as to 27,499 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares). After the said allotments and transfer, our Company is owned as to 55% by Mr. Wong, as to 20% by Ms. Leow, as to 17.5% by Mr. Lim and as to 7.5% by Mr. Heng. Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have paid US\$5,500.00, US\$2,000.00, US\$1,750.00 and US\$750.00 respectively, for the said allotments and transfer. Hence, the shares were partly paid immediately after the said allotments and transfer, and the outstanding issue price was fully settled upon the acquisition of Lion City by our Company as mentioned in paragraph (g) below.

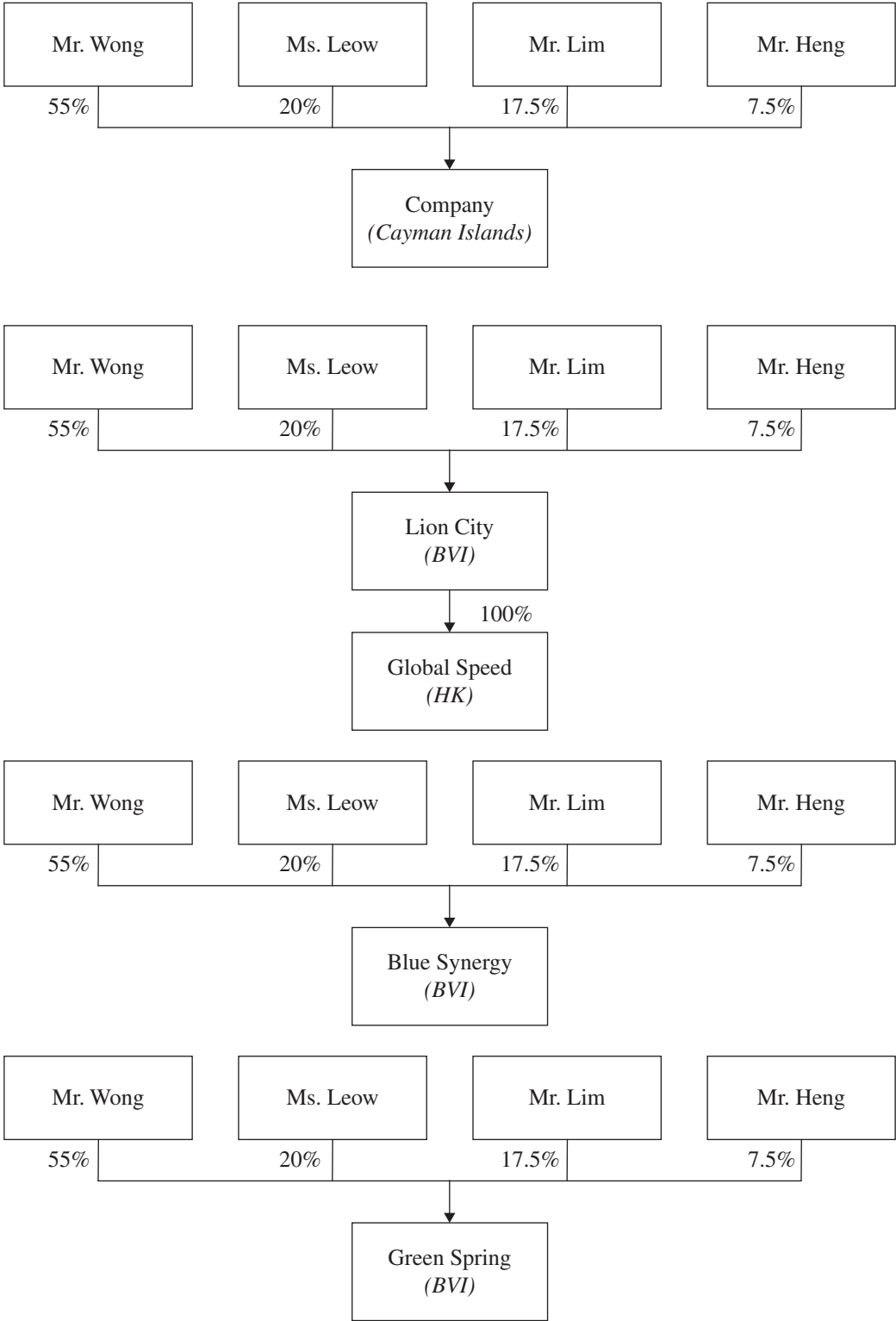
(c) Incorporation of WMCH Global Holdings

WMCH Global Holdings was incorporated in the BVI with limited liability on 18 October 2018. Upon incorporation, WMCH Global Holdings was authorised to issue a maximum of 50,000 shares with a par value of US\$1.00. On 25 October, 2018, WMCH Global Holdings issued and allotted an aggregate of 1,000 fully paid shares at par to Mr. Wong (as to 550 shares), Ms. Leow (as to 200 shares), Mr. Lim (as to 175 shares) and Mr. Heng (as to 75 shares). After the said allotments, WMCH Global Holdings was owned as to 55% by Mr. Wong, as to 20% by Ms. Leow, as to 17.5% by Mr. Lim and as to 7.5% by Mr. Heng.

The following chart sets forth the corporate and shareholding structure of our Group immediately after the completion of the steps in paragraphs (a), (b) and (c) above:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

(d) Acquisition of TW-Asia Vietnam by Blue Synergy

On 29 March 2018, Blue Synergy acquired 60%, 20% and 20% equity interest in TW-Asia Vietnam from Mr. Wong, Ms. Leow and Mr. Lim, at a consideration of VND4,450,680,286, VND1,483,560,095 and VND1,483,560,095 respectively. Such consideration was determined with reference to the registered charter capital of TW-Asia Vietnam at the material time and was fully settled in cash. Upon the completion of such share transfer, TW-Asia Vietnam became a direct wholly-owned subsidiary of Blue Synergy.

(e) Acquisition of TW-Asia and Artus by Green Spring

On 14 January 2019, Green Spring acquired an aggregate of 500,000 ordinary shares in TW-Asia (representing the entire issued and paid up share capital of TW-Asia), from Mr. Wong (as to 250,000 shares), Ms. Leow (as to 100,000 shares), Mr. Lim (as to 75,000 shares) and Mr. Heng (as to 75,000 shares) at a consideration of US\$19,800, US\$7,200, US\$6,300 and US\$3,000 respectively. Such consideration was used to set-off against the respective unpaid capital owed by Mr. Wong (as to 19,800 shares), Ms. Leow (as to 7,200 shares), Mr. Lim (as to 6,300 shares) and Mr. Heng (as to 3,000 shares) to Green Spring in respect of the shares held by each of them in the capital of Green Spring.

On 14 January 2019, Green Spring acquired an aggregate of 50,000 ordinary shares in Artus (representing the entire issued and paid up share capital of Artus), from Mr. Wong (as to 35,000 shares), Ms. Leow (as to 7,500 shares) and Mr. Lim (as to 7,500 shares), at a consideration of US\$2,200, US\$800 and US\$700 respectively. Such consideration was used to set-off against the respective unpaid capital owed by Mr. Wong (as to 2,200 shares), Ms. Leow (as to 800 shares) and Mr. Lim (as to 700 shares) to Green Spring in respect of the shares held by each of them in the capital of Green Spring.

(f) Acquisition of Green Spring and Blue Synergy by Lion City

- (i) On 15 January 2019, Lion City acquired an aggregate of 50,000 ordinary shares in Green Spring (representing the entire issued shares of Green Spring), from Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares) respectively.
- (ii) On 15 January 2019, Lion City acquired an aggregate of 10,000 ordinary shares in Blue Synergy (representing the entire issued shares of Blue Synergy), from Mr. Wong (as to 5,500 shares), Ms. Leow (as to 2,000 shares), Mr. Lim (as to 1,750 shares) and Mr. Heng (as to 750 shares) respectively.
- (iii) In consideration of such share transfers and at the direction of Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng, the partly-paid shares held by Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares) in the capital of Lion City were all credited as fully paid at par.
- (iv) Upon the completion of such share transfers, each of Green Spring and Blue Synergy became a direct wholly-owned subsidiary of Lion City.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

(g) Acquisition of Lion City by our Company and re-denomination of the shares

- (i) On 16 January 2019, our Company acquired an aggregate of 50,000 ordinary shares in Lion City (representing the entire issued shares of Lion City), from Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares) respectively. In consideration of such share transfers and at the direction of Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng, the partly-paid shares held by Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares) in the capital of our Company were all credited as fully paid at par. Upon the completion of such share transfers, Lion City became a direct wholly-owned subsidiary of our Company.
- (ii) On 24 January 2019, the authorised share capital of our Company was increased (the “**Increase**”) by HK\$390,000 by the creation of 39,000,000 Shares with a par value of HK\$0.01 each. Following the Increase, our Company allotted and issued 39,000,000 fully paid Shares to Mr. Wong (as to 21,450,000 Shares), Ms. Leow (as to 7,800,000 Shares), Mr. Lim (as to 6,825,000 Shares) and Mr. Heng (as to 2,925,000 Shares) at the subscription price of HK\$0.01 per Share (the “**Issue**”) which became the funding for the Repurchase (as defined in paragraph (iii) below).
- (iii) Following the Issue, our Company repurchased the 50,000 existing issued shares of a par value of US\$1.00 each (the “**Existing Shares**”) in the share capital of our Company in issue immediately prior to the Increase at a price of US\$1.00 per USD Share which were paid out of the proceeds of the Issue referred to in paragraph (ii) above (the “**Repurchase**”) and the Existing Shares be cancelled.
- (iv) Following the Repurchase, the authorised but unissued share capital of our Company be diminished by the cancellation of all the 50,000 unissued shares of a par value of US\$1.00 each in the share capital of our Company (the “**Diminution**”).
- (v) Following the Diminution, our Company has an authorised and issued share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each.

(h) Acquisition of our Company by WMCH Global Holdings

- (i) On 25 January 2019, WMCH Global Holdings acquired an aggregate of 39,000,000 Shares in our Company (representing the entire issued shares of our Company), from Mr. Wong (as to 21,450,000 Shares), Ms. Leow (as to 7,800,000 Shares), Mr. Lim (as to 6,825,000 Shares) and Mr. Heng (as to 2,925,000 Shares) respectively. In consideration of such Share transfer, WMCH Global Holdings allotted and issued an aggregate of 1,000 ordinary shares at par, credited as fully paid at par, to Mr. Wong (as to 550 shares), Ms. Leow (as to 200 shares), Mr. Lim (as to 175 shares) and Mr. Heng (as to 75 shares) respectively.
- (ii) Upon the completion of such share transfer, our Company became a direct wholly-owned subsidiary of WMCH Global Holdings.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

(i) Further increase in the authorised share capital of our Company, Share Offer and Capitalisation Issue

- (i) On 20 June 2019, the authorised share capital of our Company has further been increased from HK\$390,000 divided into 39,000,000 Shares to HK\$50,000,000 divided into 5,000,000,000 Shares by creation of an additional 4,961,000,000 Shares of a par value of HK\$0.01 each.
- (ii) Conditional on the Listing having been approved by the board of directors of our Company and the Stock Exchange, our Company intends to offer: (i) 15,000,000 Shares (subject to reallocation) for subscription by the public in Hong Kong under the Public Offer, representing 10% of the total number of Shares initially available under the Share Offer; and (ii) 135,000,000 Shares (subject to reallocation and the Offer Size Adjustment Option) for placing with the selected professional, institutional and other investors under the Placing, representing 90% of the total number of Offer Shares initially available under the Share Offer.
- (iii) Subject to the reallocation of Shares between the Public Offer and the Placing and adjustment (if any), the Public Offer Shares will represent approximately 2.5% of the total issued share capital of our Company and the Placing Shares will represent approximately 22.5% of the total issued share capital of our Company immediately after completion of the Share Offer and the Capitalisation Issue.
- (iv) Conditional upon the share premium account of our Company being credited as a result of the Share Offer or otherwise having sufficient balance, our Company is authorised by a resolution of the shareholder(s) of our Company to capitalise an amount of HK\$4,110,000 standing to the credit of the share premium account of our Company by applying such sums towards payment in full at par a total of 150,000,000 Shares to be allotted and issued to the existing shareholder of our Company by way of the Capitalisation Issue.

As advised by our Singapore legal advisers, no approval is required from the relevant Singapore regulatory authorities under the laws of Singapore for the transfer of shares of Artus and TW-Asia respectively pursuant to the Reorganisation. Such share transfers have complied with all applicable laws and regulations of Singapore.

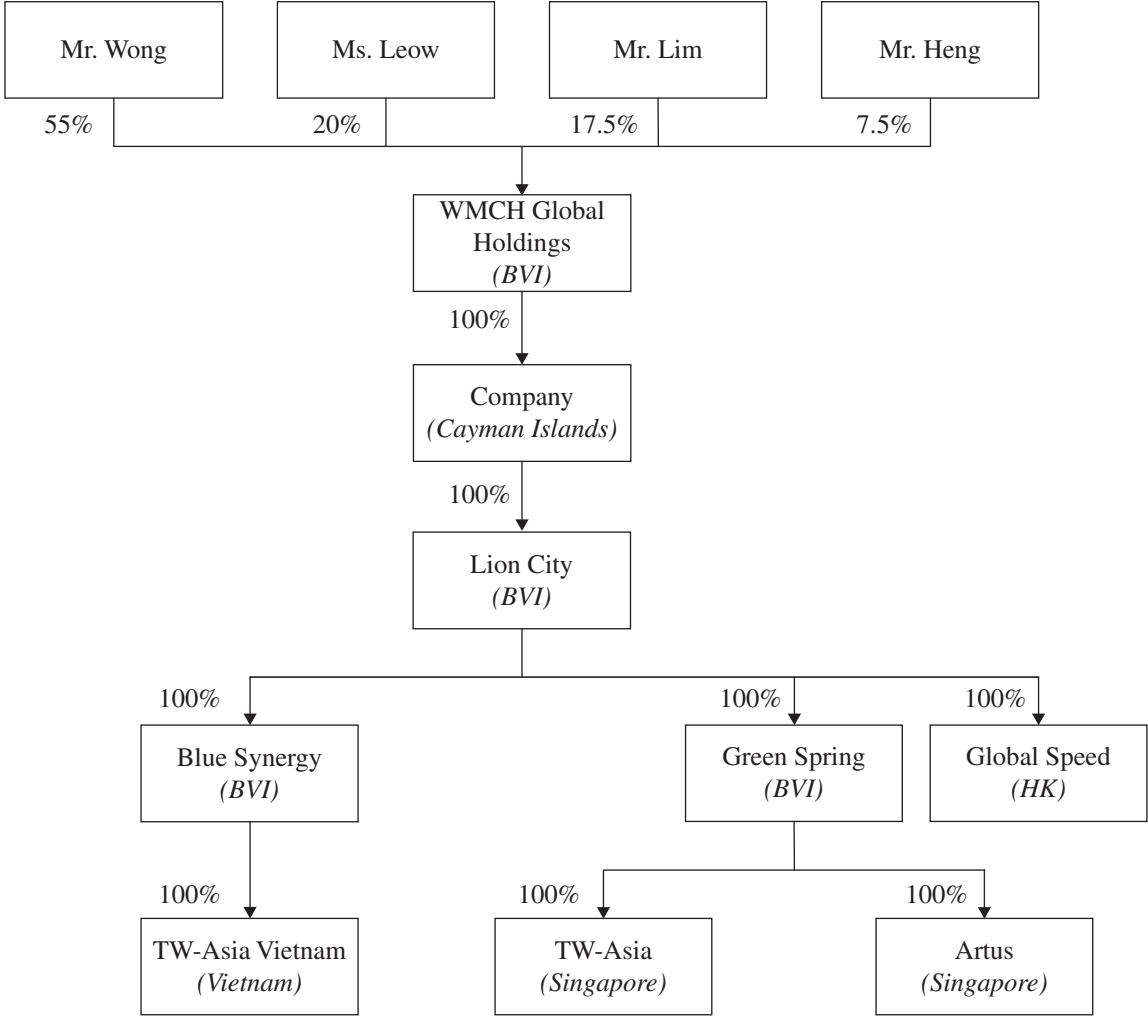
As advised by our Vietnam legal advisers, the necessary approvals have been obtained from the relevant Vietnam government authorities regarding the transfer of shares of TW-Asia Vietnam pursuant to the Reorganisation. Such share transfers have complied with all applicable laws and regulations of Vietnam.

As advised by our Cayman Islands/BVI legal advisers, no approval is required from relevant regulatory authorities under the laws of Cayman Islands and BVI for the transfer of shares of and other corporate actions by Blue Synergy, Green Spring, Lion City, our Company and WMCH Global Holdings pursuant to the Reorganisation. Such share transfers and other corporate actions involved in the Reorganisation will not violate the memorandum of association or articles of association of the respective companies nor any applicable law, regulation, order or decree in the Cayman Islands/BVI.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

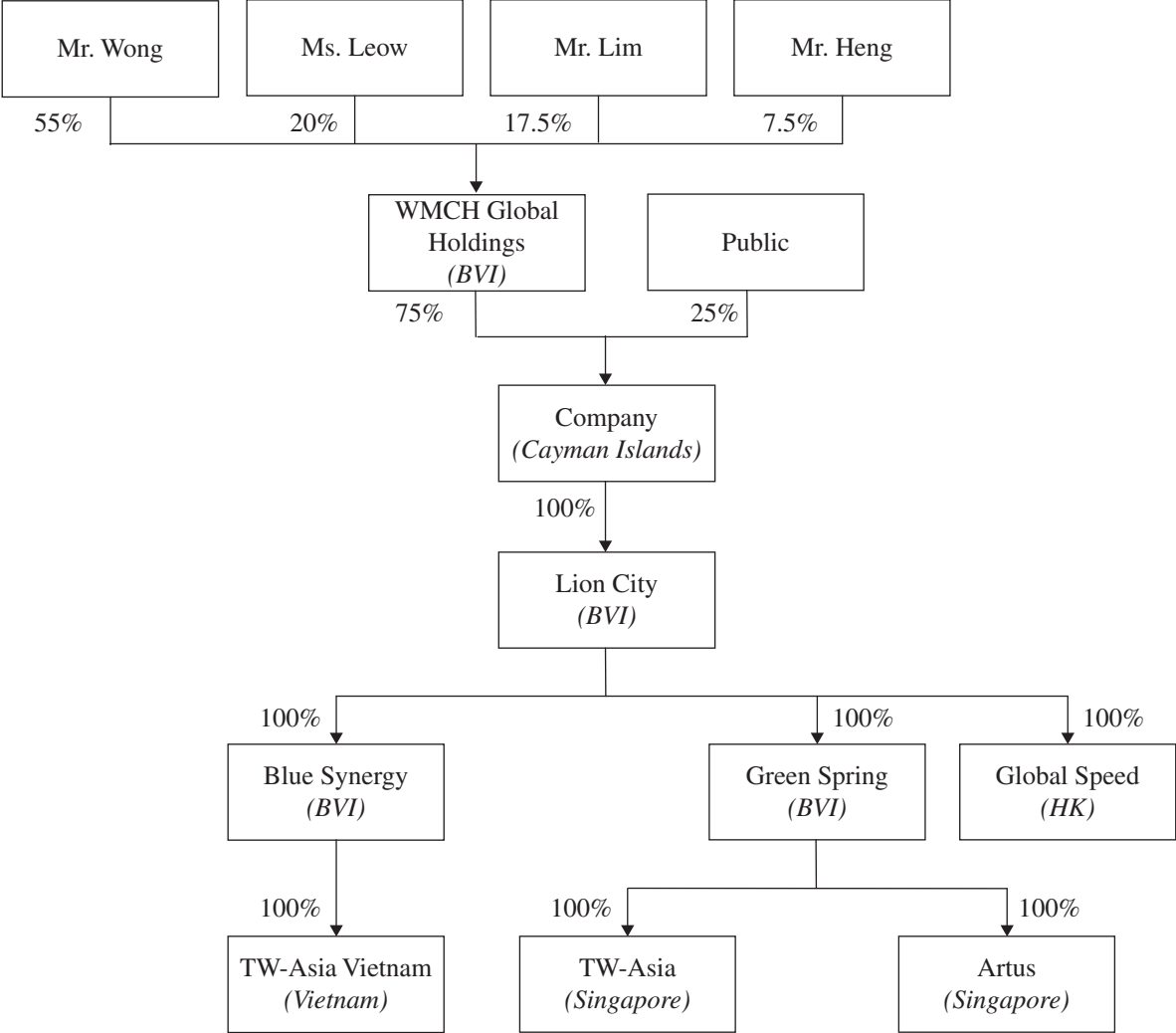
OUR GROUP STRUCTURE

The following chart sets forth our corporate and shareholding structure immediately after completion of the Reorganisation but before completion of the Share Offer and the Capitalisation Issue:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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



BUSINESS

BUSINESS OVERVIEW

We have been in the civil and structural engineering market in Singapore for around 14 years. Leveraging on our industry experience in Singapore, we started providing the civil and structural engineering consultancy services in Vietnam in 2009. During the Track Record Period, our revenue was substantially derived from our business operations in Singapore and Vietnam.

We are a civil and structural engineering consultant mainly providing services in Singapore and Vietnam. Our Group provides the following services: (i) civil and structural engineering consultancy services and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings.

Our Group has a team of professionals including Registered Professional Engineers, Practising Engineers and other engineering staff. Our projects are residential, industrial, commercial and government-related projects.

Our Group expanded the business to provide civil and structural engineering consultancy services for project buildings using PPVC method in early 2015 in response to the Singapore Government's call for constructing buildings with advanced technology. According to BCA, PPVC refers to a construction method whereby free-standing volumetric modules, that are completed with finishes for walls, floors and ceilings, are either (i) constructed and assembled; or (ii) manufactured and assembled, in an accredited fabrication facility, in accordance with any accredited fabrication method, and then installed in a building under building works. During the Track Record Period, our civil and structural engineering consultancy services can be divided into 2 categories: (1) civil and structural engineering consultancy services on buildings utilising conventional construction method ("**Consultancy Services for Conventional Projects**") and (2) civil and structural engineering consultancy services on buildings utilising the PPVC method ("**Consultancy Services for PPVC Projects**").

During the Track Record Period, our Group provided both the Consultancy Services for Conventional Projects and Consultancy Services for PPVC Projects in Singapore and other markets, while we provided only Consultancy Services for Conventional Projects in Vietnam. Our Group's civil and structural engineering consultancy services includes the geotechnical engineering consultancy services, in respect of, amongst other things, buildings of less than 30 storeys in Singapore, and all buildings in Vietnam.

According to the Industry Consultant's Report, we ranked tenth in 2018 among market participants in civil and structural engineering consultancy services market in Singapore in terms of revenue, representing a market share of approximately 2.3%, and we ranked fifth in 2018 among market participants in the same industry in Vietnam in terms of revenue, representing market share of approximately 2.4%.

We were also involved in 17 out of 36 PPVC projects in Singapore since the first PPVC project in Singapore in 2014.

BUSINESS

A breakdown of our revenue generated from our types of services by different geographical locations during the Track Record Period is set forth below:

	Year ended		Year ended		Six months ended		Six months ended	
	31 December 2017	(%)	31 December 2018	(%)	30 June 2018	(%)	30 June 2019	(%)
	<i>SGD'000</i>		<i>SGD'000</i>		<i>SGD'000</i>		<i>SGD'000</i>	
	(unaudited)							
Singapore								
Consultancy Services for								
Conventional Projects	2,481	29.4	1,631	15.8	726	17.6	1,333	22.2
Consultancy Services for								
PPVC Projects	1,513	17.9	4,885	47.2	1,920	46.7	2,896	48.3
Others ^(Note 1)	214	2.5	102	1.0	17	0.4	179	3.0
Vietnam								
Consultancy Services for								
Conventional Projects	2,928	34.7	3,004	29.0	1,081	26.3	1,267	21.1
Others ^(Note 2)	335	4.0	403	3.9	304	7.4	171	2.9
Other markets								
Consultancy Services for								
Conventional Projects	969	11.5	324	3.1	66	1.6	124	2.1
Consultancy Services for								
PPVC Projects	—	—	—	—	—	—	26	0.4
Total	<u>8,440</u>	<u>100.0</u>	<u>10,349</u>	<u>100.0</u>	<u>4,114</u>	<u>100.0</u>	<u>5,996</u>	<u>100.0</u>

Note 1: It includes visual inspection of existing buildings.

Note 2: It includes master planning, structural due diligence and visual inspection of existing buildings.

Our projects in other markets

It includes projects located in Maldives, Myanmar and Hong Kong. During the Track Record Period, we provided our services in the office of Singapore for all our projects in Maldives and in the offices of Vietnam for all projects in Myanmar, cooperating with local architectural companies having relevant statutory licences and/or qualifications in Maldives, Myanmar and Hong Kong.

For the breakdown of our Group's revenue during the Track Record Period by contract sums of our projects, please refer to the tables set forth under the paragraph headed "Our projects" in this section below.

OUR SERVICES

During the Track Record Period, we provided the following services: (i) Consultancy Services for Conventional Projects and Consultancy Services for PPVC Projects and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings. The following is a brief introduction of each of our services:

Consultancy Services for Conventional Projects and PPVC Projects

Our Consultancy Services for Conventional Projects and Consultancy Services for PPVC Projects involve the technique and knowledge on: (i) structural engineering; (ii) geotechnical engineering; and (iii) civil engineering.

Our consultancy services which involve structural engineering include the provision of: (i) structural design of different types of buildings such as residential, commercial, industrial, and government-related buildings; (ii) associated study, calculation and drawing services to facilitate and materialise an architect's architectural design, such as structural feasibility study, production of schematic drawings, detailed calculations and tender drawings; and (iii) associated administration services such as building contract administrations, submission of structural plans as required by law, and site supervision.

Our Group also provides consultancy services which involve geotechnical engineering in, among other things, construction projects for (i) all buildings in Vietnam and (ii) buildings of less than 30 storeys and building works for a trench, ditch, shaft or well with a depth or height of not more than 6 metres in Singapore (details of requirements for carrying out geotechnical engineering work of different scales are set out in paragraph headed "Regulatory overview — Regulations and supervision of our business in Singapore — Building Control Act" in this prospectus). Geotechnical engineering uses principal of soil mechanics and rock mechanics to, among other things, investigate subsurface conditions and materials, determine the physical, mechanical and chemical properties of these materials, evaluate the stability of natural slope and man-made soil deposits, and assess risks posed by site conditions. After conducting the investigation related to the geotechnical aspects of the project site, our Group would provide consultancy advice to our clients for the subsequent stages of the projects. We intend to set up a separate geotechnical division with professionals licenced to carry out geotechnical engineering work for buildings without height restriction, so that we can expand our scope of service to our clients. Please refer to the paragraph headed "Business strategies and future plans — Expand our operation in Singapore — 2. Establish a geotechnical division in Singapore" in this section below for further details.

Our consultancy services which involve civil engineering include: (i) design of roadworks; (ii) design regarding buildings' connection to public drainage system and (iii) minor sewer works.

For the workflow and further details of consultancy services provided by our Group in conventional projects and PPVC projects, please refer to the paragraph headed "Operating procedures — Details of project implementation" below.

Additional services provided for PPVC projects

The scope of work of our Consultancy Services for PPVC Projects would be similar to that of our Consultancy Services for Conventional Projects except that we would advise the architect in project meetings on the various technical constraints of PPVC before the start of the architects' design process. Our Directors believe that, because PPVC is a relatively new construction method compared with conventional construction method, our advice to architects before the design process could remove the need for subsequent extensive modification and avoid unnecessary delay. Various tests would be conducted by third-party contractors to verify design parameters. At the construction stage of the PPVC projects, the main-contractor will send third-party contractors to do scanning of wall. Please refer to paragraph headed "Operating procedures — Details of project implementation" in this section below for the details.

For construction works using PPVC method, our Group will also deploy our resident engineers and resident technical officers to supervise the construction of the building. Please refer to paragraph headed "Operating procedures — Details of project implementation — Typical project workflow in Singapore" in this section below for further details.

Other Services

Master planning

Master planning consultation services refer to the coordination works with the third-party architects and town/landscape planners engaged by the client and reviewing of the documents and plans, as well as providing advice on the planning of the development.

For our master planning consultation services in Vietnam, we would meet and discuss with third-party architects and town/landscape planners and review the documents and plans prepared by them in order to give them advice from a planning perspective (e.g. distribution of residential/commercial areas, drainage system, civil works) and on ways to minimise the client's construction costs.

Structural due diligence

Structural due diligence includes the checking of the submissions relevant to the buildings and visual inspection of building structure, as well as advices on impact of defects sighted on the building.

During the Track Record Period, we provided structural due diligence in Vietnam for our clients for existing buildings. We would conduct a due diligence exercise to check if all the submissions relevant to the buildings have been duly made, carry out visual inspection of building structure and advise on impact of defects sighted on the building.

Visual inspection of existing buildings

Visual inspection of existing buildings is performed on the conditions of the buildings, the existence of any new addition and alterations. It includes survey on the exterior part of the buildings and the surrounding areas and assessment of the structural integrity of the building and provision of method for the rectification works.

BUSINESS

During the Track Record Period, our Group occasionally conducted visual inspection of existing buildings of our client. We would conduct visual inspection of the buildings and prepare an inspection report setting out our findings on the conditions of the buildings, the existence of any signs of structural defects and deterioration and give recommendations on any remedial works, if necessary.

OUR PROJECTS

We offer comprehensive civil and structural engineering consultancy services covering construction projects of residential, industrial, commercial and government-related buildings. In Singapore, our Group offers services to residential, commercial (including resorts/hotels and offices), industrial (including warehouse and factories) and integrated residential and commercial buildings for private sector and government-related (including military, hospital and childcare centres) buildings. In Vietnam, our Group generally offers services to integrated residential and commercial buildings, residential, commercial, and occasionally industrial buildings for private sector and government-related buildings.

A breakdown of our revenue based on types of building by different geographical locations are set forth below:

	Year ended 31 December 2017		Year ended 31 December 2018		Six months ended 30 June 2018		Six months ended 30 June 2019	
	<i>SGD'000</i>	(%)	<i>SGD'000</i>	(%)	<i>SGD'000</i>	(%)	<i>SGD'000</i>	(%)
	(unaudited)							
Singapore								
Residential (private)	2,341	27.7	5,182	50.1	2,042	49.6	3,274	54.6
Commercial (private)	1,171	13.9	415	4.0	167	4.1	871	14.5
Industrial (private)	106	1.2	17	0.2	14	0.3	—	—
Government-related	529	6.3	1,004	9.7	440	10.7	263	4.4
Integrated (private)	62	0.7	—	—	—	—	—	—
Vietnam								
Residential (private)	793	9.4	529	5.1	206	5.0	395	6.6
Commercial (private)	354	4.2	580	5.6	309	7.5	70	1.2
Industrial (private)	3	—	18	0.2	—	—	—	—
Government-related	300	3.6	383	3.7	304	7.4	174	2.9
Integrated (private)	1,812	21.5	1,897	18.3	566	13.8	799	13.3
Other markets ^(Note 1)								
Commercial (private)	870	10.3	324	3.1	66	1.6	150	2.5
Integrated (private)	99	1.2	—	—	—	—	—	—
Total	<u>8,440</u>	<u>100</u>	<u>10,349</u>	<u>100</u>	<u>4,114</u>	<u>100.0</u>	<u>5,996</u>	<u>100.0</u>

Note 1: It includes projects located in Maldives, Myanmar and Hong Kong.

BUSINESS

Major projects

During the Track Record Period, we engaged in over 200 projects in Singapore, Vietnam, Maldives, Myanmar and Hong Kong. The following table sets forth the details of our 10 largest projects by revenue contribution during the Track Record Period:

No.	Type of building	Private/ Government-related	Project type	Description of project work	Project location	Approximate contract duration (From-to) ^(Note 1)	Project sum ^(Note 2)	Revenue contribution of our 10 largest projects during the Track Record Period			Estimated revenue contribution after the Track Record Period			
								Year ended 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2019	Six months ending 31 December 2019	Year ending 31 December 2020	Year ending 31 December 2021	Year ending 31 December 2022
								SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
1	Residential	Private	Conventional	civil and structural engineering	Singapore	2017-2022	1,835	160	620	365	236	335	94	25
2	Residential	Private	PPVC	civil and structural engineering	Singapore	2017-2022	2,061	40	749	322	334	442	159	15
3	Commercial	Private	Conventional	civil and structural engineering	Maldives	2017-2021	1,347	699	268	118	115	108	39	—
4	Residential	Private	PPVC	civil and structural engineering	Singapore	2018-2022	1,930	—	427	485	290	430	277	21
5	Residential	Private	PPVC	civil and structural engineering	Singapore	2018-2022	2,099	—	221	666	225	480	444	63
6	Hospital	Government-Related	PPVC	civil and structural engineering	Singapore	2017-2022	1,425	25	765	84	93	138	155	165
7	Residential	Private	PPVC	civil and structural engineering	Singapore	2016-2020	1,434	383	381	74	—	22	—	—
8	Residential	Private	PPVC	civil and structural engineering	Singapore	2016-2021	767	496	89	45	45	34	19	—
9	Residential	Private	PPVC	civil and structural engineering	Singapore	2018-2021	996	—	437	133	147	241	38	—
10	Residential	Private	PPVC	civil and structural engineering	Singapore	2018-2021	861	—	345	185	180	143	8	—
Total								1,803	4,302	2,477	1,665	2,373	1,233	289

Notes:

1. Project period generally refers to the period from the first year of receiving revenue to the estimated completion date which refers to the date we discharge our duty as per the project contract, with reference to the latest available master programme or other relevant documents of the projects, and such may be revised with respect to factors such as the actual progress of the project and variation work orders from time to time. Our Group will use our best endeavours to estimate the completion date based on our staff's experience and ongoing discussions with clients in case the completion date cannot be estimated reliably.
2. The project sum refers to the original project sum stated in the letter of acceptance, original tender documents or contract, and adjustments due to variation work orders as recognised by our Group.

During the Track Record Period, there were no loss-making of the major projects but there was a variation order in January 2019 in the sum of SGD90,000 for one of the major projects (project itemised no. 7 in the above table showing the 10 largest projects by revenue contribution during the Track Record Period) due to the additional consultancy services for the justification of composite shear wall system.

BUSINESS

Number of projects with revenue contribution to our Group

The following table set out the number of projects with revenue contribution to our Group by project type:

	For the year ended 31 December 2017	For the year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
Singapore				
Conventional projects	48	31	23	21
PPVC projects ^(Note 1)	13	24	18	21
Others	47	29	13	7
Vietnam				
Conventional projects	39	49	35	35
Others	5	4	3	1
Other markets^(Note 2)				
Conventional projects	3	2	2	2
PPVC projects	—	—	—	1
Total	155	139	94	88

Notes:

1. The PPVC projects our Group engaged included provision of PPVC application advisory service to our clients, which the project sum is relatively lower.
2. It includes projects located in Maldives, Myanmar and Hong Kong.

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The following table set out the number of projects with revenue contribution to our Group by range of contract sum:

	For the year ended 31 December 2017	For the year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
Singapore				
Over SGD500,000	16	14	12	14
SGD50,000–500,000	37	34	23	24
Below SGD50,000	55	36	19	11
Vietnam				
Over SGD500,000	7	10	7	8
SGD50,000–500,000	30	35	27	22
Below SGD50,000	7	8	4	6
Other markets^(Note)				
Over SGD500,000	1	1	1	1
SGD50,000–500,000	2	1	1	1
Below SGD50,000	—	—	—	1
Total	<u>155</u>	<u>139</u>	<u>94</u>	<u>88</u>

Note: It includes projects located in Maldives, Myanmar and Hong Kong.

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The following table set out the number of projects with revenue contribution to our Group by range of revenue contribution:

	For the year ended 31 December 2017	For the year ended 31 December 2018	Six months ended 30 June 2018	Six months ended 30 June 2019
Singapore				
Over SGD500,000	—	3	—	1
SGD50,000–500,000	22	24	11	21
Below SGD50,000	86	57	43	27
Vietnam				
Over SGD500,000	—	—	—	—
SGD50,000–500,000	19	20	9	8
Below SGD50,000	25	33	29	28
Other markets^(Note)				
Over SGD500,000	1	—	—	—
SGD50,000–500,000	2	2	—	1
Below SGD50,000	—	—	2	2
Total	<u>155</u>	<u>139</u>	<u>94</u>	<u>88</u>

Note: It includes projects located in Maldives, Myanmar and Hong Kong.

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Backlog

The following table sets forth the movement of our projects in terms of number of projects for each period specified below:

	For the year ended 31 December 2017	For the year ended 31 December 2018	Six months ended 30 June 2019	For the period from 1 July 2019 to the Latest Practicable Date
Singapore				
Opening number of projects ^(Note 1)	41	39	45	52
Number of new projects ^(Note 2)	67	47	18	6
Number of completed projects ^(Note 3)	69	41	11	15
Ending number of projects ^(Note 4)	39	45	52	43
Vietnam				
Opening number of projects ^(Note 1)	31	34	39	46
Number of new projects ^(Note 2)	15	20	13	4
Number of completed projects ^(Note 3)	12	15	6	2
Ending number of projects ^(Note 4)	34	39	46	48
Other markets^(Note 5)				
Opening number of projects ^(Note 1)	1	2	2	2
Number of new projects ^(Note 2)	2	—	1	1
Number of completed projects ^(Note 3, 6)	1	—	1	—
Ending number of projects ^(Note 4)	2	2	2	3

Notes:

1. Opening number of projects means the number of awarded projects which were not completed as of the beginning of the relevant year or period indicated.
2. Number of new projects means the number of new projects awarded to us during the relevant year or period indicated.
3. Number of completed projects means the number of projects which are practically considered completed based on: (i) whether the entire contract sum was received; (ii) whether our scope of work was fully performed; and (iii) management judgment and assessment on a case by case basis.
4. Ending number of projects is equal to the opening number of projects plus number of new projects minus number of completed projects during the relevant year or period indicated.
5. It includes projects located in Hong Kong, Maldives and Myanmar.
6. It includes a project which was put on hold and our Directors believe that this project will not proceed based on project owner's indication. The contract sum for this project is approximately SGD263,000 and the revenue recognised is approximately SGD165,000.

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The following table shows the movement of projects in terms of contract sum for each period specified below:

	For the year ended 31 December 2017 (SGD'000)	For the year ended 31 December 2018 (SGD'000)	Six months ended 30 June 2019 (SGD'000)	For the period from 1 July 2019 to the Latest Practicable Date (SGD'000)
Singapore				
Opening value of backlog	4,290	8,740	11,184	11,752
Awarded contract sum of new projects <i>(Note 1)</i>	8,658	9,063	4,976	220
Revenue recognised ^(Note 2)	4,208	6,618	4,408	2,853
Ending value of backlog ^(Note 3)	8,740	11,184	11,752	9,119
Vietnam				
Opening value of backlog	4,320	4,083	4,363	4,858
Awarded contract sum of new projects <i>(Note 1)</i>	3,026	3,687	1,934	1,305
Revenue recognised ^(Note 2)	3,263	3,407	1,438	671
Ending value of backlog ^(Note 3)	4,083	4,363	4,858	5,492
Other markets^(Note 4)				
Opening value of backlog	99	802	478	356
Awarded contract sum of new projects <i>(Note 1)</i>	1,672	—	27	150
Revenue recognised ^(Note 2, 5)	969	324	150	150
Ending value of backlog ^(Note 3)	802	478	356	356

Notes:

1. Awarded contract sum of new projects mean the awarded contract sum which is based on the initial agreement between our client and us and may include additions, modifications due to subsequent variation orders.
2. Revenue recognised during and after the Track Record Period represents the audited revenue recognised for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 and the unaudited revenue recognised from 1 July 2019 to the Latest Practicable Date, respectively, taking account of any additions and modifications due to variation orders (if any).
3. Ending value of backlog refers to the portion of the total estimated revenue that has not been recognised with respect to our projects which had not been fully completed or subject to agreement on final account with our clients as at the end of the relevant year or period indicated.
4. It includes projects located in Hong Kong, Maldives and Myanmar.
5. It includes a project which was put on hold and our Directors believe that this project will not proceed based on project owner's indication. The contract sum for this project is approximately SGD263,000 and the revenue recognised is approximately SGD165,000.

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The following table shows the average contract sum of new projects awarded to us for each period specified below:

	For the year ended 31 December 2017 (SGD'000)	For the year ended 31 December 2018 (SGD'000)	Six months ended 30 June 2019 (SGD'000)	For the period from 1 July 2019 to the Latest Practicable Date (SGD'000)
Singapore	129	193	276	37
Vietnam	202	184	149	326
Other markets	836	N/A	27	150

The increase in average contract sum of new projects in Singapore during the Track Record Period was mainly due to the fact that our Group has engaged in less new projects providing other services (i.e. visual inspection of existing buildings) during the Track Record Period, and these projects generally have relatively smaller contract sum.

The decrease in average contract sum of new projects in Vietnam during the Track Record Period was mainly due to the fact that our Group has engaged in more small-scaled projects with contract sum below SGD50,000, which was also evidenced by the increase in number of small-scaled projects which had revenue contribution during the period with contract sum below SGD50,000. For details, please refer to the paragraph headed “Our projects — Number of projects with revenue contribution to our Group” in this section.

Projects in progress

As at 30 June 2019, we had 94 civil and structural engineering consultancy service projects in progress. The following table sets out a breakdown of such projects in progress:

	Number of projects in progress	Average contract sum per project SGD'000	Aggregate contract sum of all projects in progress SGD'000	Revenue contribution of the projects in progress during the Track Record Period			Corresponding amount of revenue expected to be recognised
				Year ended 31 December 2017 SGD'000	Year ended 31 December 2018 SGD'000	Six months ended 30 June 2019 SGD'000	after the Track Record Period SGD'000
Singapore							
— Conventional projects	22	382	8,403	938	1,201	1,268	3,335
— PPVC projects	23	741	17,038	1,103	4,810	2,896	7,146
— Others	2	137	273	5	47	140	68
Vietnam							
— Conventional projects	44	277	12,182	2,106	2,436	1,059	4,371
— Others	1	689	689	144	168	171	204
Other markets ^(Note)							
— Conventional projects	2	856	1,711	870	324	124	359
Total	94		40,295	5,166	8,986	5,658	15,483

Note: It includes projects located in Maldives.

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The average contract sum per PPVC project was relatively higher mainly because our Group is one of the leading civil and structural engineering consultants in Singapore in the area of PPVC, which allowed us to charge a premium price for our Consultancy Services for PPVC Projects.

The following table sets out a breakdown of such projects in progress as at 30 June 2019 by range of expected completion date:

	Singapore		Others	Vietnam		Other markets ^(Note)
	Conventional projects	PPVC projects		Conventional projects	Others	Conventional projects
Number of projects completed or expected to be completed:						
— in the six months ending						
31 December 2019	8	8	2	6	—	—
— in the year ending						
31 December 2020	5	1	—	10	—	—
— in the year ending						
31 December 2021	4	4	—	11	—	2
— in the year ending						
31 December 2022	<u>5</u>	<u>10</u>	<u>—</u>	<u>17</u>	<u>1</u>	<u>—</u>
Total	<u>22</u>	<u>23</u>	<u>2</u>	<u>44</u>	<u>1</u>	<u>2</u>

Note: It includes projects located in Maldives.

The following table sets out a breakdown of amount of revenue recognised or to be recognised from such projects in progress as at 30 June 2019 by the expected time of revenue recognition:

	Singapore		Others	Vietnam		Other markets ^(Note)
	Conventional projects SGD'000	PPVC projects SGD'000		Conventional projects SGD'000	Others SGD'000	Conventional projects SGD'000
Amount of revenue recognised or expected to be recognised:						
— in the six months ending						
31 December 2019	1,414	2,474	68	840	4	142
— in the year ending						
31 December 2020	1,095	2,750	—	1,213	133	153
— in the year ending						
31 December 2021	488	1,477	—	1,554	53	64
— in the year ending						
31 December 2022	<u>338</u>	<u>445</u>	<u>—</u>	<u>764</u>	<u>14</u>	<u>—</u>
Total	<u>3,335</u>	<u>7,146</u>	<u>68</u>	<u>4,371</u>	<u>204</u>	<u>359</u>

Note: It includes projects located in Maldives.

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Project awarded but not yet commenced

There were eight, six and one civil and structural engineering consultancy services projects awarded to us through quotation from clients, tender invitation from clients or submission of tender application after visiting GeBIZ and awarded to us by our clients and the works have yet to be commenced as at 30 June 2019 in Singapore, Vietnam and Hong Kong respectively, and the aggregate contract value of these projects amounted to approximately SGD1.4 million, SGD1.6 million and SGD0.2 million respectively.

The table below sets out the details of the projects awarded up to the Latest Practicable Date in which their corresponding works have not yet commenced as at 30 June 2019:

No.	Type of building	Private/ Government-related	Project type	Description of project work	Approximate contract duration (From-to)	Revenue expected to be recognised during			
						Year ending 31 December 2019 SGD'000	Year ending 31 December 2020 SGD'000	Year ending 31 December 2021 SGD'000	Year ending 31 December 2022 SGD'000
Singapore									
1	Residential	Private	PPVC	Civil and structural engineering	2019–2019	20	—	—	—
2	Commercial	Private	Conventional	Civil and structural engineering	2019–2022	87	163	35	15
3	Commercial	Private	Conventional	Civil and structural engineering	2019–2022	200	13	77	150
4	Commercial	Private	Conventional	Civil and structural engineering	2019–2022	90	41	45	49
5	Hospital	Government-related	Conventional	Civil and structural engineering	2019–2022	127	48	37	11
6	Commercial	Private	Conventional	Civil and structural engineering	2019–2019	20	—	—	—
7	Residential	Private	PPVC	Civil and structural engineering	2019–2020	126	14	—	—
8	Residential	Private	PPVC	Civil and structural engineering	2019–2020	45	5	—	—
Vietnam									
9	Residential	Private	Conventional	Civil and structural engineering	2019–2022	11	5	159	59
10	Integrated	Private	Conventional	Civil and structural engineering	2019–2020	101	101	—	—
11	Residential	Private	Conventional	Civil and structural engineering	2019–2019	64	—	—	—
12	Residential	Private	Conventional	Civil and structural engineering	2019–2019	17	—	—	—
13	Residential	Private	Conventional	Civil and structural engineering	2019–2022	59	234	234	59
14	Residential	Private	Conventional	Civil and structural engineering	2019–2022	277	116	–	93
Hong Kong									
15	Residential	Private	PPVC	Civil and structural engineering	2019–2020	90	60	—	—
Total						1,334	800	587	436

OUR COMPETITIVE ADVANTAGES

With experienced management, professional staff and project experience, our Directors are of the view that we have established a reputation in the civil and structural engineering consultancy services industry in Singapore and Vietnam. Our Directors believe that our Group possesses the following competitive advantages:

We possess the knowhow on construction by PPVC with higher productivity and better construction environment

According to the Industry Consultant's Report, compared with conventional method of construction, the adoption of PPVC has the following benefits:

- the on-site construction activities can be significantly reduced through the use of PPVC, which leads to (i) fewer individual man-hours working at height and hence fewer accidents, and (ii) a reduction of environment pollution such as dust and noise pollution;
- PPVC delivers the majority of the final product from the controlled factory environment leading to increased reliability with higher quality finishing; and
- fabrication of PPVC can proceed in parallel in the factory while other worksite activities are ongoing to streamline the construction process

Since the first PPVC project in Singapore in 2014, our Group has been involved in 17 out of a total of 36 PPVC projects in Singapore, according to the Industry Consultant's Report. With our substantial experience in PPVC, we enable our clients to take advantage of PPVC over conventional methods of construction.

Experienced management and professional team of engineering staff

Our executive Directors, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have more than 18 years of experience in the engineering services industry.

Mr. Wong is a Registered Professional Engineer and Practising Engineer in Singapore and Vietnam and a fellow member of the Institution of Engineers.

Ms. Leow is a Registered Professional Engineer and Practising Engineer in Singapore and Vietnam.

Mr. Lim is a qualified engineer in Malaysia and a Practising Engineer in Vietnam.

Mr. Heng is a Registered Professional Engineer and a member of the Institute of Engineers in Singapore.

Mr. Wong is the founder of our Group since the incorporation of Artus in Singapore in 2005. Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have joined our Group since 2005, 2005, 2005 and 2011 respectively. They have accumulated extensive experience in the management of our Group, and have developed an in-depth understanding of the market for civil and structural engineering in Singapore and Vietnam. The application for registration of patent of the knowhow of the composite shear wall

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construction system for PPVC possessed by our management, if successfully approved by the patent offices of different countries, would definitely enhance our clients' confidence in the quality of the services provided by our Group and increase the competitiveness of our Group against its peers in PPVC projects.

Our management is supported by our in-house engineering team, comprising five Registered Professional Engineers in Singapore and 16 Practising Engineers in Vietnam and other engineering staff, who possess the required practical skills and experience to handle our projects. As at the Latest Practicable Date, our technical team consisted of 79 personnel. In addition, a general manager of our Group, Dr. Nguyen Ngoc Ba has a PhD degree in civil and environmental engineering. He has been awarded Asean Engineer membership by the Asean Federation of Engineering Organisation. He has worked with our Group for more than 10 years. Dr. Nguyen has more than 25 years of experience in the construction industry. For further information regarding the background and experience of our Directors and senior management, please refer to the section headed "Directors and senior management" in this prospectus.

We believe that each member of our engineering team has been and will continue to be our valuable asset, and their expertise will enable us to take up projects of various scale and types and fulfil our clients' requirements.

We have stable and long-term client relationships with sizeable corporations

We have established stable and long-term business relationships with sizeable corporations which are developers or main contractors in Singapore and Vietnam with a number of international companies. Some of our top five clients during the Track Record Period have maintained relationships with us for more than 10 years and some of such top five clients have business cooperation with our Group and our Mr. Wong since the time when Mr. Wong was a partner of Tham & Wong LLP and before his withdrawal from Tham & Wong LLP in February 2018, contributed to 52.8%, 42.8% and 36.2% of our revenue for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively.

Through constant interactions with our existing clients in our long cooperation history, we gain knowledge of our client's preferences which allows us to give such advice more readily acceptable to our clients. This in turn increases our clients' confidence in our services and further strengthen our relationship. Our Directors believe that our long-term relationships with sizeable corporations in Singapore and Vietnam will continue to provide a stable source of revenue to our Group.

We are one of the structural engineering consultants who have obtained the highest category in Singapore in terms of tendering qualification and Vietnam in terms of capability

As at the Latest Practicable Date, one of our subsidiaries is listed on the PSPC in Singapore. The PSPC list firms that provide consultancy services for public sector building and construction projects, categorised by different disciplines and different project cost ranges. According to the Industry Consultant's Report, consultancy firms on the PSPC are highly regarded because they commonly receive recognition of their services provided in the public sector and therefore, they also enjoy reputational advantage and are more preferred in private construction projects. The PSPC is divided into four panels according to the tendering limit. Companies listed in Panel 4 would have a tendering limit of up to SGD4 million, while companies listed in Panel 1 would have a tendering limit of over SGD13 million.

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TW-Asia, our Group's subsidiary in Singapore, is listed in Panel 1 under the civil & structural discipline, meaning TW-Asia is qualified to make tender for public sector projects with value greater than SGD13 million.

Our subsidiary in Vietnam, has obtained Construction Eligibility Certificates (Class I) from the MOC to carry out building structural design, bridges and roads structural design and technical infrastructure design and Construction Eligibility Certificate (Class III) for construction supervision services.

Construction Eligibility Certificate is categorised into three classes: Class I, Class II and Class III. The type of projects for which the enterprise may render its services is dependent on such class and the specific scope prescribed in the Construction Eligibility Certificate. Class I is the highest class, enabling the enterprise to render its services for "Class I" projects. As a result of such experience requirement, every enterprise is required to start with obtaining a Class III Construction Eligibility Certificate. Upon the attainment of sufficient experience in projects for which such certificate permits the enterprise to carry out, the enterprise may then, subject to satisfaction of any personnel requirements, apply towards a Class II Construction Eligibility Certificate, and so forth. In June 2019, our Group has obtained Construction Eligibility Certificate (Class III) for construction supervision services. Please refer to paragraph headed "Regulatory overview — Regulations and supervision of our business in Vietnam — Regulations on construction engineering and design services — Licencing" in this prospectus for details.

We have gained wide market reputation and recognition in Singapore and Vietnam

During the Track Record Period, we engaged in over 200 projects in Singapore, Vietnam, Maldives, Myanmar and Hong Kong. As at 30 June 2019, we had 94 projects in progress which include conventional and PPVC projects. In addition, throughout our history, we have been awarded with and involved in some landmark projects such as the world's tallest building (40 storeys) constructed with PPVC construction method. Our Directors believe the involvement in such landmark projects has served as a recognition of our service and reputation in Singapore and Vietnam. We were also involved in 17 out of 36 PPVC projects in Singapore since the first PPVC project in Singapore in 2014. In recognition of our services provided in Singapore, the BCA awarded TW-Asia, one of our Group's subsidiaries, the "Construction Productivity Awards (CPA) 2019 — Advocates" in April 2019. Such award aims to recognise outstanding firms and industry practitioners for their achievements in improving productivity, promote productivity in the industry.

Our Directors believe that the number and geographical locations of our projects serve as good indicators of our wide market recognition in Singapore and Vietnam. Since our establishment in 2005, we have been engaged in a vast number of projects as civil and structural engineering consultant and have served various clients including developers and/or main contractors. We have resolved different kinds of civil and structural related issues in the course of handling such projects and have gone through different stages of buildings development in Singapore and Vietnam. Since our business is highly technical and knowledge-based, we believe our clients will appreciate our Group having the knowledge accumulated over the years in Singapore and Vietnam to provide quality consultancy services for their projects.

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We are capable of providing integrated and cost-effective solutions to our clients

As our Group's well-established professional team has extensive experience in the engineering services industry, we are capable of providing integrated and cost-effective solutions to our clients. Our Group offers comprehensive civil and structural services covering residential, industrial, commercial and government-related buildings, resulting in the ability to provide one or more aspects of the above civil and structural engineering consultancy services in large-scale projects, based on clients' needs and requirements. Our Directors are of the view that such capability may allow our Group to provide an innovative and cost-effective solution to our clients. Our Group also targets to expand our geotechnical engineering and supervision services.

BUSINESS STRATEGIES AND FUTURE PLANS

Our Group's key objective is to provide engineering expertise and ingenuity to achieve the client's objective including completing the projects on time, within budget and with the right quality so as to achieve sustainable growth in our business and financial performance. We intend to achieve this by implementing the following strategies:

Improve our PPVC knowhow by investing further in research and development

According to the Industry Consultant's Report, we are one of the leading civil and structural engineering consultants in the area of PPVC in Singapore.

Our Directors have applied for the patents in Europe, Singapore, Hong Kong, China, Malaysia and India in relation to the knowhow of composite shear wall construction system for PPVC. Our Directors have given our Group an undertaking to do all that is necessary to assign the patents to our Group upon successful registration of such patents.

In order to maintain our market position, we must continue to improve on our PPVC knowhow so that we can remain ahead of our competitors. We plan to incur further research and development expenses to (i) identify the extent of concrete roughness affecting the shear wall capacity; (ii) explore and develop mechanical connector to improve higher productivity; and (iii) develop more cost and technically efficient non-shrink grout for our composite shear wall system.

It is our plan to form a research team to cooperate with NUS. We intend to use the Group's owned property situated at 81 Tagore Lane, #02-22 Tag. A, Singapore 787502 to conduct our Group's research and development activities.

As of the Latest Practicable Date, there is no agreement (legally binding or not) entered into between the Group and NUS. Meanwhile, our Group has conducted discussion with NUS in respect of the details of the expenses for research and development and our Group will have further discussions with NUS in the near future in relation to further details of our cooperation. It is expected that our Group will have the ownership of the knowhow or research results from our cooperation with NUS. We currently do not have a definitive time table as to when an agreement will be entered into with NUS as it will be subject to negotiation. We will disclose the status of the agreement and its salient terms in our interim and annual reports when the agreement is concluded.

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Out of the 7.4% or the approximate amount of HK\$2.2 million from the Share Offer to finance our research and development, approximately HK\$1.1 million or 3.5% of the net proceeds would be used for the salary of 3 junior engineers and 1 senior engineer, approximately HK\$0.3 million or 1.1% of the net proceeds would be used for purchasing research equipment, approximately HK\$0.3 million or 1.1% of the net proceeds would be used for operating consumables and approximately HK\$0.5 million or 1.7% of the net proceeds would be used for other overheads. The said staff would be recruited by NUS during the period from July 2021 to December 2021. Please refer to the paragraph headed “Future plans and use of proceeds — Use of proceeds” in this prospectus for further details.

Expand our operation in Singapore

Our operation in Singapore is one of our major business focuses. The revenue generated from our Singapore operation is approximately SGD4.2 million, SGD6.6 million and SGD4.4 million for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, attributing approximately 49.8%, 64.0% and 73.4% of our total revenue.

According to the Industry Consultant’s Report, there is a growing construction demand in various commercial, residential and industrial projects in Singapore leading to an expected increase of 6.1% in CAGR in the next five years and the value of certified progress payments is expected to reach approximately SGD39.7 billion by the end of 2023 (comparing to approximately SGD26.6 billion for 2018).

In order to capture the future growth in the Singapore industry, we plan to expand our market position in the following ways:

1. Relocation of Singapore office and recruit additional engineers

Our Directors are of view that with our business development and intended expansion in consultancy services, we should relocate our office (through several steps by leasing an additional small office in 2019 before leasing a larger office in 2020) in Singapore with a view to accommodating additional headcounts in order to enhance our capability and allowing us to undertake more projects.

As a civil and structural engineering consultant, our work capacity is highly dependent on our human resources. Historically, we have encountered difficulties in business expansion due to limited manpower to cater for additional projects. The following table sets out the number of tender invitations/quotation requests our Singapore office has declined due to limited manpower since 1 January 2017, together with their corresponding contract sums. These declined tender invitations/quotation requests were related to the requests for our visual inspection service on existing buildings, as well as accredited checker services which are independent design drawings checking for other party’s projects which are required before the design drawings and calculations are submitted to the BCA for approval.

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	No. of tender invitations/ quotation requests	Estimated consultancy fee (SGD'000)
<i>Year ended 31 December 2017</i>		
Tender invitations/quotation requests we have declined due to shortage of civil and structural engineers	4	732
<i>Year ended 31 December 2018</i>		
Tender invitations/quotation requests we have declined due to shortage of civil and structural engineers	6	103
<i>Six months ended 30 June 2019</i>		
Tender invitations/quotation requests we have declined due to shortage of civil and structural engineers	4	105

Our Directors believe that the lack of manpower stems from (i) our limited financial resources, (ii) the lack of corporate branding to attract and retain highly qualified professionals as our employees, (iii) the intensive work schedule, (iv) working environment of average quality and (v) relatively remote geographical location of the office.

Limited financial resources

As at 30 June 2019, our cash and bank balances were approximately SGD1.8 million which is lower than our total bank borrowings and trade and other payables balance of approximately SGD2.6 million. In addition, one of our properties has already been pledged as security for our bank borrowings.

We have therefore been prudent in terms of making offer to suitable candidates while recruiting, and in terms of salary increment to retain our employees, which in turn affect our hiring competitiveness in the job market.

Lack of corporate branding

Our operation involved contribution from our professional and experienced engineers, and competition for the pool of these engineers is keen among the industry. In general, experienced and professional engineers prefer to work for companies with branding, such as listed companies or large multinational corporations. Given our Group is a medium-sized private company, we have encountered difficulties in competing for talents.

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Intensive work schedule

As evidenced by our projects in backlog in Singapore, we have 47 projects in progress as at 30 June 2019 with an expected revenue of approximately SGD10.5 million to be recognised after the Track Record Period. In addition, we had eight projects awarded but not yet commenced as at 30 June 2019 in Singapore with an expected revenue of approximately SGD1.4 million. The total 55 projects, including 47 projects in progress and eight projects awarded, have an average contract value of approximately SGD482,000, which is far greater than the average contract value of the 69 completed projects in Singapore in 2017 of approximately SGD140,000. With the existing pipeline, our staff have already been fully occupied with the jobs on hand.

Working environment of average quality

Due to the limited size of our Group's existing office, our Group often have difficulty in fulfilling all the needs of the daily operation of our business. For example, our Group's existing office does not have sufficient meeting rooms for internal meetings, training, meeting with clients and space for additional office equipment.

Relatively remote geographical location of the office

The address of our Group's existing office at 28 Sin Ming Lane, #04-136 Midview City, Singapore 573972 is at a relatively remote location from the essential hub for the Singapore's economy. Given the relatively remote location of our existing office, we have encountered difficulties in competing for talents and often find it time-consuming to have meeting with clients at their offices close to the hub of the urban area of Singapore.

With our Group's expansion plan in Singapore and the relocation of new office situated in urban area which are easily accessible by public transport and with adequate amenities in the vicinity such as banks, shops, eateries, etc., our Directors believe that we could attract more elites of the industry to join our Group and alleviate the problem of labour shortage.

Our Directors are of the view that the public listing of our Group will enhance our brand in recruitment and retention of qualified engineers, the additional capital raised will also allow us to employ additional staff to avoid losing business opportunities due to lack of manpower.

We intend to use 14.8% of the net proceeds from the Share Offer to relocate (through a number of steps) to a larger office in Singapore, which includes payment on office rental, rental deposit, office fitting out and office equipment such as computer hardwares and softwares. The details of our relocation plan are set out below:

1. As at 30 June 2019, all our staff in Singapore (including engineers, supporting staff and management) worked in #4-136 (self-owned and with a floor area of approximately 133 m²) and #3-137 (leased and with a floor area of approximately 133 m²) of the same building at 28 Sin Ming Lane, Singapore.

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2. We will rent a small office for the additional staff to be recruited in Singapore office, in which the recruitment of other additional staff will be funded by internal resources. The proposed duration of such lease would be 7 months or such period that will allow us to match the expiry date of the tenancy for #3-137. The reason for renting a small office before renting a larger office is that it will allow our Group sufficient time to look for an appropriate large office that is suitable for our Group's needs while being able to recruit additional staff and has the capacity to handle additional business right away.

It also gives our Group flexibility and better implementation of the expansion plan because our Group can close down the small office (with a relatively short term of approximately 7 months) and without getting stuck with a large office and continue to pay a higher office rent (for a term of three years or more).

Our Directors believe that leasing an additional small office first is a much more prudent approach.

3. Upon the expiration of the lease for #3-137 on 4 October 2020, we will rent a larger office (with a floor area of approximately 370 m²) to relocate all our 78 staff in #3-137 and #4-136 and the additional staff in the small office as described in 2 above to such larger office to enhance the efficiency of the daily work and operation of our civil and structural team. On the other hand, our Group will allocate the geotechnical team to #4-136, which would be vacant after the civil and structural engineering team in that office has been relocated to the new office.
4. With regard to the larger office, our Group is looking for a lease term of 3 years or above, rental of around SGD15,000 per month. The new office should be situated in urban area of Singapore easily accessible by public transport and with adequate amenities in the vicinity such as banks, shops, eateries, etc and close to the offices of our clients to shorten our travel time for having meetings with them. Our Group expects that the new office will enhance our image as a sizable operation, which in turn will help attract the elite of the industry to join our Group.

Out of the 14.8% of the net proceeds from Share Offer or the approximate amount of HK\$4.4 million for office relocation in Singapore, approximately HK\$1.7 million or 5.7% of the net proceeds would be used for payment on office rental, approximately HK\$0.3 million or 0.9% of the net proceeds would be used for payment on rental deposit, approximately HK\$2.1 million or 7.0% of the net proceeds would be used for payment on office fitting out and approximately HK\$0.3 million or 1.2% of the net proceeds would be used for payment on other expenses such as utility charges and cleaning. Please refer to the paragraph headed "Future plans and use of proceeds — Use of proceeds" in this prospectus for further details.

2. *Establish a geotechnical division in Singapore*

According to the Industry Consultant's Report, the geotechnical engineering consultancy services are, among other things, related to the early stage of building developments, namely the investigation related to the geotechnical aspects and the advice on the methods and materials in constructing the foundation and the underground structure of the project sites. Therefore, engineering design capability, know-how and skills are commonly applicable in the fields of both geotechnical engineering and structural engineering. More importantly, engagement in the early stage of construction projects enables the engineering consultant to be involved in the master planning of the entire projects, which increases the possibility of being awarded contracts in other fields of works, including structural engineering.

In Vietnam, geotechnical engineering work can be carried out by third-party consultants with relevant licence regardless of the scale of the project buildings. The geotechnical engineering work that currently can be carried out by us in Singapore is subject to certain limitations, including that the subject building shall be below 30 storeys (details of which are set out in the paragraph headed "Regulatory overview — Regulations and supervision of business in Singapore — Building Control Act" in this prospectus), as all foundation works for buildings of 30 or more storeys are classified as geotechnical building works by the BCA, and the relevant plan and report must be prepared by geotechnical engineer. We intend to set up a separate geotechnical division with professionals licenced to carry out geotechnical engineering work, so that we can expand our scope of service to our clients.

According to the Industry Consultant's Report, the revenue generated from civil and structural engineering consultancy services in Singapore amounted to SGD263.8 million, while the geotechnical engineering consultancy services accounted for approximately 18.7% of the market in 2018. Although there was a slight decline in terms of revenue generated from civil and structural engineering consultancy services in Singapore from 2013 to 2018, it is expected to grow at a CAGR of 6.9 from 2019 to 2023. Setting up a new team specialising in the field of geotechnical engineering would further strengthen our Group's position as an established engineering consultant in Singapore. We believe the expansion of our capability in this area will allow us to capture more business opportunities.

Due to the fact that our Group did not hire any geotechnical engineers registered as a specialist professional engineer in Singapore, we had to rely on third party consultant to deliver part of our geotechnical engineering works that cannot be carried out by us in a special case. During the Track Record Period, we had received one invitation from a client for our Group's geotechnical engineering services and were awarded such contract by the client. In this contract, we had incurred a total of approximately SGD0.1 million cost in the financial year ended 31 December 2018 and the six months ended 30 June 2019 for engaging a third party consultant for this geotechnical engineering job. Our Group charged the client such fee without any mark-up or profit. That was a special case as the client has known our executive Director Mr. Wong for over 3 years and there were a few projects running with the client at the time.

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Our Directors are of the view that the reliance on third party consultant is not desirable for our Group because (i) clients generally prefer one-stop solution from civil and structural engineering consultancy company, and (ii) it is more difficult to monitor the performance of consultants than our own staff.

Our Group plans to establish a new geotechnical division which comprises of four employees, including two geotechnical engineers each with a minimum of three years of experience in the industry and holds a bachelor degree in civil & structural engineering with specialisation in geotechnical engineering, one senior geotechnical engineer with a minimum of seven years of experience in the industry and holds a bachelor degree in civil & structural engineering with specialisation in geotechnical engineering, and one geotechnical project manager who will be a geotechnical professional engineer with a minimum of 15 years of experience and holds a master degree or bachelor degree in civil & structural engineering with specialisation in geotechnical engineering and who is a registered Professional Engineer (Geotechnical).

According to the Industry Consultant's Report, there would be an increasing demand for geotechnical engineering consultancy services in Singapore from a market size of approximately SGD52.8 million in 2019 to approximately SGD70.2 million in 2023 at a CAGR of 7.4%.

Also, according to the Industry Consultant's Report, the number of buildings of 30 or more storeys in Singapore is estimated to be more than 200 in 2019, and more tall buildings are forecasted to be completed in the near future. Market participants who are able to provide geotechnical engineering consultancy services for buildings of 30 or more storeys would receive the impetus. Therefore, our Directors believe that, if our Group establishes a geotechnical division with professionals licenced to carry out geotechnical engineering work for buildings without height restriction, we could capture the business opportunity arisen from the increasing demand of geotechnical engineering service in Singapore.

As pointed out in the Industry Consultant's Report, established business relationship with key clients such as major property developers is an important asset for geotechnical engineering consultants in Singapore. Also, our Directors believe that, our listed status in Hong Kong following the Listing, could help our Group capture demand for our Group's new geotechnical division as the potential customers will have more confidence dealing with a listed company.

Among our top five clients during the Track Record Period, Client A, Client B and Client E are property developers in Singapore. We therefore believe that we have a good chance of capturing business for our geotechnical division. This is further supported by the fact that since 1 January 2017, we have come across 13 projects which require input from geotechnical engineers who are registered as specialist professional engineers in Singapore, and eventually such works were awarded to other consultants due to our lack of such geotechnical engineers. Our Directors estimated that our Group would have recorded additional SGD1.2 million revenue if we had established a geotechnical division in Singapore since 1 January 2017, and such lost revenue was calculated by making reference to (i) the subcontracting fee of the third-party geotechnical engineering consultant we have incurred

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during the Track Record Period (the “**Benchmark**”), (ii) the size of the project site as compared with the Benchmark, and (iii) the complexity of the projects as compared with the Benchmark.

Our Group plans to take the following steps to capture the demand for geotechnical engineering consultancy services:

1. Introduce to our clients who are developers/main contractors our capabilities to take up the geotechnical works through exhibitions and meetings with potential clients and convince our clients to consider our tender applications for their projects;
2. Promote our geotechnical engineering services when we respond to tender invitations/quotation requests by mentioning that we can also provide geotechnical engineering services and will provide quotation upon request; and
3. Adopt marketing strategies which include promoting our geotechnical services capability to our clients via emails and different marketing means set out in the section headed “Future Plans and Use of Proceeds — Use of proceeds” in this prospectus.

We plan to use approximately 14.5% of the net proceeds from the Share Offer or the approximate amount of HK\$4.3 million for establishing a geotechnical division in Singapore, approximately HK\$3.5 million or 11.7% of the net proceeds would be used on recruitment of qualified personnel and supporting staff, and approximately HK\$0.8 million or 2.8% of the net proceeds would be used for relevant office expenses. Please refer to the paragraph headed “Future plans and use of proceeds — Use of proceeds” in this prospectus for further details.

Expand our operation in Vietnam

The revenue generated from our Vietnam operation was approximately SGD3.3 million, SGD3.4 million and SGD1.4 million for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively.

Despite the low growth in segmental revenue in Vietnam, we still intend to expand our operation in Vietnam due to the following reasons:

First of all, the low growth rate of our Group’s segmental revenue in Vietnam was attributable to the shortage of civil and structural engineers in our Ho Chi Minh City office, and not because of poor business in Vietnam.

There is a limit as to how many cases an engineer can handle at the same time. To overload our engineers will run the risk of having them making errors in their work and may result in damage to our reputation. Our staff in Vietnam were already fully occupied. Getting any more project will not be handled by anyone, as demonstrated by the fact that our Vietnam office has declined 6, 6 and 2 projects in 2017 and 2018 and the six months ended 30 June 2019.

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Secondly, our Vietnam expansion plan includes the setting up of a specialised supervision department, the details of which are set out below. The segmental revenue in 2017, 2018 and the six months ended 30 June 2019 for Vietnam did not include any revenue from stand-alone construction supervision services. If our Group's construction supervision team in Vietnam is established, we would be able to provide construction supervision services in addition to the civil and structural engineering consultancy services to our clients. Such one-stop solution would allow our Group to capture sufficient demand of construction supervision services from our existing and future clients.

As at the Latest Practicable Date, we have secured one contract in Vietnam for civil and structural consultancy services with contract value of approximately SGD0.2 million pending the finalisation of the contract. If this project in Vietnam is also taken into account, our ending value of backlog as at the Latest Practicable Date would have gone up to approximately SGD5.7 million, representing an increase of approximately 16.3% as compared to the backlog as at 30 June 2019.

Thirdly, according to the Industry Consultant's Report, the civil and structural engineering consultancy services market in Vietnam had increased at a CAGR of 9.9% from 2013 to 2018 and is expected to increase at a CAGR of 9.8% from 2019 to 2023. This is much higher than the expected growth of the civil and structural engineering consultancy services market in Singapore from 2019 to 2023, which is 6.9%. The low growth rate of our Vietnam segmental result is therefore not indicative of the Vietnam market for civil and structural engineering consultancy services market, and is due to a specific reason, namely our shortage of manpower.

Fourthly, the gross profit margin of projects in Vietnam were 69.3%, 68.8% and 69.1% in 2017, 2018 and the six months ended 30 June 2019, respectively, which are a lot higher than Singapore which were 43.4%, 39.8% and 33.7% in the same periods. This is mainly due to lower labour cost in Vietnam.

In view of (i) our shortage of engineers in Vietnam, (ii) the potential revenue to be generated by the construction supervision services, (iii) the expected higher growth of the Vietnam market and (iv) the higher gross profit margin that can be achieved in Vietnam, it is therefore necessary for our Group to invest in Vietnam to open an additional office in Da Nang, hire more engineers and relocate to a bigger office in Ho Chi Minh City to capture the market opportunities in Vietnam, the details of which are set out below.

Our Group intends to capture market demand for civil and structural engineering services in Vietnam through the use of approximately HK\$0.1 million or 0.4% of the net proceeds from the Share Offer on sales and marketing in Vietnam as set out below. The marketing effort will include online marketing and advertising. It is also our intention to bring the attention of our existing clients to the opening of our office in Da Nang and our new supervision department through a new office housewarming reception.

The details of our expansion plan in Vietnam are set out below:

1. Setting up a new office in Da Nang

We currently have two offices in Vietnam, one in Ho Chi Minh City which is in the south of Vietnam and one in Hanoi which is in the north of Vietnam. We intend to set up a third office in Da Nang, which is in the middle of Vietnam. This will allow us to cover the whole country and establish ourselves as a national consultancy firm, which in turn will increase the confidence of our clients in us. Furthermore, according to the Industry Consultant's Report, Da Nang is an essential hub for the Vietnam's economy and the Da Nang Port acts as a crucial gateway to other Southeast Asian countries. The local government has also created a more favourable business environment to attract foreign investment. Being one of the popular tourist hotspots in Vietnam, Da Nang has a tremendous business potential in future development, and the demand for infrastructure and construction works has been steadily increasing to meet the increasing number of tourists from the PRC and Korea.

During the Track Record Period, our Group has come across 4 quotation requests from potential clients for projects located in Da Nang, with estimated contract sum amounted to SGD1.7 million.

Through establishing a new office in Da Nang, our Group will be able to capture the business opportunities in that region and provide responsive support to other business across Vietnam.

We intend to use approximately 5.4% of the net proceeds from the Share Offer or the approximate amount of approximately HK\$1.6 million to set up this office in Da Nang, out of which approximately HK\$0.9 million or 3.1% of the net proceeds would be used for payment on recruitment, approximately HK\$0.2 million or 0.5% of the net proceeds would be used for office rental and rental deposit, approximately HK\$0.5 million or 1.8% of the net proceeds would be used for office fitting out and office equipment such as computer hardware and software. Please refer to the paragraph headed "Future plans and use of proceeds — Use of proceeds" in this prospectus for further details.

2. Relocation of our Vietnam office in Ho Chi Minh City

Similar to the situation in our Singapore office, our Directors are of view that we should secure a new office and relocate our existing Vietnam office in Ho Chi Minh City with a view to accommodating the additional headcounts in order to enhance our capability and allowing us to undertake more projects.

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The following table sets out the number of tender invitations/quotation requests our Ho Chi Minh City office has declined due to limited manpower since 1 January 2017, together with their corresponding estimated consultancy fee. The tender invitations/quotations declined were mainly for consultancy services for conventional projects.

	No. of tender invitations/ quotation requests	Estimated consultancy fee (SGD'000)
<i>Year ended 31 December 2017</i>		
Tender invitations/quotation requests we have declined due to shortage of civil and structural engineers	6	1,575
<i>Year ended 31 December 2018</i>		
Tender invitations/quotation requests we have declined due to shortage of civil and structural engineers	6	1,592
<i>Six months ended 30 June 2019</i>		
Tender invitations/quotation requests we have declined due to shortage of civil and structural engineers	2	1,632

As evidenced by our projects backlog in Vietnam, we have 45 projects in progress as at 30 June 2019 with an expected revenue of SGD4.6 million to be recognised after the Track Record Period. In addition, we have six project awarded but not yet commenced in Vietnam with an expected revenue of SGD1.6 million. With the existing pipeline, our staff have already been fully occupied with the jobs on hand.

The shortage of civil and structural engineers has resulted in our Ho Chi Minh City office declining 6, 6 and 2 tender invitations/quotation requests in 2017, 2018 and the six months ended 30 June 2019, respectively.

In order to address this issue, our Group has to hire more engineers. In order to hire more engineers, our Group needs to have a bigger office, taking into account the need for additional office space for the supervision department already. Our Group believes that our proposed Da Nang office can help to provide support for new projects across Vietnam, when they have spare capacity particularly in the early stage of operation in the Da Nang office.

So it is our Group's plan that, when the business of the Ho Chi Minh City office expands to an extent where support from Da Nang office will no longer be sufficient, our Group will then hire additional engineers for the Ho Chi Minh City office utilising internal resources, which will then be feasible because the relocated office in Ho Chi Minh City will be big enough to accommodate these additional engineers.

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In short, the shortage of engineers is relevant to the relocation in a sense that although in the short term, the shortage of engineers in Ho Chi Minh City can be covered by the Da Nang Office, the relocation to a new and larger office allows our Group the flexibility of hiring more engineers as and when the need arises, notwithstanding there is currently no plan to hire engineer in Ho Chi Minh City. The office relocation will also provide the necessary office space to accommodate the new headcounts for our supervision department, please refer to paragraph headed “Business — Business strategies and future plans-expand our operation in Vietnam — 3. Expand the scope of service to supervision department in our Vietnam office” in this prospectus.

We intend to use 4.1% of the net proceeds from the Share Offer or the approximate amount of HK\$1.2 million to set up the office in Ho Chi Minh City, which includes office rental, rental deposit, office fitting out and office equipment such as computer hardware and software. We currently occupy part of 2nd floor and the whole 4th floor of the same office building. We intend to replace our existing office in the 2nd floor by securing another whole floor of the same building or a building close to the current location of our office, and relocate all our existing staff in the 2nd floor and the additional headcounts to be recruited in the construction supervision team to this new office. We are looking for a lease term of three years or above, rental around SGD3,500 per month. Please refer to the paragraph headed “Future plans and use of proceeds — Use of proceeds” in this prospectus for further details.

Out of the 4.1% of the net proceeds from Share Offer or the approximate amount of HK\$1.2 million for setting up office in Ho Chi Minh City, approximately HK\$0.5 million or 1.6% would be used for payment on office rental and rental deposit, approximately HK\$0.4 million or 1.5% would be used for payment on renovation and approximately HK\$0.3 million or 1.0% would be used for payment on other office expenses such as utilities and cleaning.

3. Expand the scope of service to Supervision Department in our Vietnam Office

We intend to set up a supervision department in our office in Ho Chi Minh City, Vietnam to provide specialised construction supervision services to our clients in Vietnam in the future. We currently provide (i) construction design, and (ii) advisory services in relation to construction supervision as part of our civil and structural engineering consultancy services in Vietnam, and the scope of our service in this area is rather limited due to our lack of manpower. Based on our experience, we believe that there is a huge demand for construction supervision work in Vietnam, and we intend to expand the scale of our operation in this area to increase our revenue. According to the Industry Consultant’s Report, it is not uncommon in Vietnam for the civil and structural service providers to provide licenced construction supervision work. According to Decree No. 63/2014, Article 2, item 3 issued by the Vietnam Government, consulting service providers can provide consultancy and supervision services. During the Track Record Period, all of our Group’s clients engaged our Group for construction design and advisory services in relation to construction supervision as a package. In June 2019, our Group has obtained Construction Eligibility Certificate (Class III) for construction supervision services. For the classification and details of Construction

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Eligibility Certificate, please refer to paragraph headed “Regulatory overview — Regulations and supervision of our business in Vietnam — Regulations on construction engineering and design services — Licencing” in this prospectus.

The first application for the Construction Eligibility Certificate for construction supervision services was made by our Group on 17 January 2019 and the DOC of HCMC has approved its issuance as of April 2019. In June 2019, our Group has obtained Construction Eligibility Certificate (Class III) for construction supervision services.

According to the legal adviser as to the laws of Vietnam, there would not be material legal impediments for our Group to obtain the Construction Eligibility Certificate, subject to our Group complying with the relevant pre-requisites and applicable laws of Vietnam, not being in breach of the requirements and/or conditions relating to the Construction Eligibility Certificate.

According to the legal adviser as to the laws of Vietnam, the eligibility requirement for the Construction Eligibility Certificate is that (i) the individual who will be the chief supervisor must have a Class III or higher Construction Practising Certificate in construction supervision and (ii) other supervisors must have certificates suitable for the type of project in which they will be involved. As six employees in our Vietnam office already possess Construction Practising Certificates (of Class III or higher) in construction supervision, therefore, we already have the qualified staff required for our construction supervision services. However, three out of the above six existing employees with qualified supervision certificate are key designers in the Vietnam office and have taken up responsibilities as project managers and will not have time to perform the supervision work. As such, our Group needs more qualified staff to handle construction supervision work.

For the recruitment of our Group’s construction supervision team, our Group plans to recruit the staff who holds a supervision certificate endorsed by MOC, with at least 8 years of site experience or design experience in building structures and able to communicate in English.

We ranked 5th in 2018 among market participants of the civil and structural engineering consultancy service industry in Vietnam in terms of revenue. During the Track Record Period, we have a number of on-going projects in Vietnam. If our Group’s construction supervision team in Vietnam is established, our Group would be able to provide construction supervision services in addition to the civil and structural engineering consultancy services to our clients. Such one-stop solution would allow us to capture sufficient demand of construction supervision services from our existing and future clients.

During the Track Record Period, we also received invitations from potential clients for providing construction supervision services to them. Therefore, although our Group is yet to have any confirmed orders/contracts for construction supervision services due to the fact that our Group has not yet obtained the Construction Eligibility Certificate until June 2019, our Directors believe that we can capture sufficient demand of construction supervision service in Vietnam. During the Track Record Period, we had been invited to submit tender proposal for three potential projects for providing site supervision services on construction sites with a total area of approximately 500,000 m², and the potential clients have indicated in their

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requests that a total of 37 construction supervisors are needed in the three projects. Our Directors consider that the hiring of 35 staff for supervision department would be appropriate in view of the existing demand. As at the Latest Practicable Date, among the three potential projects, we had been awarded one site supervision project with a contract value of approximately SGD0.6 million in October 2019.

The 35 staff for supervision department will include five chief supervisors each with a minimum of 10 years of experience in construction supervision work and holds an engineering degree and has the certificate for the practise of construction supervision; 15 civil and structural supervisors each with a minimum of eight years of experience in civil and structural supervisor role or in design work and holds a civil engineering degree and has the certificate for the practise of construction supervision; 10 mechanical, electrical and plumbing supervisors each with a minimum of eight years of experience in construction supervision work and holds an electrical engineering degree and has the certificate for the practise of construction supervision; and five finishing supervisors each with a minimum of eight years of experience in finishing supervisor role or in design work and holds a civil engineering degree, have the certificate for the practise of construction supervision.

We intend to use approximately 14.0% of the net proceeds from the Share Offer or the approximate amount of HK\$4.2 million to set up a site supervision team in our office in Ho Chi Minh City, Vietnam, out of which approximately HK\$4.1 million or 13.7% of the net proceeds would be used for the payment on recruitment and approximately HK\$0.1 million or 0.3% of the net proceeds would be used for office equipment such as hardware or software. Please refer to the paragraph headed “Future plans and use of proceeds — Use of proceeds” in this prospectus for further details.

Set up a supporting office in Hong Kong

According to the Industry Consultant’s Report, Our Group has been involved in 17 out of a total of 36 PPVC projects in Singapore. Our Directors believe that our substantial experience in PPVC in Singapore and the patents of our Group’s knowhow of composite shear wall construction system for PPVC to be registered would be the competitive advantages over our peers in Hong Kong and allow us to capture sufficient demand for our services.

With our substantial experience in PPVC in Singapore, our Directors believe that we have a competitive advantage over our peers in Hong Kong in providing our services.

We have leased a supporting office in Sheung Wan, Hong Kong with a lease term of two years with a monthly rental of approximately HK\$28,000. The type of service provided by the Group in Hong Kong would be civil and structural engineering consultancy services with a focus on PPVC (or MiC as that type of construction method is known in Hong Kong). Our Directors believe that the establishment of the supporting office in Hong Kong will facilitate our Group’s exploration of business opportunities in the public housing market in Hong Kong and in the “belt area” under the development strategy of “One Belt One Road” initiated by the PRC government.

Our Directors believe that the new Hong Kong office will act as a bridge between the head office in Singapore and the PRC market for our Group due to the close proximity between Hong Kong and the PRC markets.

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Our Directors believe that the PPVC design is suitable for the construction of public housing in Hong Kong, as PPVC's unique feature in the construction and production process shortens the construction process with lower costs, which will be attractive to the Hong Kong government whose public fund spending is under supervision by the Legislative Council and the general public.

In fact, the Hong Kong government has launched an initiative in 2017 to promote and lead the use of MiC (which is basically PPVC) in the construction industry. The Housing Authority has also announced in September 2018 that it was conducting a viability study to examine whether it is appropriate to adopt MiC method for public housing development projects.

As at the Latest Practicable Date, there are seven ongoing PPVC projects in Hong Kong, including Disciplined Services Quarters for Fire Services Department at Pak Shing Kok, Tseung Kwan O and Student Residence at Wong Chuk Hang Site for the University of Hong Kong, the Innocell of Hong Kong Science Park, Elderly's Home at Jat Min Chuen in Sha Tin, Transitional Homes at Nam Cheong Street, Sham Shui Po, Transitional Homes at Yen Chow Street, Sham Sui Po and Transitional Homes at Yipshing Street, Kwai Chung.

TW-Asia, one of our Group's subsidiaries, has entered into a non-legally binding memorandum of understanding dated 29 October 2018 with a Singapore-incorporated subsidiary of a Hong Kong listed Company which provides a range of services including services to assist in the process of planning, coordinating, monitoring and controlling of construction projects. The parties agree to cooperate with each other to undertake MiC/PPVC projects in the PRC and Hong Kong. As at the Latest Practicable Date, we have not entered into any binding contract with the Hong Kong listed Group, and no project has been undertaken by both parties to the memorandum of understanding together.

Further, in January 2019, a reputable Hong Kong construction company has collaborated with our Group and accepted the fee quotation from our Group for services as MiC consultant in preparation for the tendering of a project in Hong Kong. Our Group subsequently entered into a service agreement with this reputable Hong Kong construction company on 22 March 2019, the major terms of which are set out below:

- (i) service fee in the sum of SGD25,000 shall be payable by 2 instalments;
- (ii) service fee payable even if the tender is not successful;
- (iii) the contract duration commences on the date of the service agreement or date of instruction, whichever is earlier and will end on the date of submission of the tender; and
- (iv) our Group shall provide technical advice such as conceptual design for the project during tender stage.

During the Track Record Period, our Group has incurred costs of approximately SGD15,000 and assigned two staff for carrying out the work under the Service Agreement. Our Directors believe that our Group's profit generated from our business operation in Hong Kong is subject to Hong Kong tax, and accordingly, the profits generated under this agreement is subject to Hong Kong tax, as the services were delivered in Hong Kong. According to the FAQ on the website of

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the Inland Revenue Department of Hong Kong, in general, all entities with profits chargeable to profits tax in Hong Kong would qualify for the two-tiered profits tax rates, where the profits tax rate for the first HK\$2 million of assessable profits will be 8.25%, and assessable profits above HK\$2 million will be subject to the profits tax rate of 16.5% for corporations. As it applies to all entities with profits chargeable to profits tax in Hong Kong, our Directors believe that the two-tiered profits tax rates apply to profits of our Hong Kong operation. Please refer to the paragraph headed “Regulatory overview — Regulations and supervision of our business in Hong Kong” in this prospectus. To the best knowledge of our Directors, it is expected that the tender result would be released in the second half of 2019.

Our Directors are of the view that, cooperation with the Hong Kong listed group, which has substantial experience and business connections in Hong Kong, could help the Group to tap into the Hong Kong market for PPVC consultancy projects. Our Directors believe that the business cooperation with the Hong Kong listed group could also (i) enhance the brand recognition and business profile of the Group and (ii) build up the credibility of our Group, which will further increase our competitiveness against our peers in Hong Kong when participating in tenders of projects.

That said, we are new to the civil and structural engineering consultancy services market in Hong Kong. In order to establish our business in Hong Kong, we would need to understand more about the relevant laws and regulations of Hong Kong governing the industry and build up business connections with companies in the upstream and the downstream sectors of the industry.

We intend to use approximately 18.8% of the net proceeds from the Share Offer or the approximate amount of HK\$5.6 million, for staff recruitment, rental and other related expenses for our supporting office already leased in Sheung Wan, Hong Kong. Approximately HK\$4.2 million or 14.3% of the net proceeds would be used for payment on recruitment, approximately HK\$0.8 million or 2.5%, would be used for office rental, other related expenses in relation to the new office premises and office fitting out, approximately HK\$0.6 million or 2.0% of the net proceeds would be used for office equipment such as computer hardware and software. Please refer to the paragraph headed “Future plans and use of proceeds — Use of proceeds” in this prospectus for further details.

Enhancement of our information technology system

According to the Industry Consultant’s Report, integration of BIM into PPVC technique would further enhance the productivity and allow a more comprehensive management of construction industry. Utilisation of BIM technology is anticipated to be one of the trends in the civil and structural engineering consultancy market. Our Group has made use of software adopting BIM technology to facilitate our construction consultancy services for PPVC projects since 2013. We plan to use part of the net proceeds from the Share Offer to enhance our information system in relation to BIM technology. We also need BIM in conventional construction method in both Singapore and Vietnam to enhance productivity and efficiency.

We plan to acquire a ERP system which we currently do not have. ERP system provides an integrated and continuously updated view of core business processes using common databases maintained by a database management system. The ERP could better facilitate information flow

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between all business functions of the various offices of our Group in Singapore, Vietnam and Hong Kong. Our Directors believe that the ERP system could enhance efficiency of the workflow of the Group and would save costs for the Group in the long run.

We intend to use approximately 11.8% of the net proceeds from the Share Offer or the approximate amount of HK\$3.5 million to finance the expansion of our information technology system, out of which approximately HK\$3.2 million or 10.6% of the net proceeds would be used for the purchase of additional licences for professional software such as Etabs, SAFE, Tekla, Revit and approximately HK\$0.3 million or 1.2% of the net proceeds would be used for ERP system for accounting and human resources records for the additional headcounts to be recruited. Please refer to the paragraph headed “Future plans and use of proceeds — Use of proceeds” in this prospectus for further details.

Sales and marketing

Our Group intends to build upon our existing marketing efforts to further promote ourselves and expand our market share in the civil and structural engineering consultancy sector, with a view to establishing our Group as a reliable service provider with quality products. In addition, our Group intends to strengthen our relationships with our existing clients and expand our client base.

As a professional entity, our Group plans to further our sales and marketing through the following ways:

(1) Online marketing

Going forward, our Group will continue to reinforce our sales and marketing efforts and enhance our exposure by participating in digital promotion campaigns and online marketing events from time to time in the future.

(2) Advertising

We also intend to strategically advertise in newspapers, such as The Straits Times and place congratulatory messages in newspapers to congratulate our clients’ on their new projects.

We intend to use approximately 1.4% of the net proceeds from the Share Offer or the approximate amount of HK\$0.4 million to finance our sales and marketing activities, which includes the costs for online marketing and advertising, out of which approximately HK\$0.3 million or 1.0% of the net proceeds would be used for sales and marketing activities in Singapore, while approximately HK\$0.1 million or 0.4% of the net proceeds would be used for sales and marketing activities in Vietnam, including to organise a housewarming reception in Vietnam to inform our existing clients that we have opened a new office in Da Nang and that we have a new supervision department. Please refer to the paragraph headed “Future plans and use of proceeds — Use of proceeds” in this prospectus for further details.

Scholarships

We intend to set up 8 scholarships of approximately HK\$68,000 each spreading over two years for NUS students in Singapore studying civil and structural engineering. This will help increase engineering students' awareness of our Group, improve our image among engineering students, and allow us to identify talented engineering students at an early stage with a view to building relationship with them by inviting them to work with us as summer interns. Proposed names of the scholarship have already been submitted around end of March 2019 to NUS for approval. According to NUS, the naming approval process usually takes two to three months. Once the name is approved, we will discuss with NUS on the selection criteria.

With our listed status in Hong Kong following the Listing, our multinational image with offices in Singapore, Vietnam and Hong Kong, the improved awareness of our Group among engineering students due to the scholarships, and our opportunity to establish early relationship with talented engineering students, our Directors believe that our competitiveness in the job market for talented candidates will improve significantly.

We intend to use approximately 1.8% of the net proceeds from the Share Offer or the approximate amount of HK\$0.5 million to set up 8 scholarships. Please refer to the paragraph headed "Future plans and use of proceeds — Use of proceeds" in this prospectus for further details.

Other business plan

In addition to the above business plan which involves the use of net proceeds from the Share Offer, we also intend to recruit two additional staff in Singapore during the six months ending 31 December 2019, which will be funded by internal resources.

Our Group is expected to recruit (i) one engineer with three to five years of experience in the industry and hold a bachelor degree in civil/structural engineering, and (ii) one draughtsman with around five years of experience in the industry and hold a degree or diploma.

The abovementioned additional staff is expected to be assigned to potential new projects in Singapore.

Our Directors are of the view that recruiting new staff will help alleviate the workload of our existing staff, which in turn will improve morale in general, and reduce staff turnover. For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, our staff turnover rates were approximately 25.5%, 11.3% and 7.9% respectively, which equals to the number of staff turnover during the year divided by the average of total opening and closing number of staff for the year/period. A reasonable workload which allows our staff to achieve work-life balance will also attract high calibre candidates when we recruit. The recruitment of senior engineer will help release our senior management to focus more on business development, instead of being tied up with project works due to shortage of manpower.

OPERATING PROCEDURES

One of the sources of our Group’s business is by tendering. We provide our services for government-related projects and private sector projects in both Singapore and Vietnam.

Tendering process

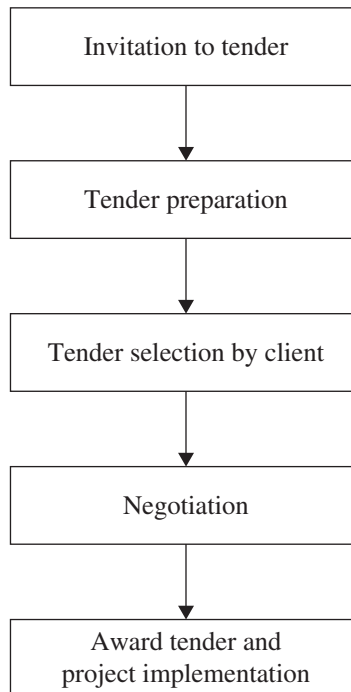
The following diagrammes illustrate the process of tendering for government-related projects and private sector projects.

(i) Government-related projects

In general, our Group would from time to time visit GeBIZ to check if there is any tendering opportunity for government-related projects. Occasionally, we learn about government projects from contractors where such projects are not published on GeBIZ.

The Singapore government will set out various tendering conditions, some require us to team up with other parties, and some do not, depending on the complexity of the projects. For smaller projects, the Singapore government will usually shortlist three to five candidates through a balloting process, who will then submit their tender prices. For more complicated projects, sometimes the tenderers will be required to submit two sets of documents: (1) “Open quality and productivity envelope” which contains documents setting out the track record/information on the quality and productivity of the tenderer and the proposed structural system and construction method; and (2) “Open price envelope” which contains the proposed price proposal. Scores will be assigned to each tenderer based on the contents of the two envelopes, and the one with the highest combined score will be awarded the tender. There are also projects where the tenderers are only required to submit a tender price and structural input.

(ii) Projects for private sector



Invitation to tender

We, from time to time, receive invitation to tender from our clients or potential clients in the private sector for our services. The invitation to tender usually contains tender documents which may include technical conditions of tender, conditions and requirements of relevant competent authorities and public utility licences required. We occasionally submit tender jointly with main contractors who are our clients.

All of the invitations to tender received by us will first be reviewed by our management. They will consider various factors, amongst others, nature of the project, project size, reputation of the clients, previous business experience working with this client (if any), any particular specialty required and the risks involved. If our management decides to accept the invitation, we will proceed to prepare the tender proposal.

Tender preparation and tender selection by client

We have a systematic tender review procedure to help us make a competitive tender submission. After our management decides to submit a tender, a project director in charge of the proposal/project will be assigned.

In general, the tender proposal involves two parts: (i) a fee proposal; and (ii) a technical proposal.

Preparation of fee proposal

Our Directors are responsible for making a fee proposal. We calculate the tender price with reference to the following factors: (i) project location; (ii) number of blocks; (iii) gross floor area of the site; (iv) complexity; (v) likely project cost; (vi) previous business experience; and (vii) risk involved. We will also make reference to the previous projects/proposals completed or submitted in preparing the fee proposal.

Preparation of technical proposal

The technical proposal is prepared by our project team which will be led by a project director, and comprising colleagues from different departments. We will consider the following factors in forming the project team: (i) project location, i.e. Singapore, Vietnam or other countries; and (ii) preferred construction method, i.e. conventional or PPVC.

Tender submission

Our management will review the final tender proposal and our Group's competitiveness amongst the competitors with a view to assessing our chances of success before we submit the tender. After the tender submission, we may be required to attend interviews to present the tender proposal to our clients and address their tender queries.

Negotiation

After submitting the fee proposal, our Directors would normally have the opportunity to engage in verbal negotiation with our client on the fee set out in the proposal, and will submit supplementary documents following changes in specification (if any) after the discussion.

BUSINESS

Award tender and project implementation

When a project is awarded to us, we will finalise the service contract with our client, and we will proceed to implement the project work pursuant to the terms and conditions of the service contract we entered into with our client. The actual work to be carried out by us much depends on the scope of services under the service contract. In general, our project director responsible will review and reconfirm the resources to be allocated to the project, including the confirmation of availability of the project team members and the subcontractors (if any). Our accounting department will check the service agreement before establishing an invoicing schedule of the project.

Tender success rates

During the Track Record Period, our success rates of tenders are set out in the tables below:

Year ended 31 December 2017

Tender placed	100
Successful tender	36
Success rate	36.0%

Year ended 31 December 2018

Tender placed	83
Successful tender	35
Success rate	42.2%

Six months ended 30 June 2019

Tender placed	57
Successful tender	15
Success rate	26.3%

For the period from 1 July 2019 up to the Latest Practicable Date^(Note)

Tender placed	43
Successful tender	5
Success rate	11.6%

Note: The relatively low rate of success for the tender placed for the period from 1 July 2019 up to the Latest Practicable Date was mainly due to the fact that generally it takes some time for our clients to handle our tender placed.

BUSINESS

Our success rates of tenders by client type are set out in the table below:

	Year ended 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2019	For the period from 1 July 2019 up to the Latest Practicable Date
Developers				
Tender placed	38	38	27	20
Successful tender	20	21	8	3
Success rate	52.6%	55.3%	29.6%	15.0%
Main contractors				
Tender placed	41	33	22	13
Successful tender	13	12	5	2
Success rate	31.7%	36.4%	22.7%	15.4%
Others (Note)				
Tender placed	21	12	8	10
Successful tender	3	2	2	—
Success rate	14.3%	16.7%	25.0%	—%

Note: For our clients in Singapore, it includes (i) Tham & Wong LLP, which contributes SGD1.6 million, SGD0.3 million and SGD16,000 in the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 respectively, (ii) owners of buildings and asset management companies for which we provide visual inspection of existing buildings and (iii) owner of buildings for which we provide civil and structural engineering consultancy services. For our clients in Vietnam, it includes architects and project management consultants.

BUSINESS

Our success rates of tenders by geographical location are set out in the table below:

	Year ended 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2019	For the period from 1 July 2019 up to the Latest Practicable Date
Singapore				
Tender placed	66	55	30	15
Successful tender	23	23	10	1
Success rate	34.8%	41.8%	33.3%	6.7%
Vietnam				
Tender placed	32	28	24	23
Successful tender	11	12	4	4
Success rate	34.4%	42.9%	16.7%	17.4%
Other Markets^(Note)				
Tender placed	2	—	3	5
Successful tender	2	—	1	—
Success rate	100.0%	—%	33.3%	—%

Note: It includes projects located in Maldives, Myanmar and Hong Kong.

Our success rates of tenders by project type are set out in the table below:

	Year ended 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2019	For the period from 1 July 2019 up to the Latest Practicable Date
Conventional Projects				
Tender placed	80	63	41	28
Successful tender	24	25	10	5
Success rate	30.0%	39.7%	24.4%	17.9%
PPVC Projects				
Tender placed	20	20	13	12
Successful tender	12	10	5	—
Success rate	60.0%	50.0%	38.5%	—%
Other Projects				
Tender placed	—	—	3	3
Successful tender	—	—	—	—
Success rate	—	—	—%	—%

BUSINESS

During the Track Record Period, Tham & Wong LLP tendered for projects identified by our Group and then subcontracted to our Group if the tender was successful. The tender success rates of Tham & Wong LLP during the Track Record Period are set out in the tables below:

Year ended 31 December 2017

Tender placed	10
Successful tender	6
Success rate	60%

Year ended 31 December 2018

Tender placed	2
Successful tender	2
Success rate	100%

Six months ended 30 June 2019

Tender placed	—
Successful tender	—
Success rate	—%

For the period from 1 July 2019 up to the Latest Practicable Date

Tender placed	—
Successful tender	—
Success rate	—%

As Mr. Wong has withdrawn from Tham & Wong LLP in February 2018, the partnership no longer tendered for projects and subcontracted to our Group since then.

Our Group had not submitted any tender to Tham & Wong LLP for any projects during the Track Record Period.

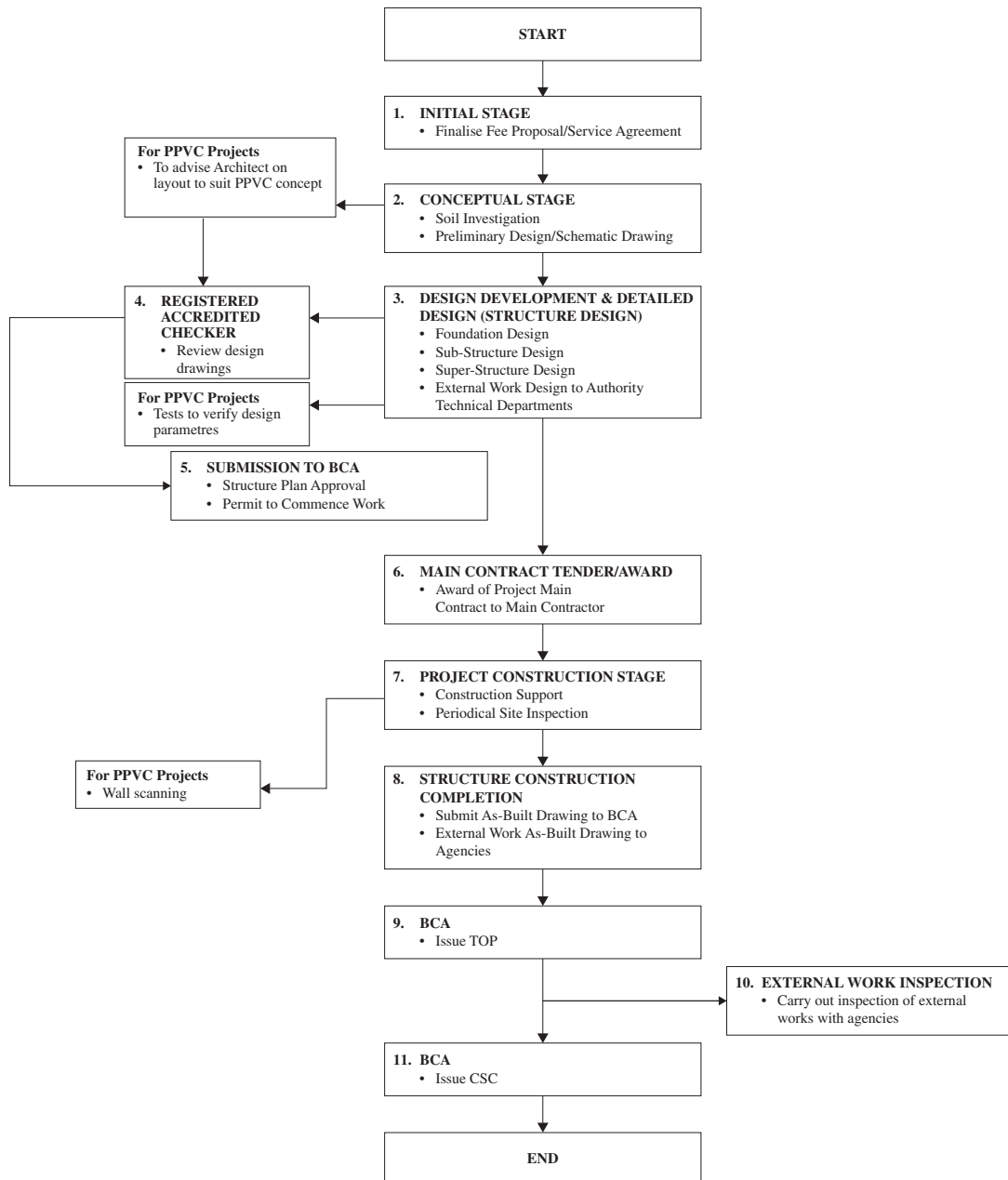
Regarding our historical success rates as shown above, our Directors are of the view that our historical success rates may not be reflective of our future success. Our Group has experienced limitation in tendering during the Track Record Period due to insufficient staffing and lower fees from competitors with their overseas low cost production centre. In such cases, our Group would in general restrain from submission of tender. On the other hand, our Directors confirm that, there are circumstances where we have insufficient staffing, rather than refraining from tendering, our Directors will proceed with tendering at a higher price to maintain our market presence, after taking into account the substantial over-time payments and even recruitment cost.

BUSINESS

Details of Project Implementation

Typical project workflow in Singapore

The basic workflow in a typical project of our client (a developer) in which we are involved can be divided into the following major stages. For the estimated duration of the projects, please refer to paragraph headed “Major contract terms — Contract period” in this section below for further details:



1. Initial Stage

After being successful in a project tendering, our Group would finalise the fee proposal and service agreement with our client. After that, our Group would commence project implementation, starting from the conceptual stage below.

2. Conceptual Stage

At this stage, for PPVC projects, when our Group receives conceptual layout from architects, our engineers would first check if such conceptual layout is suitable for PPVC method. If not, we would request the architects to revise the conceptual layout until such layout is feasible for PPVC.

Our team of experienced and qualified staff would review the client's design brief and requirements of the project. We would hold meetings with other third-party consultants involved in the project, and conduct preliminary investigation by visiting the project site, and collect data in relation to the project site. We would initiate and co-ordinate geotechnical investigations. We would also advise our client on the necessity for special survey investigation or test which may be required for the proper design and construction of the building, such as wind tunnel test, all of such investigation and tests would be conducted by third-party consultants engaged by the client. We would advise our client on the results of such special survey investigation or test. Based on the preliminary design drawings provided by third-party architects, we would study the structural system and provide our advice on civil and structural engineering information (e.g. information on preliminary structure sizes) to the architect to enable him to revise and submit his schematic design for our client's approval, and for the third-party quantity surveyor to use such revised schematic design to prepare the preliminary cost estimates of the project.

At this stage, our experienced engineer would then prepare schematic layout plans giving a general sizing of all the components such as column, beam and slab so that the architect and the client could visualise the locations of columns, structural walls and beams for (i) third-party architect to further study if the layout suits the requirements of the client and relevant authority; (ii) third-party quantity surveyor to have better cost estimates for the project, and (iii) third-party mechanical & electrical consultant to plan the routing of their cables, water pipes, etc.

3. Design Development & Detailed Design (Structure Design)

At this stage, our Group would develop and provide sufficient structural plans and details in collaboration with the third-party architect and other consultants to enable the architect to prepare his building plans, and enable the third-party quantity surveyor to further develop cost estimates of the project.

We would also compute and prepare structural buildable score of the proposed buildings for the architect's compilation and submission to the BCA.

Our engineering staff is responsible for further study into the structural system of the project building in order to achieve maximum structural design efficiency. Our engineering staff would use computer-aided engineering software and drawing software to prepare and design structural drawings such as foundation design, sub-structure design (for basement if available) and super-structure design

(for first floor upwards). Such designs are based on the schematic design approved by our client (which may consist of plans, details and other necessary drawings). The designs are prepared to enable the architect to illustrate the size and character of the entire project.

For PPVC projects, various tests would be conducted by third-party contractors to verify design parameters.

From time to time, we may be required to make changes and adjustments to the design necessitated by the discovery of unforeseen site conditions during the construction.

We would advise and assist the client to appoint third-party geotechnical and other specialist at client's request.

Apart from the drainage design work inside the project sites, our Group would also be responsible for the design and supervision of the external work surrounding the project sites. Typical external work includes tree planting, sewage and drainage, connection arrangement of minor sewage system connecting the project site to the area outside the project site.

Before the commencement of the external work, our Group would submit the drawings to relevant authorities (i.e. Public Utilities Board, National Parks Board, Land Transport Authority) for approval.

4. Registered Accredited Checker

Before submitting to BCA for approval, we would submit our foundation design, sub-structure design and super-structure design to third-party Registered Accredited Checker for approval. Our Group would then submit the documents approved by the Registered Accredited Checker and our design calculations & drawings to BCA for approval. Any enquiries from BCA about our submission would be attended to by our engineering staff.

5. Submission to BCA

After obtaining approval from BCA on our foundation, sub-structure and super-structure designs, we would apply from BCA for Permit to Commence Work on such designs. In general, in order to facilitate the commencement of the projects, we would first submit our foundation design to BCA to obtain the Permit to Commence Work on foundation. We would then submit our sub-structure and super-structure design to obtain BCA's approval. Any further amendments on the foundation, sub-structure and super-structure design would be submitted to BCA after the construction work on foundation begins.

6. Main Contract Tender/Award

As mentioned in steps 2 and 3 above, our Group would develop designs in collaboration with the third-party architect and other consultants and prepare structural drawings for tender documents to be prepared by the potential main contractors of the project. We would assist the third-party architect and the other consultants in the evaluation of such tenders.

Sometimes potential main contractors may submit detailed alternative design which is different from the design set out in the tender documents. In such case we would check, review and comment on such detailed alternative design submitted by the potential main contractors.

After the main contractor for the project has been selected, our Group would provide construction support and periodic site inspection set out in step 7 below. At this stage, for PPVC projects, our engineers would proceed to do the structural analysis and prepare a detailed design of the building to be constructed. The main contractor would then engage third-party contractors to perform tests to verify the design parameters in such detailed design until all the design parameters are verified. After that, the main contractor would engage third-party contractors to perform mould fabrication, module installation and inject wall grouting for the PPVC modules.

7. Project Construction Stage

(i) Construction Support

The construction stage commences after the tender is awarded to the main contractor. We would send our resident engineers and resident technical officers to supervise the foundation, sub-structure and super-structure works to ensure that these works are undertaken properly.

We are responsible for the supervision of the works of our clients or the contractor engaged by the clients. Our project manager will collaborate with other members of our design team in solving problems which may arise at this construction stage from the design drawings for the construction.

Our Group would attend site and general meetings convened by the third-party architect or the main contractor as and when necessary. We would also liaise and coordinate closely with other third-party consultants to ensure maximum efficiency in the progress and completion of the construction works.

From time to time, our Group would issue necessary and appropriate directions and instructions to the main contractor to enable them to prepare their working drawings and shop details (if applicable) and achieve on-time, expeditious and proper execution and completion of the construction work. We would also check, comment and approve (as appropriate) detailed alternative designs (including detailed design calculations and drawings thereof) submitted by the main contractor. We would witness and approve acceptance tests of the construction work on the project site as appropriate.

For our Consultancy Services for PPVC Projects, the main contractor will send third-party contractor to do scanning of wall grouting.

(ii) Periodic Site Inspection

Our Directors confirm that we will make visits from time to time to the site of the work in order to determine whether the construction work is proceeding in accordance with the approved plans and designs and specifications, and to ensure those works comply with the contractual requirements.

In general, after completion of each stage of construction work, our staff would conduct about 2 to 3 rounds of inspection on the project site. For each round of inspection, we would complete an inspection form recording inspection for such stage of construction work.

8. *Structure Construction Completion*

Submit as-built drawings to BCA

Upon completion of each stage of work (e.g. construction work of foundation), our engineering staff will gather relevant information from the site and update all the as-built drawings and the relevant calculations if necessary and submit such documents to BCA for approval.

The “as-built” drawings are to indicate to BCA the minor differences between the actual building and the initial design. In case there are major alteration of the design of the building, the respective designs are required to be resubmitted for approval and the relevant construction work could only be resumed after BCA approves such revised designs.

After completion of the construction of external work of the project site by the main contractor, our Group would submit the “as-built” drawings of the external work to relevant authorities for approval. Such “as-built” drawings are prepared by third-party licenced surveyors responsible for the project.

9. *Building & Construction Authority (BCA)*

The third-party architect working for the project will apply for the TOP and the CSC for the whole project site to be issued by BCA. To this end, we would send the approval for the (1) stages of construction work (issued by BCA) and (2) CSCs issued for external work such as tree planting, sewage and drainage (issued by Land Transport Authority, Public Utilities Board and National Parks Board after inspection) to the architect for his purposes of applying for the TOP and the CSC for the whole project site.

10. *External Work Inspection*

We would arrange inspection of the completed external work jointly with the Public Utilities Board, National Parks Board and the Land Transport Authority of Singapore, and prepare submission of documents of the completed external work for the approval by these authorities. Upon the satisfaction of the inspection and the documents, Public Utilities Board, National Parks Board and the Land Transport Authority would each issue a CSC for the external work completed.

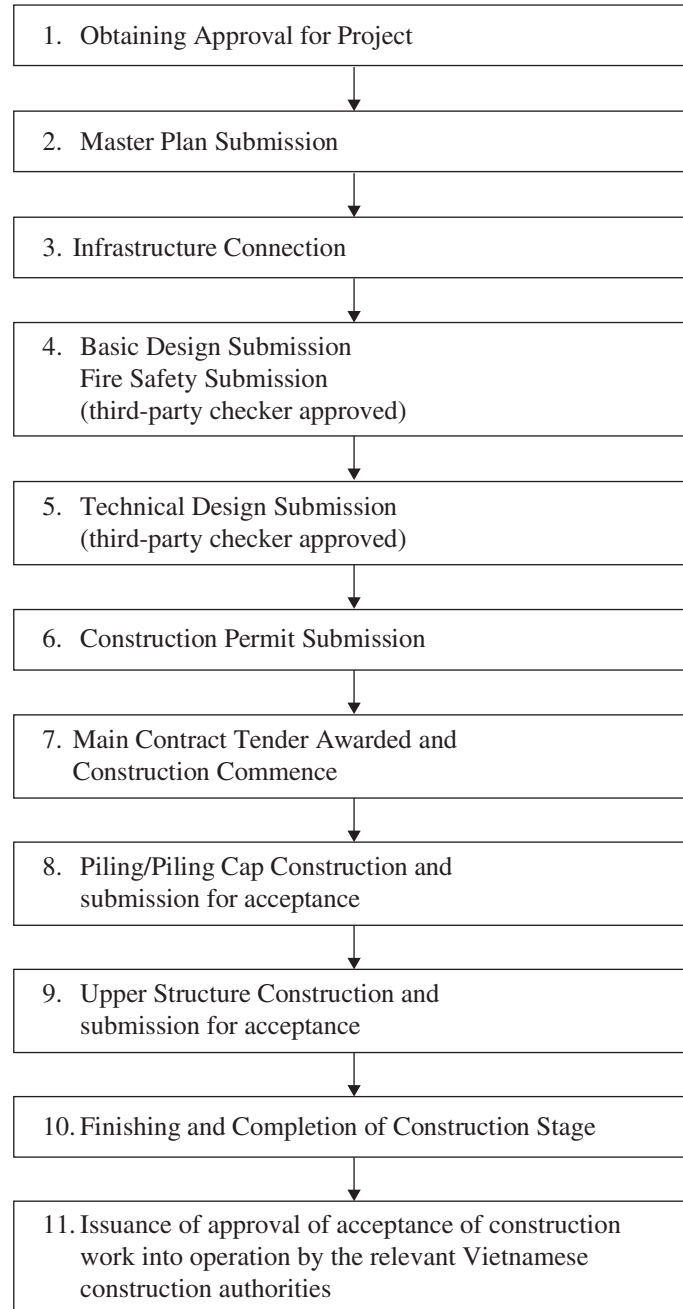
11. *Building & Construction Authority (BCA)*

Depending on the terms of the service contract, the project is considered to be completed after the issue of CSC for the whole project site by BCA generally.

BUSINESS

Typical project workflow in Vietnam

In general, the basic workflow in a typical project implemented by a developer in which the Vietnam subsidiary of our Group is involved would be divided into the following major stages. For the estimated duration of the projects, please refer to paragraph headed “Major contract terms — Contract period” for further details:



1. Obtaining Approval for Project

Before the commencement of the project, our client (mainly developers) are required to submit relevant documents to the Vietnam's licencing authorities (typically the DPI) for approval.

2. Master Plan Submission

After obtaining approval from the relevant licencing authorities, our client is required to submit the master plan of the project to the body in charge of urban planning (typically the Urban Planning Management Board or the Provincial Peoples's Committee) for approval.

In general, clients would submit the master plan at a scale of 1:500 directly without seeking our advice on the master plan. On the other hand, for projects which involve large pieces of land (for example a piece of land of 50 hectares or above), our Group would give advice and make necessary amendments to the master plan of infrastructure in relation to road layout, storm drainage layout and their respective connection details.

3. Infrastructure Connection

Design of the infrastructure connection would then be prepared. Our Group would be responsible for the design of infrastructure in relation to drainage, while third-party mechanical, electrical, and plumbing ("MEP") engineers would be responsible for the infrastructure in relation to sewage, water and power supply.

Upon completion of the infrastructure connection design layout and detailed design, our Group and parties responsible would send the design documents for the client to submit to the relevant departments for approval.

4. Basic Design Submission, Fire Safety Submission (third-party checker approved)

After the infrastructure connections have been approved, we would proceed with the basic design in which we would prepare and advise on the schematic design, basic design drawing, basic design reports and approved surveying task. We would then submit the basic design to third party checker for approval.

After the basic design has been approved by third-party checker, we would submit the design documents to the relevant departments for approval according to the classification of the project buildings. For buildings of Special Class or Class I, the design would be submitted to the MOC for approval. For buildings of Class II or Class III or the aforesaid residential projects, the design would be submitted to the DOC. For buildings of Class IV, the design would be subject to the investor (i.e. developer). Please refer to paragraph headed "Regulatory overview — Regulations and supervision of our business in Vietnam — Regulations on construction engineering and design services — Design approving authorities" of this prospectus for further details.

The third-party MEP engineers will be responsible for the design on fire safety which will be submitted to third-party checker for approval.

5. *Technical Design Submission (third party checker approved)*

After the basic design has been approved by the relevant departments, our Group would proceed with the technical design in which we would prepare and advise on the technical design, technical design reports and specifications of the project buildings. We would then submit the technical design to third-party checker for approval.

After the technical design has been approved by third party checker, we would submit the design documents to the relevant departments for approval according to the classification of the project buildings as mentioned in sub-section “4. *Basic Design Submission, Fire Safety Submission (third party checker approved)*” above.

6. *Construction Permit Submission*

After the technical design has been approved by the relevant departments, we would submit the approved technical design for the issue of construction permit.

In practise, in order to save time and not to cause any delay of the project, the developer would obtain construction permit for each stage of work. For example, they would first obtain a construction permit for the piling work in order to proceed with the piling work of the buildings (in general, sale of the building could commence once the construction permit for piling has been obtained and corresponding piling works are carried out). Then the developer would apply for construction permit for the upper structure of the buildings.

7. *Main Contract Tender Awarded and Construction Commences*

We will assist our client (i.e. the developer) in the evaluation of the tender submissions from main contractors, and will prepare an evaluation report for our client. Once the main contractor is successfully selected through tendering, the construction work of the project could commence.

8. *Piling/Piling Cap Construction and Submission for Acceptance*

The main contractor would first perform the construction work on piling and piling cap. After completion of the piling construction work, we would prepare the as-built drawings for submission and the main contractor would submit the drawings and relevant documents of the piling construction work to the relevant departments for approval according to the classification of the project buildings.

9. *Upper Structure Construction Stage and Submission for Acceptance*

The main contractor would then proceed with the construction work on upper structure of the building. After completion of the construction work, we would prepare as-built drawings for submission, and the main constructor would submit the drawings and relevant documents of the construction work to the relevant departments for approval according to the classification of the project buildings.

10. Finishing and Completion of Construction Stage

Upon completion of the whole building, we would prepare as-built drawings for the whole project, and the main constructor would submit the drawings and relevant documents of the construction work of the whole building to the relevant departments for approval according to the classification of the project buildings.

11. Issuance of approval of acceptance of construction work into operation by the relevant Vietnamese construction authorities

Upon approval of the construction of the building, the relevant construction authorities of Vietnam will issue the approval of acceptance of construction work into operation for the project building.

MAJOR CONTRACT TERMS

The following describes the general major terms and conditions of the service contracts entered into by our Group with our clients:

Scope of works

The service contract will provide our role and the works we are required to do in each project phase.

As to our role in the project, we may be engaged to provide civil and structural consultancy services of conventional or PPVC construction projects or projects which involves master planning, structural due diligence and visual inspection projects.

As to our work and responsibilities in the development, we may be engaged to focus on producing designs, such as structural drawings and design calculations, and to be responsible on project administration, which may include inspection and supervision of the project.

Terms of payment

In general, our service fee is agreed on a lump sum basis and is divided into various portions. Our service fee is paid in separate stages according to the payment schedule set out in the service agreements.

BUSINESS

The following table set forth the major payment stages in a typical project in Singapore:

Schedule of Payment

Stage	Description	% of payment
1.	Upon obtaining approval from BCA for foundation work	10
2.	Upon obtaining BCA permit to commence foundation work	5
3.	Upon obtaining approval from BCA for sub-structure	15
4.	Upon obtaining approval from BCA for super-structure	15
5.	During construction (to be paid on equal monthly interim payment based on the total fee for this stage over the construction contract period as stated in the contract document between the client and the main contractor)	40
6.	Upon obtaining TOP from BCA	10
7.	Upon obtaining CSC and/or finalisation of accounts, whichever is the later	5
Total		100

The following table set forth the major payment stages in a typical project in Vietnam:

Stage	Description	% of payment
1.	Upon signing contract	10
2.	Upon approval of architectural concept design	10
3.	Upon completion of design development	10
4.	Upon submission of 1:500 master plan	5
5.	Upon approval of 1:500 master plan	5
6.	Upon approval of fire safety design	5
7.	Upon basic design submission	5
8.	Upon submission of marketing document	5
9.	Upon submission of tender drawing	7.5
10.	Upon approval of construction drawing	7.5
11.	During construction (upon completion of basement)	7.5
12.	During construction (6 months into construction)	7.5
13.	During construction (upon completion of main structure)	10
14.	Upon issuance of “acceptance of construction works into operation”	5
Total		100

Note: The actual time of payment of the above schedule would depend on the progress of each project.

BUSINESS

From 1 January 2017 and up to 30 June 2019, for the site staff (i.e. the resident engineers and/or resident technical officers) sent by the Singapore subsidiaries of our Group to supervise project implementation at the project site, our Group would engage the site staff for the site supervision work in the course of the construction project. In such a case, we would issue separate bills every month to the client for the amount representing the salary of such site staff plus a markup of 5% (or SGD300 per site staff per month, whichever is lower) as our Group's fee. For the avoidance of doubt, the salary of such site staff is not included as part of the service fees set out in service agreements entered into between the Group and the clients.

Contract period

The duration of the service contracts vary based on a number of factors, including but not limited to, project type, project scale, complexity, role and scope of services under the service contract. Based on the understanding and industry knowledge of our Directors and our experience in operating our business, typical and average duration of service contracts of our projects under each of our major services, are set forth below:

Types of Services	Typical duration of service contracts of our projects	Average duration of service contracts of our projects
Singapore		
Consultancy Services for Conventional Projects	36 to 50 months	43 months
Consultancy Services for PPVC Projects	36 to 42 months	39 months
Others ^(Note 1)	1 to 13 months	7 months
Vietnam		
Consultancy Services for Conventional Projects	20 to 43 months	32 months
Others ^(Note 2)	7 to 10 months	9 months
Other Markets^(Note 3)		
Consultancy Services for Conventional Projects	42 to 62 months	52 months
Consultancy Services for PPVC Projects	3 months	3 months

Note 1: It includes visual inspection of existing buildings.

Note 2: It includes master planning, structural due diligence and visual inspection of existing buildings.

Note 3: It includes projects located in Myanmar, Maldives and Hong Kong.

Insurance clause

The developers and main contractors in Singapore usually require us to maintain a professional indemnity insurance under the service contract as a pre-requisite to being their consultant. The limit of indemnity required under the service contract generally depends on the project sum or the preference of certain developers and main contractors. For more information about our insurance, please refer to the paragraph headed “Insurance” in this section.

Quality issue

To the best knowledge of our Directors, in the civil and structural engineering consultancy industry, there is no warranty period after our service has been provided to our clients.

In general, our quality of service is controlled by:

- (i) the terms of the service contract; and
- (ii) the statutory duties prescribed under the relevant regulations.

Our Directors confirm that they were not aware of any major quality issues or material potential loss incurred due to any quality issues during the Track Record Period. For more information about our insurance, please refer to the paragraph headed “Insurance” in this section.

Termination of Services

Our clients may terminate our contracts if, among other things, we fail to execute the agreed scope of works. During the Track Record Period and up to the Latest Practicable Date, none of our contracts were terminated pursuant to the termination clause.

OUR CLIENTS

Our clients are mainly main contractors in Singapore and mainly property developers in Vietnam. Our clients are companies of various scales, including private companies and listed companies or their subsidiaries. We advise on the feasibility of the clients’ projects from a civil and structural engineering perspective and apply our engineering expertise and ingenuity to achieve the clients’ objective in term of building designs and provide construction support and periodic site inspection in the course on construction work.

BUSINESS

We have an established presence in Singapore and Vietnam with a strong and diversified client base. The following table set forth the breakdown of our Group's revenue by types of clients during the Track Record Period:

Client	Year ended 31 December 2017		Year ended 31 December 2018		Six months ended 30 June 2018		Six months ended 30 June 2019	
	SGD'000	(%)	SGD'000	(%)	SGD'000	(%)	SGD'000	(%)
	(unaudited)							
Singapore								
Developers	270	3.2	1,039	10.0	239	5.8	899	15.0
Main contractors	2,248	26.6	5,034	48.6	2,270	55.2	2,824	47.0
Others ^(Note 2)	1,690	20.0	545	5.3	154	3.7	684	11.4
Vietnam								
Developers	2,697	32.0	2,805	27.1	1,013	24.6	910	15.2
Main contractors	—	—	164	1.6	—	—	171	2.9
Others ^(Note 3)	566	6.7	438	4.3	372	9.1	358	6.0
Other Markets^(Note 1)								
Developers	969	11.5	324	3.1	66	1.6	124	2.1
Main contractors	—	—	—	—	—	—	26	0.4
Total	8,440	100	10,349	100	4,114	100.0	5,996	100.0

Note:

1. It includes projects located in Maldives, Myanmar and Hong Kong.
2. It includes (i) Tham & Wong LLP, which contributes approximately SGD1.6 million, SGD0.3 million and SGD16,000 in the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 respectively, (ii) owners of buildings and asset management companies for which we provide visual inspection of existing buildings, and (iii) owner of buildings for which we provide civil and structural engineering consultancy services.
3. It includes architects and project management consultants.

The amount of our service fees and payment schedule are determined by the service contract with our client.

Our project is divided into different stages and our entitlement to each portion of our services fee depends on the agreed payment schedule set out in the services contract. We issue an invoice to our client for each portion of our service fee according to the payment schedule. We generally grant a credit period of 0 to 30 days to our clients. In most cases, our clients settled our invoice by cheque or telegraphic transfer in Singapore and mainly by telegraphic transfer in Vietnam.

BUSINESS

The following table sets forth the details of our five largest clients, for our consultancy services for conventional projects, PPVC projects and other services, during the Track Record Period:

For the year ended 31 December 2017

Rank	Client	Services provided by our Group	Approximate length of business relationship with us as at 30 June 2019	Revenue <i>SGD'000</i>	Approximate % of our total revenue	Credit period	Settlement method
1	Tham & Wong LLP	Provision of civil and structural engineering consultancy service	14 years	1,581	18.7%	30 days	Cheque/ telegraphic transfer
2	Client A	Provision of civil and structural engineering consultancy service	10 years	1,125	13.3%	30 days	Telegraphic transfer
3	Client B	Provision of civil and structural engineering consultancy service	2 years	699	8.3%	30 days	Cheque
4	Client C	Provision of civil and structural engineering consultancy service	3 years	540	6.4%	30 days	Telegraphic transfer
5	Qingjian International (South Pacific) Group Development Co, Pte. Ltd (青建國際(南洋)集團發展有限公司)	Provision of civil and structural engineering consultancy service	2 years	516	6.1%	21 days	Cheque

BUSINESS

For the year ended 31 December 2018

Rank	Client	Services provided by our Group	Approximate length of business relationship with us as at 30 June 2019	Revenue <i>SGD'000</i>	Approximate % of our total revenue	Credit period	Settlement method
1	Client D	Provision of civil and structural engineering consultancy service	3 years	1,222	11.8%	35 days	Cheque
2	Client A	Provision of civil and structural engineering consultancy service	10 years	1,057	10.2%	30 days	Telegraphic transfer
3	Client E	Provision of civil and structural engineering consultancy service	3 years	968	9.4%	30 days	Cheque
4	Client F	Provision of civil and structural engineering consultancy service	1 year	765	7.4%	56 days	Cheque
5	Client G	Provision of civil and structural engineering consultancy service	5 years	417	4.0%	30 days	Telegraphic transfer

For the six months ended 30 June 2019

Rank	Client	Services provided by our Group	Approximate length of business relationship with us as at 30 June 2019	Revenue <i>SGD'000</i>	Approximate % of our total revenue	Credit period	Settlement method
1.	United TEC Construction Pte. Ltd.	Provision of civil and structural engineering consultancy service	1 year	571	9.5%	30 days	Cheque
2.	Client E	Provision of civil and structural engineering consultancy service	3 years	480	8.0%	30 days	Cheque
3.	Client I	Provision of civil and structural engineering consultancy service	4 years	436	7.3%	30 days	Cheque
4.	Client D	Provision of civil and structural engineering consultancy service	3 years	358	6.0%	35 days	Cheque
5.	Client A	Provision of civil and structural engineering consultancy service	10 years	322	5.4%	30 days	Telegraphic transfer

BUSINESS

Notes:

1. Client A is a Singapore listed company with a market capitalisation of approximately SGD18.6 billion as at the Latest Practicable Date which wholly or partially owns various subsidiaries such as Capitaland (Vietnam) Holdings Pte Limited. It is an owner and manager of a global portfolio comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts and funds.
2. Client B is a private company incorporated in Singapore which is owned by a Singapore real estate developer.
3. Client C, a group of companies incorporated in Vietnam which are principally engaged in real estate related business.
4. Qingjian International (South Pacific) Group Development Co, Pte. Ltd is a company incorporated in Singapore and is a wholly-owned subsidiary of a Hong Kong listed company with a market capitalisation of approximately HKD1.8 billion as at the Latest Practicable Date. It engages in general construction business.
5. Client D, which is wholly owned by a French listed company with a market capitalisation of approximately EUR14.3 billion as at the Latest Practicable Date, is a private company incorporated in Singapore principally engaged in building construction.
6. Client E, subsidiaries of a PRC listed company with a market capitalisation of approximately RMB221.7 billion as at the Latest Practicable Date, are private companies incorporated in Singapore principally engaged in real estate development or construction.
7. Client F is a partnership formed by (i) a Korea listed company with a market capitalisation of approximately KRW1.8 trillion as at the Latest Practicable Date; (ii) a Singapore listed company with a market capitalisation of approximately SGD84.6 million as at the Latest Practicable Date; (iii) a foreign company registered in Singapore and (iv) a natural person. The client is engaged in building construction.
8. Client G, a group of companies incorporated in Vietnam, are wholly owned by a Malaysian listed company with a market capitalisation of approximately MYR9.0 billion as at the Latest Practicable Date and principally engaged in real estate related business.
9. United TEC Construction Pte. Ltd., is a private company incorporated in Singapore which is principally engaged in building construction.
10. Client I, a group of companies incorporated in Singapore, are owned by a company listed on the New York Stock Exchange with a market capitalisation of approximately USD26.4 billion, which delivers comprehensive space, power, and interconnection solutions that enable its customers and partners to connect with each other and service their own customers on a global technology and real estate platform.

For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, the aggregate revenue attributable to our five largest clients amounted to approximately SGD4.5 million, SGD4.4 million and SGD2.2 million, respectively, representing approximately 52.8%, 42.8% and 36.2% of our total revenue, respectively. For each of the same periods, the revenue attributable to our largest client amounted to approximately SGD1.6 million, SGD1.2 million and SGD0.6 million, respectively, representing approximately 18.7%, 11.8% and 9.5% of our total revenue, respectively.

To our Directors' best knowledge, other than Tham & Wong LLP, the details of which are set out below, none of our Directors or their close associates, or any of our Shareholders who own more than 5% of our Company's share capital, had any interest in any of our Group's five largest clients during the Track Record Period.

Transactions with Tham & Wong LLP

Tham & Wong LLP is a limited liability partnership established in May 2007 under the Limited Liability Partnership Act of Singapore, in which Mr. Wong was a partner since the establishment of Tham & Wong LLP before his withdrawal from the partnership on 14 February 2018. Its principal business is general building engineering design and consultancy services. As opposed to a limited partnership which has a general partner and limited partner, there is no such distinctions between the partners of a limited liability partnership.

During the Track Record Period, the Group generated revenue from transactions with Tham & Wong LLP in the sum of approximately SGD1.6 million, SGD0.3 million and SGD16,000 in the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, accounting for approximately 18.7%, 3.3% and 0.3% of our total revenue in the respective years/period.

Tham & Wong LLP being an entity in which Mr. Wong held a partnership interest, was an associate of a connected person under GEM Listing Rule 20.10(1)(c), and was therefore a connected person under GEM Listing Rules 20.07(4). Since Mr. Wong's withdrawal from the partnership on 14 February 2018 and up to the Latest Practicable Date, Tham & Wong LLP had been and was an Independent Third Party.

The reasons for the transactions with Tham & Wong LLP are as follows:

- (1) According to the Directors' experience, most of the project owners for private projects require the tenderer to have ISO9001:2015 and ISO14001:2015 certifications. As these certifications take time to obtain, our Group participated in the relevant projects before we obtained such certifications through Tham & Wong LLP, i.e. Tham & Wong LLP would tender for the projects and then subcontract such projects to our Group if its tender was successful.
- (2) In order to tender for public projects, the tenderer must be listed on the PSPC. However, an applicant can only be listed on the PSPC if it fulfils the specific minimum criteria for the relevant discipline, which includes requirements as to track record, number of registered professionals, relevant certification and professional indemnity insurance of the civil and structural discipline. As our operating company in Singapore, namely TW-Asia was only incorporated in 2013, our Group therefore participated in public projects through Tham & Wong LLP, which was listed on the PSPC at the time. Tham & Wong LLP would then subcontract such projects to our Group if its tender was successful.

Tham & Wong LLP was licenced throughout the Track Record Period under the Professional Engineers Board of Singapore to supply professional engineering services, including civil and structural engineering services.

For details on the laws and regulations relating to the tendering for projects by Tham & Wong LLP and the subcontracting arrangement with our Group, please refer to the paragraph headed "Regulatory overview — Regulations and supervision of our business in Singapore — Professional Engineers Act — Licenced professional engineering practises" in this prospectus.

BUSINESS

Given that Mr. Wong was a partner of Tham & Wong LLP before his withdrawal from partnership on 14 February 2018, our Directors confirm that the above arrangement is made due to the administrative convenience only and hence does not constitute any reliance by our Group on Tham & Wong LLP. The projects were not referred to our Group by Tham & Wong LLP, but rather identified by our Group on our own. Any amount Tham & Wong LLP received from the project owners, Tham & Wong LLP would pass on, at the direction of Mr. Wong, to our Group with a small deduction to cover its administration expenses.

Since TW-Asia, one of our Group's subsidiaries in Singapore, obtained both the ISO9001:2015 and ISO14001:2015 certifications in 2017, we have stopped asking Tham & Wong LLP to tender for private sector projects on our behalf since 2017.

Since our Group has fulfilled the specific minimum criteria and was listed on the PSPC since 2018, we no longer require Tham & Wong LLP to tender for public projects on our behalf.

The revenue generated from transactions with Tham & Wong LLP during the Track Record Period were related to projects entered into by Tham & Wong LLP based on the above arrangement before we obtained the ISO9001:2015 and ISO14001:2015 certifications and before we were listed on the PSPC, but were still ongoing during the Track Record Period.

We expect that no more revenue will be generated from our transactions with Tham & Wong LLP from the year ending 31 December 2020 onwards.

Other than Mr. Wong's involvement in the business of Tham & Wong LLP as its partner before his withdrawal from the partnership in February 2018, he has no other involvement in Tham & Wong LLP.

The other three partners of Tham & Wong LLP during the Track Record Period and up to Mr. Wong's withdrawal from the partnership were all Registered Professional Engineers. Other than business relationship, there is no other relationship between these other partners of Tham & Wong LLP and Mr. Wong and members of the Group. There was also no overlap in the scope of business of Tham & Wong LLP and our Group, while our Group's focus is on larger scale projects, the other partners of Tham & Wong LLP have different focuses, such as single unit residential, accredited checking, mechanical and electrical engineering.

Myanmar

During the Track Record Period, we provided civil and structural engineering consultancy services to a client located in Myanmar. The revenue generated from our business activities relating to Myanmar was approximately SGD0.1 million, nil and nil, representing approximately 1.2%, nil and nil of our total revenue for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively.

SEASONALITY

Our Directors believe that the civil and structural engineering projects in Singapore and Vietnam usually slow down in the first quarter of each year, as the foreign manpower (i.e. including workers from Malaysia with permanent residency in Singapore) in the case of Singapore and the workers in the case of Vietnam tend to go back to their home towns during festive holidays at the year end and lunar new year.

OUR SUBCONTRACTORS

For Singapore projects, we engage subcontractors (usually architects and mechanical and electrical engineering consultants) to provide the ancillary and supporting services for our client's projects, such as preparing documents/materials for the main contractors to apply for relevant licence(s) to construct building by way of PPVC. We also engage a third party consultant to deliver part of our geotechnical engineering works which cannot be carried out by us. For Vietnam projects, we occasionally engage subcontractor according to requirement specific for each project, for example topography site survey, infrastructure design, drainage basis evaluation.

Our Directors confirmed that we do not enter into standard contracts with our subcontractors and the terms in our subcontracting agreements vary from one project to another.

The service fees and payment schedule for our subcontractors are determined by agreements entered into between our Group and the subcontractors. Our subcontractors usually grant us credit period up to 30 days. But our Directors confirm that, in general, the subcontractors would agree to accept their fees after our Group receives the fee from our clients. In most situations, we settle the invoice by cheque.

During the Track Record Period, the subcontractors engaged by us in our project are not our clients, and vice versa. For details of our clients, please refer to the paragraph headed "Our clients" in this section above.

For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, aggregate purchase from our Group's subcontractors accounted for less than 30% of our Group's total costs of services and amounted to approximately SGD0.2 million, SGD0.4 million and SGD0.3 million, representing approximately 5.9%, 8.2% and 8.9% of our Group's total costs of services respectively.

SALES AND MARKETING

Our Group principally secures business by (i) quotation request from clients, (ii) invitations for tender by clients, and (iii) submission of tender application after visiting government website i.e. GeBIZ for new and upcoming public building development projects on which tender invitations from government agencies are published. During the Track Record Period, most of our projects were obtained through a competitive bidding process during which our Directors believe our clients would have requested for and obtained tender proposals or quotations from other engineering consultants for each project. Our corporate website serves as a marketing platform which enables our clients to have a better understanding of our corporate profiles. In Singapore, Professional Engineers can publicise their practise as long as certain requirements of Professional Engineers Act and the relevant codes of practise are followed.

Due to our proven track record and our relationship with existing clients, we are able to leverage on our existing client base and our reputation in the civil and structural engineering industry in Singapore. Our Group from time to time receives main contractors' enquiries on our interest to team up with them on government-related or private sector projects.

BUSINESS

Our management team in Vietnam would also approach construction contractors for possible participation in the relevant civil and structural engineering works. We would promote our Company by sponsoring events organised by our clients such as ground breaking/topping out ceremony or charity run. We consider that enhancing our Group's reputation in the property development sector and encouraging referral from our existing clients are the two fundamental elements forming our marketing strategies.

We currently solicit opportunities to participate in invited tendering mainly through existing clients' referral. We would also keep ourselves up to date on the market intelligence concerning our clients' recent project developments in order for us to promote our services to our clients. With the net proceeds from the Share Offer, we intend to further our sales and marketing activities. Please refer to paragraph headed "Business strategies and future plans" in this section above for further details.

We believe that the Listing will enhance our brand and reputation and will enable us to market ourselves to potential clients as a company with good corporate governance and transparency.

PRICING POLICY

The price or contract sum for our comprehensive civil and structural engineering consultancy services is determined on a project-by-project basis. For factors that will be taken into account, please see the paragraph headed "Operating procedures — Tender preparation and tender selection by client — Preparation of fee proposal" in this section.

MAJOR QUALIFICATIONS

Registrations and qualifications in Singapore

TW-Asia, a subsidiary of our Group in Singapore, has obtained the licence to supply professional engineering services issued by PEB under the Professional Engineers Act during the Track Record Period. For the requirements of obtaining the licence, please refer to paragraph headed "Regulatory overview — Regulations and supervision of our business in Singapore — Professional Engineers Act" for further details.

Normally speaking, in respect of our civil and structural engineering consultancy services, our Professional Engineers, shall be responsible for:

- (i) endorsing design calculations and drawings for BCA submission;
- (ii) endorsing drawings for external works;
- (iii) supervising the construction works;
- (iv) conducting project administration of the structural works of the projects;
- (v) ensuring that the structures designs are in compliance with BCA Regulation;
- (vi) ensuring the quality of works at project sites;
- (vii) supervising the team of site staff;

BUSINESS

- (viii) endorsing as-built drawings for BCA submission after completion of construction works; and
- (ix) attending to any structural defects upon completion of construction works.

As at the Latest Practicable Date, our staff possessed the following major qualifications in Singapore and our Directors consider that these major qualifications are important to our operations:

Qualifications	Number of employees with the relevant qualification
Registered Professional Engineers	5

For the details of the relevant qualifications requirements, please refer to the section “Regulatory overview” for details.

Registrations and qualifications in Vietnam

Our subsidiary in Vietnam has obtained Construction Eligibility Certificates (Class I) from the MOC to carry out building structural design, bridges and roads structural design and technical infrastructure design. In June 2019, our Group has obtained Construction Eligibility Certificate (Class III) for construction supervision services. For the requirements of obtaining the licence, please refer to paragraph headed “Regulatory overview — Regulations and supervision of our business in Vietnam — Regulations on construction engineering and design services — Licencing” for further details.

As at 30 June 2019, our staff possessed the following major qualifications in Vietnam and our Directors consider that these major qualifications are important to our operations:

Qualifications	Number of employees with the relevant qualification
Practising Engineers <i>(Note)</i>	16

Note:

Among the 16 Practising Engineers, some of them have obtained:

- (i) Class I Practising Certificate for civil structure design;
- (ii) Class I Practising Certificate for civil and industrial structure design & road bridge works design;
- (iii) Class I Practising Certificate for road bridge structure design;
- (iv) Class I Practising Certificate for water supply and drainage infrastructure technical design;
- (v) Class I Practising Certificate for civil and industrial structure design;
- (vi) Class II Practising Certificate for civil and industrial structure design.

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In June 2019, our Group has obtained Construction Eligibility Certificate (Class III) for construction supervision services.

Of the abovementioned major qualifications/recognitions held by our Singapore and Vietnam subsidiaries and employees, our Directors are of the view that the Registered Professional Engineers and Practising Engineers are of utmost importance to our business operations. Our Directors believe that our Group needs to employ more staff who holds such qualifications for our Group's current and future business operations and succession plan to ensure continuous compliance with the relevant regulations. During the Track Record Period, if the management foresees any insufficiency, our Group will commence the recruitment process promptly.

Our Group understands the importance of maintaining sufficient qualified employees to fulfil the requirements of our major qualifications which is considered critical to our operations. On the managerial level, we may recruit and retain more qualified employees in case of over-reliance on some of our staff. On operational level, our human resources and administration department maintains a list of qualified employees from time to time to keep track on their licencing status and number. In the event that any of these qualified employees resigns from our Group or is involved in any matters which may affect their licences, we will update and review the list of qualified employees to ensure that we have sufficient qualified employees to maintain our service quality. If our Directors identifies any risk of shortfall in the number of qualified employees, then our directors will look into the situation and make necessary arrangements to recruit additional professional staff. In order to cope with the continuous demand for our professional services from clients, we will recruit quality professional staff from time to time to join our Group.

EMPLOYEES AND EMPLOYEE BENEFITS

Our Group has over 100 employees. The following table sets forth the number of our staff by functional role as at the Latest Practicable Date:

	Number of staff			Total
	Singapore	Vietnam	Hong Kong^(Note)	
Management	3	3	—	6
Technical	33	46	—	79
Site Supervision	36	4	—	40
Finance and administrative	<u>6</u>	<u>10</u>	<u>—</u>	<u>16</u>
Total	<u>78</u>	<u>63</u>	<u>—</u>	<u>141</u>

Note: As at the Latest Practicable Date, the administration of the supporting office in Hong Kong was carried out by a staff member employed by TW-Asia, one of our Group's subsidiaries in Singapore. The recruitment of staff for the supporting office in Hong Kong will take place from 1 November 2019 according to the implementation plan of the use of proceeds from the issue of Offer Shares. Please refer to the paragraph headed "Future plans and use of proceeds — Use of proceeds" in this prospectus for further details.

BUSINESS

Being a service provider, manpower is our most valuable asset. Therefore, the maintenance of sufficient and high-quality manpower is crucial to our Group's productivity. We have implemented a staff policy that can be divided into three parts: (a) recruitment; (b) training and development; and (c) employees' benefit.

Recruitment

We generally recruit our employees from the open market through placing recruitment advertisement or by referral from our staff or peers. Our Group generally recruit employees with experience from the industry.

Foreign employees

Our foreign employees in Singapore are sourced and recruited through advertisement and referral. Our foreign employee in Vietnam is basically Mr. Lim, who is stationed in Vietnam to supervise our operation there. During the Track Record Period, we employed 8 foreign employees in Singapore and 1 foreign employee in Vietnam.

Singapore

The employment of foreign employees is subject to various rules and regulations in Singapore, including but not limited to quota and levy requirements for S Pass holders. As at the Latest Practicable Date, the maximum number of foreign employees that are S Pass holders which can be employed by the Group is ten. The number of foreigners who are Employment Pass holders that employers can hire is not restricted by any foreign worker quota. For further details, please refer to the paragraph headed "Regulatory overview — Regulations and supervision of our business in Singapore" in this prospectus.

Our human resources department is primarily responsible for ensuring our compliance with the applicable laws, rules and regulations in relation to employment of foreign employees.

To facilitate our compliance with the dependency ratio ceiling requirement, our human resources department has maintained a list of our employees which sets out their personal information including nationality, position, qualification, years of relevant experience and date of joining our Group, etc. The list of employees is reviewed on a regular basis to ensure it is up to date. Whenever there is any staff who enters into employment with or departs from our Group, our responsible staff will update our list of employees and assess its impact on our available quota balance for S Pass holders. In addition, as a general practise, prior to hiring any additional S Pass holders, our responsible staff will check the official records of the MOM's database to ensure that it will not result in a breach of our dependency ratio ceilings.

Vietnam

Vietnamese law does not prescribe a maximum number of foreign employees that our Vietnam subsidiary is permitted to hire. However, prior to hiring foreign employees, the company is required to report on its foreign labour usage to the relevant provincial People's Committee and obtain approval on such usage. As at the Latest Practicable Date, our Vietnam subsidiary has obtained approval from the People's Committee of Ho Chi Minh City to hire one foreign manager as a director of the Vietnam subsidiary.

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Foreign employees who work in Vietnam must obtain a work permit prior to commencement of their employment in Vietnam, except for certain cases in which the employees are eligible for a work permit exemption. Notwithstanding such exemption, in many cases, a decision by the relevant Department of Labour, Invalids and Social Affairs is required to certify the employee's eligibility for such exemption prior to the worker's commencement of work in Vietnam. Please refer to paragraph headed "Regulatory overview — Regulations and supervision of our business in Vietnam — Regulations on labour" in this prospectus for details.

Training and development

We provide on-the-job trainings which cover areas of our business operations to improve our employees' skills and knowhow of the industry. In Singapore, we would also subsidise our employees to attend courses provided by software companies in relation to certain drawing software used by us, or other courses as requested by the employees.

Our Vietnam subsidiary will provide internal training in relation to engineering design to employees by engaging third party professional such as engineers on a regular basis.

Our Directors believe that the current arrangement for trainings to the employees are sufficient for the operation of our Group's business.

Employees' benefit

Our Directors believe that we provide a competitive package of remuneration to our staff. It is our Group's policy to review the performance of our employees annually which will be taken into account in annual salary review and promotion appraisal.

CREDIT RISK AND CASH FLOW MANAGEMENT

The credit policies and measures to minimise the cash flow mismatch of the Company have been implemented since 2013.

Credit Policy

We source our business through quotation request and invitation for tender from our clients. All of the requests and invitations related to tender in relation to projects in the private sector and government-related project will be reviewed by our management, details of which are set out in the section headed "Business — Operating procedures" in this prospectus. In the event that the invitation to tender is from a new client, our Director will conduct a preliminary evaluation to assess the creditworthiness of the new client through information obtained from public sources and our contacts in the industry in order to assist our management in deciding whether to accept the invitation. If the creditworthiness of the new client is acceptable to us, we would further protect our interest by (1) charging such client with higher fee and (2) devise a stricter payment schedule and would stop providing our services if such clients do not settle our invoices according to payment schedule. Credit limit and credit period in respect of the project will be determined by our management upon completion of the client acceptance evaluation.

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After we are awarded a project, either from existing or new client, our Director and the respective project team, monitored by our accounting staff, will establish an invoicing schedule setting out the approximate time to issue invoice according to the draft work plan and milestone payment schedule as stipulated in the service contract. In case there is any delay in the construction stage of the project, we would negotiate with our client to adjust the payment schedule accordingly by revising the payment dates and the amount for the payment for each invoice. On the date scheduled for issuing invoice, we would issue an invoice to our client after confirming the payment amount with the client. We will also review the status of any outstanding invoices and the status of the settlement of such project and/or client alongside with our project team. In order to minimise the credit risk, our Director who is in charge of the relevant project and accounting staff will follow up with the outstanding invoices jointly and ensure that follow-up action is taken according to our established procedures to recover overdue debts. We generally grant a credit period of 0 to 30 days to our clients. Settlement is normally made by telegraphic transfer or cheque. The invoicing schedule will be updated every month and will from time to time be inspected by our Directors. In order to minimise the credit risk, our accounting staff will also evaluate the credit limits of clients on a regular basis.

Cash Flow Management Policy

In addition to the abovementioned credit policies, we have also implemented certain measures to minimise the possibility of cash flow mismatch.

At the operational level, we keep track of our project progress and time and costs involved through reporting and time sheet policies. We require our staff to fill in daily time sheet, stipulating the work carried out and time spent by them, on that particular day. Our Directors confirm that, every week, our project leaders will report to our Directors the progress of the projects and time spent on each project during the monthly meeting so that our Directors will be able to keep track of the time and costs incurred for the projects. In the event that there are any time and costs overruns, our Directors will look into the issue and make necessary arrangements to reallocate resources to avoid further overrun.

At the managerial level, our accounting staff will prepare a group-based cash flow forecast after taking into account the expected settlement of invoices and monthly expenses of our Group for our Directors' review.

Our Directors are of the view that after the Listing, the listing status and the net proceeds from the Share Offer will enhance the corporate profile and financial strength of our Group, which will eventually strengthen our Group's bargaining power to negotiate better business terms with clients. In particular, with a better bargaining power after the Listing, our Group (i) will adjust the payment schedules of potential projects in the future by asking for a higher portion of upfront payments in the early stages of future projects and reducing the portion of payment in the final stage; and (ii) may stop providing our services if a client does not settle any amount due. Our Directors believe that through these measures, our credit risk and the risk of cash flow mismatch can be further reduced,

CURRENCY RISK AND HEDGING

We receive mainly SGD for our operation in Singapore and receive mainly VND for our operation in Vietnam.

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During the Track Record Period, our Group did not conduct any hedging activities to manage the currency risk because the exchange rates of SGD and VND is relatively stable throughout the Track Record Period.

QUALITY CONTROL AND QUALITY RISK MANAGEMENT

Our quality control measures are adopted at both the managerial level and the operational level.

At the managerial level, our executive Directors and senior management are familiar with the operations of our Group, and our executive Directors are responsible for the quality control measures and supervision of our operations in all aspects, including coordination of efforts between our departments and offices in different locations. For more information about our executive Directors and senior management, please refer to the section headed “Directors and senior management” in this prospectus.

At the operational level, all our works, such as drawings are reviewed by our senior engineers before they are issued to our clients or the relevant regulatory authorities for approval.

Further, we require our staff to fill in daily time sheet, stipulating the work carried out and time spent by them, on that particular day. The data in these daily time sheets will be recorded in our computers for analysis and record. This record serves the following purposes:

- (a) to analyse the capacity of our Group to participate in new projects;
- (b) to ensure reasonable distribution of work among the employees; and
- (c) to observe the performance and productivity of each staff, and consider whether particular assistance to him/her is necessary.

We recognise the importance of providing quality services to our client. We aim not only to complete the work in accordance with the scope as set out in the service contract, but also to meet our clients’ expectations. As such, our Directors regularly meet with our clients, whether previous or existing, to evaluate the quality of our services provided.

TW-Asia, one of our Group’s subsidiaries in Singapore, has obtained the certificate of ISO9001:2015 and ISO14001:2015, which is applicable to the provision of civil & structural consultancy services for Singapore projects. This recognition shows that our quality control measures are in line with international standards. According to the Industry Consultant’s Report, ISO9001:2015 Quality Management System is an international standard that outlines the requirements an organisation must maintain in their quality system and ISO 14001:2015 is an international standard that provides a framework for organisations to follow and establish environmental performance requirements.

Our Group’s subsidiaries in Vietnam has also obtained certification of ISO9001:2015 and ISO14001:2015 in February 2019.

MARKET AND COMPETITION

According to the Industry Consultant's Report, the revenue generated from civil and structural engineering consultancy services in Singapore has recorded a slight decline in the past five years, from approximately SGD272.6 million in 2013 to SGD263.6 million in 2018, representing a CAGR of -0.7% during the period. The decline in 2016 and 2017 was mainly attributable to the slowdown in property development and the decrease in contracts awarded by building works. As estimated, the geotechnical engineering consultancy services account for approximately 18.7% of the market shares in 2018. Growing along with a broader application of PPVC technology in Singapore, in which the PPVC method is planned to be implemented in 35% of HDB projects by 2019, the revenue generated from the consultancy services in the market is expected to increase in the subsequent years, reaching approximately SGD367.9 million by the end of 2023, representing a CAGR of 6.9% over the period of 2018 to 2022. The revenue of civil and structural engineering consultancy services market in Vietnam increased from approximately VND1,532.7 billion in 2013 to approximately VND2,453.0 billion in 2018, representing a CAGR of 9.9%, primarily due to the rising housing supply, which drives the needs of civil and structural engineering consultancy services.

In terms of competition, the overall civil and structural engineering consultancy services in Singapore and Vietnam are relatively competitive in terms of number of market participants. As estimated, there were more than 200 market participants in Singapore in 2018, mainly local and international consultancy companies, with different business focuses targeting a wide variety of sizeable construction projects. In Vietnam, it is estimated that there were over 100 market participants in 2018.

Notwithstanding the large number of market players, we are confident that with our competitive advantages, we can compete effectively against other market players. For further details of our competitive advantages, please refer to the paragraph headed "Our competitive advantages" in this section.

The entry barriers of the construction engineering consultancy industry in Singapore and Vietnam are high. For details of the entry barriers in Singapore and Vietnam, please refer to the paragraph headed "Industry overview — Competitive landscape of civil and structural engineering consultancy services market in Singapore and Vietnam — Entry barriers" in this prospectus.

INSURANCE

We have taken out professional indemnity insurance to cover our potential liability arising from any claim against us under the service contracts. In general, one of the common pre-qualifications of tendering is that the coverage of the professional indemnity insurance must exceed a certain amount. During the Track Record Period, our Group has insurance coverage of SGD5 million. Our Directors confirm that this level of professional indemnity insurance is sufficient for tendering purposes.

We have a work injury compensation policy for all the local and overseas employees of our Singapore subsidiaries, which is renewed annually. Our work injury compensation policy in Singapore has a maximum liability limit for medical expenses of up to SGD300,000. Besides, we also have group hospital and surgical plan and group personal accident insurance for our staff. In addition, we have purchased policy covering fire risk in relation to our office in Singapore which is situated at 28 Sin Ming Lane, #03-137 and #04-136 Midview City, Singapore 573972.

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We have a personal accident and health insurance policy for all the local and overseas employees of our Vietnam subsidiary, which is renewed annually.

For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, our total insurance premiums were approximately SGD33,000, SGD36,000 and SGD26,000, respectively. During the Track Record Period and up to the Latest Practicable Date, we had not made nor been the subject of any material insurance claims.

Having regard to the current operations of our Group and the prevailing industry practise, our Directors are of the view that the level of insurance coverage maintained by our Group (i) is typical and in line with the industry practise; and (ii) is adequate for our current operations.

Uninsured risks

Certain risks disclosed in the “Risk factors” section of this document, such as credit risk, are generally not covered by insurance because they are either uninsurable or it is not cost justifiable to insure against such risks. Please refer to the paragraph headed “Credit risk and cash flow management” above in this section for further details regarding how our Group manages certain uninsured risks.

Central Provident Fund (“CPF”) and Social Insurance

Our Group has participated in the Central Provident Fund for all of our Directors and local employees in accordance with the Central Provident Fund Act under the laws of Singapore. Our Group has paid the relevant contributions to the Central Provident Fund in accordance with the relevant laws and regulations. For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, our contributions paid or payable to the Central Provident Fund were approximately SGD0.3 million, SGD0.4 million and SGD0.3 million, respectively.

We also contributed statutory insurances for our employees in Vietnam as required by the applicable laws and regulations, including social insurance, health insurance and unemployment insurance with an aggregate contribution rate of 21.5% of the monthly salaries payable to our employees for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019.

RESEARCH AND DEVELOPMENT

For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, our Group has incurred approximately SGD0.2 million, SGD0.2 million and SGD0.1 million research and development expenses, respectively, in relation to the development of knowhow of composite shear wall construction system for PPVC. In layman terms, composite shear wall construction system for PPVC is a system to connect the walls of each module so that the modules are safely linked together.

During the Track Record Period, the research and development was conducted by the Directors, and supported by the engineering staff of the Group. The academic qualifications and experiences of the Directors are set out in the “Directors and Senior Management” section of this prospectus. Subsequent to the Track Record Period, we have continued and will continue to invest in the research and development activities. As at the Latest Practicable Date, our Directors have applied for the patent of the

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above knowhow in Europe, Singapore, Hong Kong, China, Malaysia and India. Our Directors have given our Group an undertaking to do all that is necessary to assign the patent to our Group upon successful registration of such patent.

ENVIRONMENTAL COMPLIANCE

As we do not carry out any construction work, we are not subject to any particular environmental protection law in Singapore and Vietnam applicable to the construction industry. In Vietnam, we are subject to a general obligation to report to our clients any matter that may, in the course of their construction, have an adverse environmental impact.

That said, we have established an environmental management system that satisfies the requirements of ISO 14001:2015 since 2017. Our environmental management system includes measures and work procedures governing environmental protection compliance that are required to be followed by our employees.

In accordance with our environmental management system, our Group reviews and assesses environmental hazards and monitor changes in environmental laws and regulations on a regular basis. Appropriate trainings on environmental compliance are provided to our employees. Preventive and corrective actions are taken to ensure our compliance with relevant environment laws and regulations.

During the Track Record Period, we did not incur material costs in connection with the compliance with environmental laws and regulations.

OCCUPATIONAL HEALTH AND WORK SAFETY

We endeavour to provide a healthy and safe work environment for our employees, and have implemented safety guidelines applicable to all employees with a view to further promoting occupational health and workplace safety and to ensure compliance with applicable laws and regulations.

Our Group has put in place an internal safety manual which is reviewed from time to time to incorporate the best practises and to address and improve specific areas of our safety management system. We require our employees to follow our workplace safety rules as set out in the safety manual. Our workplace and safety rules identify common safety and health hazards and recommendations on prevention of workplace accidents.

Our Group requests suitable personal protective equipment such as safety helmet and safety boots to be provided by our clients to our employees based on the type of works undertaken by them. During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any significant incidents or accidents in relation to workers' safety.

In addition, Mr. Wong had obtained a bizSAFE Level 1 certification in 2011. BizSAFE is a programme designed by MOM to assist companies build up their workplace safety and health capability.

During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any personal injury cases or significant accidents involving our employees.

INTELLECTUAL PROPERTY RIGHTS

In general, the copyright in all drawings prepared by us will remain our property unless otherwise agreed with our clients. Subject to the terms of engagement, generally all our drawings prepared in our course of business will be released to our client upon full settlement of our invoices.

As at the Latest Practicable Date, we had registered 1 domain name, 1 trademark in Hong Kong and 1 trademark in Singapore. Our Directors have applied for the patent in Europe, Singapore, Hong Kong, China, Malaysia and India in relation to the knowhow of composite shear wall construction system for PPVC which was used in all our PPVC projects during the Track Record Period. The existing methods in the industry of joining two side-by-side precast concrete walls of prefabricated construction modules would result in a wall that functions as individual walls rather than as a single or monolithic wall.

Our patented knowhow is to combine two individual precast walls with non-shrink grout & flexible loops to act as a single or monolithic wall which possesses the same vertical load bearing but not thicker than the monolithic wall constructed from cast-in situ method. This design and construction method would provide the building owner with better building efficiency and thinner walls thus maximising value from the constructed building. We want to protect our patent worldwide. However, due to the limitation of our financial resources, we can only limit the number of jurisdictions in which the patent applications are submitted based on our assessment of the possibility of a system similar to our composite shear wall construction system for PPVC being introduced in those jurisdictions. Our Directors are confident that our patent applications will have a reasonable chance of success in those jurisdictions in which patent applications have been filed on the basis that the system is invented by our Group and our Mr. Wong, who has been closely following the latest development of the industry through, among other things, overseas study trips, is not aware of any similar system in use elsewhere.

Our Directors have given the Group an undertaking to do all that is necessary to assign the patent to the Group upon successful registration of such patent. The Directors are not aware of any objection to the patent applications by the relevant patent offices as at the Latest Practicable Date. Furthermore, the patent registration in Europe has been granted by the European Patent office on 15 May 2019 (subject to any notice of opposition filed by any person within nine months from such date) and the patent registration in Singapore has been granted by the Intellectual Property Office of Singapore on 26 September 2019. That said, the reviews of patent applications in other jurisdictions are still ongoing and it is still too early to conclude whether other patent applications will be successful or when the patents can be registered with any degree of certainty. Further details of the Group's intellectual property are set out in the section headed "Statutory and general information — B. Further information about our business — 2. Intellectual property rights" in Appendix V to this prospectus.

As at the Latest Practicable Date, we were not aware of any infringement (i) by our Group of any intellectual property rights owned by any third parties; or (ii) by any third party of any intellectual property rights owned by us. During the Track Record Period, there had not been any pending or threatened claims made against us, nor had there been any claims made by us against third parties, with respect to the infringement of intellectual property rights owned by us or third parties.

A Deed of Confirmation was signed between Mr. Wong, Ms. Leow, Mr. Heng and TW-Asia on 15 January 2019, whereby the parties agreed and acknowledged that the know-how, knowledge and specification in relation to the patents in relation to the knowhow of composite shear wall construction

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system for PPVC are (a) solely owned by and for the benefit of the Group; and (b) the patents have been and will continue to be used by the Group at all times; and Mr. Wong, Ms. Leow and Mr. Heng each undertake to assign, transfer, and/or to procure the assignment and/or the transfer of, each and every one of the Patents to the Group after the same has/have been duly registered with the relevant authorities in Europe, Singapore, Hong Kong, China, Malaysia and India respectively (as the case may be), including but not limited to the signing, executing, delivering, and/or carrying out all such acts, matters, deeds, documents and things as are necessary for the assignment(s) of the Patents. No fee is payable by our Group for the use of the patents or for the assignment.

PROPERTY

Owned properties

Our Group owns two properties in Singapore. During the Track Record Period, none of the owned properties in Singapore were leased to Independent Third Parties for rental income. Our Group does not own any property in Vietnam.

The details of our owned properties as at the Latest Practicable Date are as follows:

Address	Approximate aggregate floor area (m^2)	Use of the property
Singapore		
28 Sin Ming Lane, #04-136, Singapore 573972	133.0	Product design and office use ^(Note 1)
81 Tagore Lane, #02-22 Tag. A, Singapore 787502	248.0	Product design and office use ^(Note 1)

Note 1: As advised by our Singapore Legal Advisers, the properties are zoned as Business 1 zone (industrial/warehouse property) under Singapore's Urban Redevelopment Authority Master Plan (2014 Edition). According to the "Development Control Parameters for Non-residential Development Handbook" issued by the Urban Redevelopment Authority of Singapore, for industrial development in a Business 1 zone, a minimum of 60% of the total gross floor area must be dedicated for predominant use, which includes product design/development, and a maximum of 40% of the total gross floor area can be used for ancillary uses such as office and meeting rooms. With reference to the foregoing, the Director's are of the view that the use of our owned properties as at the Latest Practicable Date is consistent with the allowable land use under Singapore's Urban Redevelopment Authority Master Plan (2014 Edition), and that the proposed use of the Group's owned property, 81 Tagore Lane, #02-22, Tag A, Singapore, 787502 to conduct research and development activities as detailed under "Business Strategies and Future Plans — Improve our PPVC knowhow by investing in research and development" is within the allowable land use.

The property situated at 81 Tagore Lane, #02-22 Tag. A, Singapore 787502 is an investment property of the Group. Please refer to page III-4 of the prospectus for further details.

For further details of the owned properties, please refer to Appendix III — Property valuation.

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Leased/licenced properties

As at the Latest Practicable Date, we entered into tenancy agreement with the landlords of one property in Singapore, three properties in Vietnam and one property in Hong Kong. All our landlords are Independent Third Parties.

The summary of our leased/licenced properties as at the Latest Practicable Date are as follows:

Address	Approximate aggregate floor area (m ²)	Use of the property	Term of the contract period	Monthly rental expenses
Singapore				
28 Sin Ming Lane, #03–137 Midview City, Singapore 573972	133.0	Product design and office ^(Note 1)	5/10/2017 to 4/10/2020	SGD2,800
Vietnam				
148 Tower, 148 Hoang Quoc Viet, Cau Giay, Hanoi, Vietnam	113.09	Office ^(Note 2)	4/10/2018 to 4/9/2021	VND36,083,547
2nd Floor, 52 duong Dong du, phuong Ben Nghe, quan 1, TP, Ho Chi Minh, Vietnam	52	Office ^(Note 3)	1/4/2019 to 30/3/2020	VND24,180,000
4th Floor, 52 duong Dong du, phuong Ben Nghe, quan 1, TP, Ho Chi Minh, Vietnam	181	Office ^(Note 3)	1/10/2019 to 31/3/2020	VND78,100,000
Hong Kong				
Unit 2504, 25/F, 69 Jervois Street, Hong Kong	76	Office ^(Note 4)	21/1/2019 to 20/1/2021	HK\$27,740

Note 1: As advised by our Singapore Legal Advisers, the property is zoned as Business 1 zone (industrial/warehouse property) under Singapore's urban Redevelopment Authority Master Plan (2014 Edition). According to the "Development Control Parameters for Non-residential Development Handbook" issued by the Urban Redevelopment Authority of Singapore, for industrial development in a Business 1 zone, a minimum of 60% of the total gross floor area must be dedicated for predominant use, which includes product design/development, and a maximum of 40% of the total gross floor area can be used for ancillary uses such as office and meeting rooms. With reference to the foregoing, the Director's are of the view that the use of our leased property as at the Latest Practicable Date is consistent with the allowable land use under Singapore's Urban Redevelopment Authority Master Plan (2014 Edition).

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Note 2: Pursuant to the lessor's Certificate of Land Use Right, House Ownership and Assets Attached to Land No. CD 800422, the property is permitted to be used for office purposes. Therefore, as advised by our Vietnam Legal Advisers, the use of this property as at the Latest Practicable Date is consistent with the land use purpose of the property as designated by the state of Vietnam.

Note 3: Pursuant to the lessor's Certificate of Land Use Right No. AK 469900, the property is permitted to be used for business purposes. Therefore, as advised by our Vietnam Legal Advisers, the use of this property as at the Latest Practicable Date is consistent with the land use purpose of the property as designated by the state of Vietnam.

Note 4: Our Directors were advised that the use of the said property by the Group as an office does not violate the provisions of the relevant Government Leases or Occupation Permit.

LICENCES AND PERMITS

Our Directors confirmed that our Group had obtained all necessary licences, approvals and permits, which were required to carry on our Group's activities in Singapore and Vietnam respectively, during the Track Record Period.

We have obtained a number of licences/permits/approvals for our business operations set out as follows:

Licence	Issuing Authority	Issuing Country	Date of Grant	Expiry Date
Licence to Supply Professional Engineering Services	Professional Engineers Board	Singapore	01 January 2019	31 December 2019 <i>(Note)</i>
Construction Eligibility Certificate No. BXD-00000051 (Class I) issued to the Company to carry out building structural design and to verify the building structural design	Ministry of Construction	Vietnam	29 October 2019	08 December 2026
Construction Eligibility Certificate No. BXD-00009781 (Class I) to carry out bridges and roads structural design	Ministry of Construction	Vietnam	28 March 2018	28 March 2023
Construction Eligibility Certificate No. BXD-00019763 (Class I) to carry out technical infrastructure design	Ministry of Construction	Vietnam	06 July 2018	06 July 2023
Construction Eligibility Certificate No. HCM-00025993 (Class III) to carry out construction supervision services	Department of Construction	Vietnam	19 June 2019	17 April 2029

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Note: Under the Professional Engineers Act, the licence will be granted if (i) the constitution of a company provides that a primary object of the company is to supply professional services; (ii) the paid up capital is not less than SGD500,000; (iii) the constitution of the company provide that a majority of the directors shall be registered professional engineers or allied professionals who each has in force a practising certificate; (iv) professional engineering work in Singapore will be under the control and management of a director of the company who is a registered professional engineer and has in force a practising certificate; and (v) the company is insured against professional liability. The licence is issued for a period of up to 12 months and since TW-Asia is already a licenced corporation, meaning it has fulfilled all the above requirements, our Directors do not foresee any impediment for the renewal of the licence.

INTERNAL CONTROL

In preparation of the Listing, we have engaged an internal control adviser to undertake a detailed evaluation on the effectiveness of our internal control system on internal control environment, risk assessment, internal control activities, information and communication, anti-fraud procedures, financial reporting and disclosure controls, income management, costs and expenses, human resources and remuneration, financial management and information technology.

Internal control on revenue recognition

To ensure our financial reporting system operates in accordance with the accounting policies adopted by our Group, we have adopted certain internal control measures in ensuring the contract costs incurred are properly recorded in the financial reporting system as well as progress billing, our Group's accounting entries for preparing the monthly management accounts are handled by our designated accounting staff based on relevant supporting documents and data extracted from our Group's accounting system.

We monitor our billing through billing schedules which are prepared according to the contracts signed with our customers by our Group's designated accounting staff. The billing schedule consist of the information such as project name, progressive milestone percentage as agreed, contract sum and billing details upon issuance of invoice and receipt of the invoice. The accounting manager will review the billing schedule to ensure all information are correct before confirming with the executive Directors or independent project managers in-charge on the forecast timeline of the projects at the start of the projects and included in the billing schedule. The project manager will communicate information with our company's engineer and then the designated accounting staff would obtain status updates according to the above communication verbally or through email or meeting and obtain the relevant supporting on completion of every stage for billing purpose or the recognition of contract assets. Designated accounting staff will review the billing schedule weekly and to confirm with project manager or staff on the progress of the project in the event there is no update for a month or no instruction for billing as per forecast timeline. The designated accounting staff will prepare the invoices which are reviewed by our accounting manager before obtaining approval by our executive Director and the designated accounting staff will record the billing amount in our Group's accounting system. During the closing of financial accounts, the accounting manager will do a final review on the revenue listing for the month with executive Directors and to confirm each project progress status, and such revenue listing is prepared with reference to the agreed payment schedules set out in the contracts. If there is any omission of billing, the designated accounting staff will include the missing sum in the revenue and issue the billing during the next billing cycle. However, for the in-progress stage of projects which are not due for

billing, the project manager and executive Director will advise the stage of completion and revenue will be recognised to the extent of contract costs incurred that it is probable will be recoverable. All revenue taken will be supported by valid documents to ensure the completion of the works is correct.

Internal control on cost recognition

To ensure our financial reporting system operates in accordance with the accounting policies adopted by our Group, we have adopted certain internal control measures in ensuring the contract costs incurred are properly recorded in the financial reporting system, our Group's accounting entries for preparing the monthly management accounts are handled by our designated accounting staff based on relevant supporting documents and data extracted from our Group's timesheet recording system. We keep track of our project progress and costs involved by requiring our staff to (i) complete daily time sheet; and (ii) specify the detailed works carried out and actual time spent on the respective tasks on a timely basis, subject to regular review by our executive Directors. All data entry by our staff in the timesheet recording system is irrevocable unless the changes are approved by our executive Directors. In particular, our chief administrative officer, being responsible for overseeing the human resources and administrative functions of our Group, reviews and assesses the accuracy of the entries made by our staff in the timesheet recording system on a monthly basis by cross-checking with (i) their attendance and leave records; (ii) the historical records of work time entries of the staff; and (iii) their assigned work tasks in different projects. Our executive Directors also review and endorse our staff timesheet on a monthly basis. Furthermore, our executive Directors have put in place an internal guideline setting out the normal range of hours expected to be spent by our staff according to their grading and seniority for preparing and/or reviewing each major type of deliverables in allocation of manpower resources. The objective of the internal guideline is to provide a general benchmark for our engineer in charge to assess the reasonableness of the time spent by the staffs in completion of the jobs allocated. Where the time entry made by a staff for completing his/her work tasks largely deviates from the normal expected range set out in the internal guideline, our engineer in charge will make enquiries with the staff on the circumstances leading to such deviation, including the complexity of the tasks or any issues encountered. Our executive Directors also carry out monthly review to ensure that the staff cost incurred for each project is in line with the data extracted from the timesheet recording system. If any material deviation is identified, our executive Directors will enquire with the responsible staff for the potential cause of the deviation and decide for appropriate follow-up actions to be taken. Based on the above procedures, the actual project costs are calculated by our designated accounting staff by aggregating the total staff costs extracted from our timesheet recording system, the subcontracting fees and other direct costs incurred for the project. Our management is responsible for reviewing the works of our accounting staff and ensuring the accuracy of the actual costs and the stage of completion of each project.

Having evaluated the implementation and effectiveness of our internal control measures during the track record period, our Group's internal control adviser is of the view that no material adverse findings were identified on our internal control system related to the revenue and cost recognition, including the timesheet recording system which forms an integral part in calculating the revenue and cost recognised in individual projects.

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Internal control on application for and/or renewal of licences, permits and approvals

We have designated our human resources department to supervise the renewal of all required licences, permits and approvals and to coordinate the timely preparation and submission of relevant licences renewal applications. Our Group will maintain a summary of licence details, including the expiry dates of the licences. Our human resources department will review the status of all our licences and follow up on renewal of the licences which will expire within one year. Our Group's internal control adviser is of the view that such enhanced internal control measures on application for and/or renewal of all required licences, permits and approvals are adequate and effective.

Our internal control adviser mainly engages in providing a broad range of corporate governance and risk advisory, internal audit, and internal controls regulatory compliance services to its clients including listed companies and companies preparing for listing in Hong Kong.

Our internal control adviser completed the review on 2 November 2018. According to the results of the review, no material deficiency has been identified. We have adopted the internal control measures suggested by our internal control adviser to rectify the minor weaknesses identified by the internal control adviser in our internal control system.

Our internal control adviser had not identified any further issues on our internal control system in its follow-up review on 11 January 2019.

REGULATORY COMPLIANCE

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, there was no non-compliance incident which, whether individually or collectively, has caused or will have a material adverse effect on the Group's business, results of operations and financial condition.

LITIGATION AND CLAIMS

As at the Latest Practicable Date, neither our Group nor any of our subsidiaries is engaged in any litigation nor claims of material importance and no litigation or claims of material importance is known to our Directors to be pending or threatened against our Group or any of our subsidiaries.

AWARDS AND RECOGNITION

TW-Asia, one of our Group's subsidiaries, has received the award set out below in recognition of its services:

Award Year/Month	Awards/Recognition	Awarding Institution/Authority
2019/04	Construction Productivity Awards (CPA) 2019 — Advocates	BCA

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board currently consists of seven Directors, comprising four executive Directors and three independent non-executive Directors. Our Directors are supported by our senior management in the day-to-day management of our business.

The following table sets out the information in respect of our Directors and our senior management:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Responsibilities	Relationship with other Director(s) and/or senior management
Mr. Wong Seng	66	Executive Director, Chief Executive Officer and Chairman	22 January 2005	6 July 2018	Overall strategic planning, business development and corporation management of our Group and serving as a member of the Remuneration Committee	N/A
Ms. Leow Geok Mui	46	Executive Director	1 March 2005	6 July 2018	Overall strategic planning, overseeing our Group's regional business development and serving as a member of the Nomination Committee	N/A
Mr. Lim Chin Keong	41	Executive Director	18 July 2005	6 July 2018	Overall strategic planning and management of our Group's business operation in Vietnam	N/A
Mr. Heng Kim Huat	57	Executive Director	22 February 2011	6 July 2018	Overall strategic planning, management of our Group's business operations and supervising our Group's projects	N/A
Dr. Tan Teng Hooi	62	Independent Non-executive Director	20 June 2019	20 June 2019	Providing independent judgements on our Group's compliance, internal control, corporate governance and serving as the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Responsibilities	Relationship with other Director(s) and/or senior management
Mr. Leong Jay	53	Independent Non-executive Director	20 June 2019	20 June 2019	Providing independent judgements on our Group's compliance, internal control, corporate governance and serving as the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee	N/A
Mr. Ng Shing Kin	38	Independent Non-executive Director	20 June 2019	20 June 2019	Providing independent judgements on our Group's compliance, internal control, corporate governance and serving as the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee	N/A

Senior Management

Name	Age	Position	Date of joining our Group	Responsibilities	Relationship with other Director(s) and/or senior management
Dr. Nguyen Ngoc Ba	48	General manager	17 November 2008	Supervision on the day-to-day operation in our Vietnam office	N/A
Mr. Ng Yean Sin	41	Associate	1 October 2017	Overseeing and coordinating our Group's projects in our Singapore office	N/A
Ms. Fong Kuan Yuet	37	Chief financial officer	1 July 2017	Handling accounting and financial matters of our Group	N/A
Mr. Nguyen Trung Hau	36	Associate	22 April 2010	Overseeing and coordinating our Group's projects in our Vietnam office	N/A

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. WONG Seng, aged 66, is our executive Director, Chief Executive Officer, the chairman of our Board and the founder of our Group. He is primarily responsible for the overall strategic planning, business development and corporation management of our Group and serving as a member of the Remuneration Committee.

Mr. Wong has over 38 years of experience in civil and structural engineering industry and he worked as an engineer for several multinational firms. He has been involved in various residential and commercial development projects in Singapore and other countries in Asia. Prior to joining our Group, from February 1990 to December 2004, Mr. Wong worked in T.Y. Lin International Pte Limited (formerly known as T.Y. Lin South-East Asia (Pte) Ltd), which was primarily carrying on the business of provision of professional engineering services, with his latest position as a principal. Mr. Wong became a director of Artus, our Group's operating subsidiary, and has been participating in day-to-day operations and business development of our Group since January 2005.

Mr. Wong obtained a bachelor of engineering from the University of Melbourne in April 1984. He is currently a Registered Professional Engineer and a Registered Accredited Checker in Singapore, a practising engineer in Vietnam, a chartered engineer in the United Kingdom and a chartered professional engineer in Australia. Mr. Wong was a member of the Sub-Committee for Practise of Professional Engineering Examination of the Professional Engineers Board Singapore from January 2009 to August 2012 and has been a member of the Investigation Panel of the Professional Engineers Board Singapore since February 2012.

Mr. Wong was a director of the following companies prior to their dissolutions:

Name of company	Place of incorporation	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution	Reason for dissolution
WLC Engineering & Management Consultants	Singapore	Management consultancy	31 March 1988	Termination	Cessation of business
Singa Construction	Singapore	Construction and engineering	31 March 1988	Termination	Cessation of business
Royal Mandon Construction & Trading	Singapore	Construction and engineering	23 July 1988	Termination	Cessation of business
Micro-Link Trading Centre	Singapore	Construction and engineering	10 September 1988	Termination	Cessation of business
Spectra Building Products & Services	Singapore	Wholesale trading	24 April 1996	Cancellation	Cessation of business
Pub West Karaoke Lounge	Singapore	Food and beverages	29 April 1997	Termination	Cessation of business
Citilink Business Services Pte. Ltd.	Singapore	Wholesale trading	22 August 1998	Striking off	Cessation of business
Bansin Development Pte Ltd	Singapore	Building construction	28 October 2000	Striking off	Cessation of business

DIRECTORS AND SENIOR MANAGEMENT

Name of company	Place of incorporation	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution	Reason for dissolution
Aquarius Associates Pte Ltd	Singapore	Wholesale of aquarium fishes	21 November 2003	Striking off	Cessation of business
Bloc Technologies Pte. Ltd.	Singapore	Manufacture of electronic security system	15 August 2013	Striking off	Cessation of business
MVIC Investment Holding Private Limited	Singapore	Real estate development	12 March 2014	Striking off	Cessation of business
M&G Development Pte. Ltd.	Singapore	Real estate development	10 July 2014	Striking off	Cessation of business
Icon Project Management Services Pte. Ltd.	Singapore	Building design and engineering consultancy	13 October 2015	Striking off	Cessation of business

Mr. Wong confirmed that (i) to the best of his knowledge, information and belief and having made all reasonable enquiries, the above companies were solvent immediately prior to their dissolution; (ii) there is no wrongful act on his part leading to the dissolutions of the above companies; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolutions, and that his involvement in the above companies was part and parcel of his services as a director of these companies and that no misconduct or misfeasance had been involved in the dissolutions of these companies.

During the three years immediately preceding the Latest Practicable Date, Mr. Wong had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Provision A.2.1 of the Corporate Governance Code as set forth in Appendix 15 of the GEM Listing Rules (the “CG Code”) stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong is the chairman of our Board and our Chief Executive Officer. In view that Mr. Wong has been operating and managing our Group during the Track Record Period, our Board believes that it is in the best interest of our Group to have Mr. Wong taking up both roles for effective management and business development. Therefore, our Directors consider that the deviation from provision A.2.1 of the CG Code is appropriate in such circumstance. As at the Latest Practicable Date, except for the deviation from provision A.2.1 of the CG Code as disclosed above, our Directors do not expect there will be any deviation from the provisions of the CG Code upon Listing.

Ms. LEOW Geok Mui (also known as LIAO Yumei), aged 46, is our executive Director who is primarily responsible for the overall strategic planning, overseeing our Group’s regional business development and serving as a member of the Nomination Committee. Ms. Leow joined our Group since March 2005.

Ms. Leow has over 20 years of experience in construction project management, building design and engineering. Prior to joining our Group, she was a design engineer of the Housing Development Board of Singapore from June 1996 to March 1997 and a design engineer of K P Chai Engineering &

DIRECTORS AND SENIOR MANAGEMENT

Management Consultants from March 1997 to December 1999. She was an executive engineer of T. Y. Lin South-East Asia (Pte) Limited which was primarily engaged in business of provision of engineering services to infrastructure projects, since December 1999.

Ms. Leow obtained a bachelor of engineering in civil engineering in June 1996 and a master degree in international construction management in 2002, respectively, from Nanyang Technological University, Singapore. She has been a Registered Professional Engineer in Singapore since 2006 and a practising engineer in Vietnam since 2009. She has also been a member of the Association of Consulting Engineers in Singapore since 2006.

Ms. Leow was a director of the following companies prior to their dissolutions:

Name of company	Place of incorporation	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution	Reason for dissolution
M&G Consultancy Services	Singapore	Building design and engineering consultancy	29 July 2009	Termination	Cessation of business
M&G Consultancy Services Pte. Ltd.	Singapore	Building design and engineering consultancy	5 December 2016	Striking off	Cessation of business

Ms. Leow confirmed that (i) to the best of her knowledge, information and belief and having made all reasonable enquiries, the above companies were solvent immediately prior to their dissolution; (ii) there is no wrongful act on her part leading to the dissolutions of the above companies; and (iii) she is not aware of any actual or potential claim that has been or will be made against her as a result of the dissolutions, and that her involvement in the above companies was part and parcel of her services as a director of these companies and that no misconduct or misfeasance had been involved in the dissolutions of these companies.

During the three years immediately preceding the Latest Practicable Date, Ms. Leow had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. LIM Chin Keong, aged 41, is our executive Director who is the overall strategic planning and management of our Group's business operation in Vietnam. Mr. Lim joined our Group in July 2005. Mr. Lim has over 18 years of experience in construction industry. Prior to joining our Group, he was a structural engineer of T.Y. Lin International Pte Limited (formerly known as T. Y. Lin South-East Asia (Pte) Limited), which was primarily engaged in business of provision of engineering services to infrastructure projects, since May 2001.

Mr. Lim obtained a bachelor of engineering in civil engineering with first class honours from the University of Adelaide, Australia in December 2000. He has been a professional engineer in Malaysia and a Practising Engineer in Vietnam since 2011. He has been a member of the Institute of Engineers in Malaysia since 2009.

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Mr. Lim was a director of the following company prior to its dissolution:

Name of company	Place of incorporation	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution	Reason for dissolution
Ecosphere	Malaysia	Air-conditioning services	25 December 2004	Expiry of business registration	Cessation of business

Mr. Lim confirmed that (i) to the best of his knowledge, information and belief and having made all reasonable enquiries, the above company was solvent immediately prior to its dissolution; (ii) there is no wrongful act on his part leading to the dissolutions of the above company; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolutions, and that his involvement in the above company was part and parcel of his services as a director of this company and that no misconduct or misfeasance had been involved in the dissolutions of this company.

During the three years immediately preceding the Latest Practicable Date, Mr. Lim had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. HENG Kim Huat, aged 57, is our executive Director who is primarily responsible for the overall strategic planning, management of our Group's business operations and supervising our Group's projects. Mr. Heng joined our Group in February 2011.

Mr. Heng has over 30 years of experience in construction project management, building design and engineering and had participated in the design and construction of various residential and commercial buildings in Singapore. Prior to joining our Group, from June 1986 to October 1990, Mr. Heng was a structural engineer of Ove Arup & Partners, which was a multinational corporation providing engineering, design, planning, project management and consulting services. From November 1990 to December 2007, he was a principal of T.Y. Lin International Pte Limited (formerly known as T.Y. Lin South-East Asia (Pte) Ltd), which was primarily carrying on the business of provision of professional engineering services. Mr. Heng was a principal of KK Lim & Associates Pte Limited, which was a consulting civil and structural engineering company based in Singapore from January 2008 until joining our Group in February 2011.

Mr. Heng obtained a bachelor of engineering in civil engineering in June 1986 from National University of Singapore. He has been a Registered Professional Engineer in Singapore since May 1997 and a member of the Institution of Engineers, Singapore since November 1997.

During the three years immediately preceding the Latest Practicable Date, Mr. Heng had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

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Independent non-executive Directors

Dr. TAN Teng Hooi, aged 62, is our independent non-executive Director responsible for providing independent judgement on our Group's compliance, internal control, corporate governance and serving as the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee.

Dr. Tan has more than 30 years of experience in civil engineering and related tertiary education. He is currently a fellow member of the Institution of Civil Engineers, United Kingdom, and the Institution of the Engineers, Singapore. He has been a chartered engineer in United Kingdom since 1986 and a Professional Engineers Board of Singapore since 1985. Also, he has been a member of various professional associations including but not limited to the Engineering Accreditation Board of Singapore, the Society of Project Managers, Singapore and the BCA Assessment Committee for Built Environment Leadership Awards. Dr. Tan became an Asean Chartered Professional Engineer in 2009. He had been working in Nanyang Technological University, Singapore for over 20 years since 1985 with his latest position as an associate professor. From October 2008 to September 2012, Dr. Tan worked in T.Y. Lin International Pte Limited (formerly known as T.Y. Lin South-East Asia (Pte) Ltd), which was primarily engaged in engineering design and consultancy activities, with his latest position as a senior principal and chief operating officer. He has also been an associate professor of Singapore University of Social Sciences (formerly known as SIM University) since December 2012.

Dr. Tan obtained a bachelor of engineering in May 1980 and a master degree of civil engineering in June 1984 from National University of Singapore. Dr. Tan obtained a doctor of philosophy degree from Nanyang Technological University in March 1998.

During the three years immediately preceding the Latest Practicable Date, Dr. Tan had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. LEONG JAY, aged 53, is our independent non-executive Director responsible for providing independent judgement on our Group's compliance, internal control, corporate governance and serving as the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

Mr. Leong has over 20 years of experience in the finance industry. He worked for Singapore International Monetary Exchange from 1994 to 1997 with his latest position as an assistant vice president. He worked as a vice president in Smith Barney (Hong Kong) Limited in 1997 and as a vice president in Salomon Brothers Hong Kong Ltd. in 1998. From 1999 to 2000, he worked as an associate director in Deutsche Bank. Since October 2001, he was the senior forex dealer of Credit Lyonnais. From June 2005 to January 2014, he worked for the Standard Chartered Bank with his latest position as the managing director and the head of global markets Singapore. He has been the director of Laveron Twin Asset Management Limited since November 2016 and is currently a partner of Dalconth Ventures Pte Ltd. since August 2017.

Mr. Leong obtained a bachelor of science in computer science from University of Texas in 1991 and a master degree of business administration in finance from University of Houston in 1993. He was appointed a member of the Professional Membership Committee of the Treasury Markets Association (TMA) in October 2010.

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Mr. Leong was a director of the following companies prior to their dissolutions:

Name of company	Place of incorporation	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution	Reason for dissolution
3Synergy Limited	Hong Kong	Online ticket services	16 March 2012	Deregistration	Cessation of business
Easykitchen 2 Limited	Hong Kong	Food and beverages	16 March 2012	Deregistration	Cessation of business
Joyful One Holdings Limited	Hong Kong	Food and beverages	18 February 2015	Striking off	Cessation of business
Lyndhurst Holding Company Limited	Hong Kong	Food and beverages	15 September 2016	Striking off	Cessation of business
Supperclub Limited	Hong Kong	Food and beverages	30 January 2014	Deregistration	Cessation of business
Laveron Twin Asset Management Limited	Hong Kong	Dormant	30 September 2016	Deregistration	Inactive
Standard Chartered (1996) Limited	Singapore	Dormant	5 November 2013	Dissolved by members' voluntary Winding Up	Inactive
Standard Chartered (2000) Limited	Singapore	Dormant	19 August 2019	Dissolved by members' voluntary Winding Up	Inactive
Standard Chartered Securities (Singapore) Pte. Limited	Singapore	Dormant	31 October 2013	Dissolved by members' voluntary Winding Up	Inactive
Standard Chartered Investments (Singapore) Private Limited	Singapore	Dormant	1 October 2013	Dissolved by members' voluntary Winding Up	Inactive
SC2 Investments (Singapore) Pte Limited	Singapore	Dormant	1 October 2013	Dissolved by members' voluntary Winding Up	Inactive

Mr. Leong confirmed that (i) to the best of his knowledge, information and belief and having made all reasonable enquiries, the above companies were solvent immediately prior to their dissolution; (ii) there is no wrongful act on his part leading to the dissolutions of the above companies; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the

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dissolutions, and that his involvement in the above companies was part and parcel of his services as a director of these companies and that no misconduct or misfeasance had been involved in the dissolutions of these companies.

During the three years immediately preceding the Latest Practicable Date, Mr. Leong had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. NG Shing Kin (吳成堅先生), aged 38, is our independent non-executive Director responsible for providing independent judgement on our Group's compliance, internal control, corporate governance and serving as the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee.

Mr. Ng has over 10 years of experience in audit and accounting. He has been a certified public accountant accredited by the Hong Kong Institute of Certified Public Accountants since 2012 and obtained a practising certificate since 2017. He has also been a certified financial risk manager admitted by the Global Association of Risk Professionals since 2008. From August 2008 to December 2013, Mr. Ng had worked for HLB Hodgson Impey Cheng Limited with his latest position as a senior accountant. He was then a senior associate of PricewaterhouseCoopers from December 2013 to October 2015. He has been the financial controller and company secretary of Royal Catering Group Holdings Company Limited, the shares of which is listed on GEM of the Stock Exchange (stock code: 8300), since November 2015. He has also been the company secretary of Ying Hai Group Holdings Company Limited, the shares of which is listed on GEM of the Stock Exchange (stock code: 8668), since February 2019.

Mr. Ng obtained a honours diploma in business administration from Hong Kong Shue Yan College in July 2005 and a master degree in business administration from the University of Louisiana, Monroe through long distance learning. In November 2007, Mr. Ng further obtained a postgraduate diploma in professional accounting from Hong Kong Baptist University.

During the three years immediately preceding the Latest Practicable Date, Mr. Ng had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Directors' interest

Save as disclosed in this prospectus, each of our Directors confirms with respect to him or her that: (i) he or she has not held any directorships in the three years preceding the date of this prospectus in any companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he or she does not hold any other position in our Company or any other members of our Group; and (iii) he or she does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed in this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matters with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed under Rule 17.50(2) of the GEM Listing Rules at the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Dr. NGUYEN Ngoc Ba, aged 48, is a general manager of our Group and is responsible for the supervision on the day-to-day operation of our Group's business in our Vietnam office.

Dr. Nguyen has over 25 years of experience in construction industry in Vietnam and he completed a doctor of philosophy degree in civil engineering from Nanyang Technological University, Singapore in February 2005. He joined our Group in November 2008. Prior to joining our Group, Dr. Nguyen worked for Vietnam Institute for Building Science and Technology (IBST), which is a state-owned institution under Vietnam government to set out the standards for structural engineering in Vietnam, since March 2004 with his latest position as the director of Institute for Basic Research and Standardisation.

During the three years immediately preceding the Latest Practicable Date, Dr. Nguyen had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. NG Yean Sin, aged 41, is an associate of our Group and is responsible for overseeing and coordinating our Group's projects in our Singapore office of our Group's business in Singapore.

Mr. Ng obtained a bachelor of engineering in civil engineering from Universiti Teknologi Malaysia in August 2000 and a master of science in civil engineering from National University Singapore in June 2006. He has over 19 years of experience in construction project management and engineering and has been a Registered Professional Engineer in Singapore since 2016 and a member of the Institute of Engineers, Singapore since 2008. He had worked as various project management and engineering related positions in construction and consultancy companies in Singapore. Mr. Ng joined our Group in October 2017. Prior to joining our Group, he was a senior engineer of KTP Consultants Pte Limited, a Singapore based company primarily carrying on the business of provision of engineering consulting services from May 2012 to December 2015 and a senior project manager of Distinct Builders Pte Limited, a Singapore based company primarily carrying on the business of provision of main building construction works from January 2016 to September 2017.

During the three years immediately preceding the Latest Practicable Date, Mr. Ng had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. FONG Kuan Yuet, aged 37, is the chief financial officer of our Group responsible for handling accounting and financial matters of our Group.

Ms. Fong completed the advanced diploma in commerce (financial accounting) from Tunku Abdul Rahman College, Malaysia in May 2005. She has been registered as a member of the Association of Chartered Certified Accountants (ACCA) since June 2012 and a member of the Certified Public Accountant (CPA) Singapore since 31 May 2019. Ms. Fong has over nine years of experience in financial accounting. She joined our Group in July 2017. From August 2005 to June 2009, she worked in several accountants' and auditors' firms in Singapore with her latest position as audit senior. She then joined Mediacorp Pte Limited, a Singapore based media and entertainment company, until February 2015 with her latest position as financial manager. Prior to joining our Group, Ms. Fong was an assistant vice president of finance and tax of ST Asset Management Limited, a Singapore based company primarily engaging in business of provision of asset management services, from May 2015 to June 2017.

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During the three years immediately preceding the Latest Practicable Date, Ms. Fong had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. NGUYEN Trung Hau, aged 36, is an associate of our Group and is responsible for overseeing and coordinating our Group's projects in our Vietnam office.

Mr. Nguyen obtained a bachelor of engineer from University of Architect HCMC Vietnam in July 2006. He has over nine years of experience as a design engineer, supervision engineer in the building and construction industry in Vietnam and has been a Practising Engineer in Vietnam since April 2012. He had worked various project design engineer in Singapore and Vietnam. Mr. Nguyen joined our Group in April 2010. Prior to joining our Group, he was a design engineer of Design & Investment Consultancy Co., Ltd. from June 2006 to October 2007 and a design engineer of International Construction & Investment Consultancy Co., Ltd., a Vietnam based company primarily carrying on the business of provision consultancy service from December 2007 to February 2010.

During the three years immediately preceding the Latest Practicable Date, Mr. Nguyen had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

COMPANY SECRETARY

Mr. Chan Kim Sun (陳劍榮), aged 38, was appointed as the company secretary of our Group on 14 January 2019 and is responsible for the corporate secretarial matters.

From October 2004 to March 2010, Mr. Chan joined HLB Hodgson Impey Cheng Limited, an established firm of certified public accountants as an accountant before being promoted as audit manager in April 2008. From August 2011 to September 2014, Mr. Chan served as finance controller and from September 2012 to September 2014 as company secretary of China Infrastructure Investment Limited, a company primarily engaged in properties investment, sale of natural gas as well as investment holding, and the shares of which are listed on the Stock Exchange (stock code: 600). Mr. Chan is currently a non-practising member of the Hong Kong Institute of Certified Public Accountants and is a fellow of the Association of Chartered Certified Accountants. Mr. Chan graduated from the Hong Kong University of Science and Technology with a bachelor's degree in business administration majoring in accounting and finance in November 2003.

Mr. Chan is an independent non-executive director of Vision International Holdings Limited, a company listed on GEM (stock code: 8107) and Virscend Education Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1565). Save as disclosed above, during the three years immediately preceding the Latest Practicable Date, Mr. Chan had not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas.

COMPLIANCE OFFICER

Mr. Wong Seng is the compliance officer of our Company, whose biographical details are set out in the paragraph headed "Directors — Executive Directors" above in this section.

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BOARD COMMITTEES

Audit Committee

Our Company has established an audit committee on 6 November 2019 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph C.3.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process (including to understand the accounting policies and practises applied by our Group, to enquire management and external auditors regarding significant audit adjustments and unusual transactions, to discuss with our Board the material items in the financial statements, to request additional information regarding the accounts, and to ensure compliance with the GEM Listing Rules and legal requirements in relation to financial reporting), to review the financial information of our Group, to oversee our Group's financial controls, internal control procedures and management systems, and to review any material queries raised by the external auditor as to the management about accounting records, financial accounts or systems of control and management's response. The Audit Committee comprises three members, namely Dr. Tan Teng Hooi, Mr. Leong Jay and Mr. Ng Shing Kin, respectively. Mr. Ng Shing Kin is the chairman of the Audit Committee.

Remuneration Committee

Our Company has established a Remuneration Committee on 6 November 2019 with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph B.1.2 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary function of the Remuneration Committee is, among other things, to make recommendations to our Board on our Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management's remuneration proposals with reference to our Board's corporate goals and objectives, to make recommendations to the Board on the remuneration of directors and senior management of our Group. The Remuneration Committee comprises four members, namely Mr. Wong, Dr. Tan Teng Hooi, Mr. Leong Jay and Mr. Ng Shing Kin, respectively. Mr. Leong Jay is the chairman of the Remuneration Committee.

Nomination Committee

Our Company has established a Nomination Committee on 6 November 2019 with written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The Nomination Committee is mainly responsible for, among other things, reviewing the structure, size and composition of our Board at least annually and making recommendations on any proposed changes to our Board to complement our Company's corporate strategy, identifying individuals suitably qualified to become members of our Board and selecting or making recommendations to our Board on the selection of individuals nominated for directorships, assessing the independence of the independent non-executive Directors and making recommendations to our Board on the appointment or re-appointment of Directors. The Nomination Committee comprises four members, namely Ms. Leow, Dr. Tan Teng Hooi, Mr. Leong Jay and Mr. Ng Shing Kin, respectively. Dr. Tan Teng Hooi is the chairman of the Nomination Committee.

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY POLICY

Our Directors have a balanced mix of experiences and industry background, including but not limited to experiences in construction, engineering, finance and accounting industries. The three independent non-executive Directors, who have different industry backgrounds, represent more than one third of our Board members.

Upon Listing, our Group will adopt a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity of perspectives of our Board that are relevant to our business growth. Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. In recognising the particular importance of gender diversity, we are committed to provide career development opportunities for female staff and seek to shortlist at least one suitable female candidate for future appointments to our Board so that the Board will consist of at least 25% female directors within two years after the Listing. Nevertheless, the Company will continue to apply the principle of appointments based on merits with reference to the board diversity policy as a whole.

Our Nomination Committee is responsible for ensuring the diversity of our Board. After the Listing, our Nomination Committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of the board diversity policy in our corporate governance report on an annual basis.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive remuneration in the form of Directors' fees, salaries, allowance, benefits in kind, discretionary bonuses and contributions to retirement schemes. The total remuneration paid to our Directors for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 were approximately SGD0.9 million, SGD1.0 million and SGD0.4 million respectively.

Under the arrangement currently in force, the estimated aggregate amount of our Directors' fees and other emoluments for the year ending 31 December 2019 will be approximately SGD1.0 million.

The aggregate amount of remuneration (including fees, salaries, discretionary bonus, housing and other allowances, pension scheme contributions and other benefits in kind) paid by our Company to the five highest paid individuals of our Group, including our Directors, for the financial years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 were approximately SGD1.0 million, SGD1.1 million and SGD0.5 million respectively.

During the Track Record Period, we did not pay to any of our Directors or the five highest paid individuals any remuneration as an inducement for joining our Group or as a compensation for loss of office. Furthermore, none of our Directors has waived or agreed to waive the respective remuneration.

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Save as disclosed above, no other payments have been paid or are payable by our Group in respect of the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, to our Directors or the five highest paid individuals of our Group.

REMUNERATION POLICY

We base our remuneration policy on the position, duties and performance of our employees. The remuneration of our employees may include salary, overtime allowance, bonus and various subsidies. We conduct performance appraisal on an annual basis.

The overall remuneration structure and policy of our Group is expected to remain the same upon Listing, except that the Remuneration Committee will perform such duties as stated under the paragraph headed “Remuneration Committee” in this section.

SHARE OPTION SCHEME

Our Group has conditionally adopted the Share Option Scheme and the principal terms of the Share Option Scheme are summarised under the paragraph headed “Statutory and general information — D. Share Option Scheme” in Appendix V to this prospectus.

COMPLIANCE ADVISER

We have appointed Titan Financial Services Limited as our compliance adviser in accordance with Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, we will consult with and, if necessary, seek advice from the compliance adviser in the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and/or share buy-backs;
- (iii) 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 in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry with us concerning unusual movements in the price or trading volume of our Shares under Rule 17.11 of the GEM Listing Rules and/or any other matters.

The material terms of the compliance adviser’s agreement entered into between our Company and the compliance adviser include but are not limited to:

- (a) to provide our Company with guidance and advice as to compliance with the requirements under the GEM Listing Rules and applicable laws, rules, codes and guidelines;
- (b) upon the request of our Company, to accompany our Company to any meetings with the Stock Exchange, unless otherwise requested by the Stock Exchange;

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- (c) when our Company consults with the compliance adviser in circumstances set out in clauses (i) to (iv) above, to discuss the following (as appropriate) with our Company:
 - (i) our Company's operating performance and financial condition by reference to its business objectives and use of issue proceeds as stated in this prospectus;
 - (ii) our Company's compliance with the terms and conditions of any waivers granted from the GEM Listing Rules at the time of Listing;
 - (iii) whether any profit forecast or estimate in this prospectus will be or has been met by our Company and advise our Company to notify the Stock Exchange and inform the public in a timely and appropriate manner;
- (d) if required by the Stock Exchange, to deal with the Stock Exchange in respect if any or all matters set out in circumstances set out in clauses (i) to (iv) above;
- (e) in relation to an application by our Company for a waiver from any of the requirements in Chapter 20 of the GEM Listing Rules, to advise our Company on its obligations and in particular the requirement to appoint an independent financial adviser;
- (f) to assess the understanding of all new appointees to our Board regarding the nature of their responsibilities and fiduciary duties as a director of a listed company, and, to the extent the compliance adviser forms an opinion that the new appointees' understanding is inadequate, discuss the inadequacies with our Board and make recommendations to the Board regarding appropriate remedial steps such as training; and
- (g) to act as our Company's principal channel of communication with the Stock Exchange.

The term of the appointment shall commence on the Listing Date and end on the date on which our Group complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date and such appointment shall be subject to extension by mutual agreement.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Share Offer and Capitalisation Issue (without taking into account any Shares which may be issued upon exercise of the Offer Size Adjustment Option), WMCH Global Holdings will control 75% of the issued share capital of our Company. WMCH Global Holdings is an investment holding company which is owned as to 55% by Mr. Wong, 20% by Ms. Leow, 17.5% by Mr. Lim and 7.5% by Mr. Heng. For the purpose of the GEM Listing Rules, WMCH Global Holdings, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng are regarded as a group of Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

In the opinion of our Directors, our Group is capable of carrying on our businesses independently of, and does not place undue reliance on, our Controlling Shareholders and their respective close associates, taking into account the following factors:

Management independence

Our management and operational decisions are made by our Board and our senior management. Our Board comprises four executive Directors and three independent non-executive Directors. We consider that our Board and senior management will be able to function independently from our Controlling Shareholders and their respective close associates taking into account the following:

- (a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transaction, and shall not be counted in forming quorum;
- (c) our Group has established an (i) audit committee; (ii) remuneration committee and (iii) nomination committee. Each committee includes independent non-executive Directors so as to monitor the operation of our Group. Further, we believe that our independent non-executive Directors will be able to exercise their independent judgement and will be able to provide impartial opinion and professional advice in the decision-making process of our Board to protect the interests of our Shareholders; and
- (d) all our senior management members are independent from our Controlling Shareholders and their close associates. They have served our Group for a sufficient length of time during which they have demonstrated their capability of discharging their duties independently from our Controlling Shareholders and their close associates.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Operational independence

Our Group has established our own organisational structure made up of individual departments, each with specific areas of responsibilities for daily operations of our Group. We have full control over our assets to continue our business independently of our Controlling Shareholders and their respective close associates. We do not share operation resources, such as office premises, equipment, sales and marketing and general administration resources with our Controlling Shareholders and their respective close associates.

We have independent access to subcontractors and clients and an independent management team to handle our day-to-day operations. Save for the transactions with Tham & Wong LLP, our subcontractors and clients are all independent from our Controlling Shareholders. We have our own internal control systems and accounting systems for our business operations. We are also in possession of all relevant licences necessary to carry on and operate our business and we have sufficient workforce to operate independently from our Controlling Shareholders and their respective close associates.

During the Track Record Period, there were certain transactions between us and our related parties, details of which are set out in note 29 to the Accountants' Report in Appendix I to this prospectus. In particular, during the Track Record Period, our Group had entered into certain related party transactions with Tham & Wong LLP, a limited liability partnership of which Mr. Wong was one of the partners. Mr. Wong has withdrawn from his partnership from Tham & Wong LLP since February 2018. For further details, please refer to the paragraph headed "Business — Our clients — Transactions with Tham & Wong LLP" in this prospectus.

During the Track Record Period, we have entered into certain transactions with the parties which will, upon Listing, become our connected person (as defined under Chapter 20 of the GEM Listing Rules), and such transactions are expected to continue after Listing. Our Group will enter into a master service agreement (the "**Master Service Agreement**") with Master Contract Services Pte. Ltd., MKH (Punggol) Pte. Ltd. and Prelim Construction Pte. Ltd. (the "**Connected Persons**") for the provision of engineering consultancy services which will commence on the Listing Date. Under the Master Service Agreement, the price for the aforesaid services is determined on order-by-order basis with reference to the prevailing comparable market price after arm's length negotiation between the parties from time to time. For details, please refer to the section headed "Connected transactions" in this prospectus.

In view of the above, our Directors are of the view that we will be able to operate independently from our Controlling Shareholders and their respective close associates.

Financial independence

Our Group has its own independent financial management system, internal control and accounting system and finance department and make financial decisions according to our own business needs.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

During the Track Record Period, our Group maintained loan facilities with two banks, details of which are set out in note 24 to the Accountants' Report in Appendix I to this prospectus. Such loan facilities were guaranteed by Mr. Wong and Ms. Leow, and such personal guarantees will be released upon Listing.

During the Track Record Period, our Group had certain amounts due to and due from our Controlling Shareholders and their related companies. Please refer to notes 19, 20 and 21 of the Accountants' Report set out in Appendix I to this prospectus for further details. All amounts due to and due from our Controlling Shareholders and their related companies will be settled upon Listing.

In view of our Group's internal resources and the estimated net proceeds from the Share Offer, our Directors believe that our Group will have sufficient capital for its financial needs without dependence on our Controlling Shareholders. Our Directors also believe that, upon Listing, our Group is capable of obtaining financing from external sources independently without the support of our Controlling Shareholders.

RULE 11.04 OF THE GEM LISTING RULES

As at the Latest Practicable Date, Mr. Lim, one of our Controlling Shareholders, owned 95% equity interest in Tham & Wong Asia Sdn Bhd, a private company incorporated in Malaysia which was engaged in providing civil and structural construction works and consultancy services in Malaysia. Tham & Wong Asia Sdn Bhd has ceased its operation and has been inactive since 2017. Mr. Lim confirms that there is no intended operation in respect of Tham & Wong Asia Sdn Bhd in the future. As such, our Directors consider that Tham & Wong Asia Sdn Bhd does not compete, and is unlikely to compete, directly or indirectly, with our Group's business.

Save as disclosed above, our Controlling Shareholders and our Directors do not have 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 11.04 of the GEM Listing Rules.

CORPORATE GOVERNANCE MEASURES

To avoid potential conflicts of interest and safeguard the interests of our Shareholders, our Group will implement the following measures:

- (i) our Board is committed to the view that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on our Board which can effectively exercise independent judgement. Our Company has appointed three independent non-executive Directors. Our Directors believe that our independent non-executive Directors are of sufficient calibre, are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide impartial and professional advice to protect the interests of the minority Shareholders. Details of our independent non-executive Directors are set out in the section headed "Directors and senior management" in this prospectus; and

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (ii) our Company has appointed Titan Financial Services Limited as the compliance adviser, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls.

CONNECTED TRANSACTIONS

OVERVIEW

During the Track Record Period, we have entered into certain transactions with the parties which will, upon Listing, become our connected persons (as defined under Chapter 20 of the GEM Listing Rules), and such transactions are expected to continue after Listing. Upon Listing, these transactions will constitute exempt continuing connected transactions for our Company which will be exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Relationship between our Group and our connected persons

Connected person	Relationship with us	Principal business activities of the connected person
1. Master Contract Services Pte. Ltd. (“MCS”)	MCS is a private company incorporated in Singapore and is owned as to approximately 50.2% by Mr. Leow Ban Leong who is the brother of Ms. Leow Geok Mui, our executive Director and one of our Controlling Shareholders. Hence, MCS is a connected person of our Company.	Provision of building construction service and manufacturing of steel structural component
2. MKH (Punggol) Pte. Ltd. (“MKH”)	MKH is a private company incorporated in Singapore and is owned as to approximately 70.0% by MCS, a majority-controlled company of Mr. Leow Ban Leong who is the brother of Ms. Leow Geok Mui, our executive Director and one of our Controlling Shareholders. Hence, MKH is a connected person of our Company.	Real estate development
3. Prelim Construction Pte. Ltd. (“Prelim Construction”)	Prelim Construction is a private company incorporated in Singapore and is owned as to approximately 50.2% by Ms. Low Yuen Theng who is the sister-in-law of Ms. Leow Geok Mui, our executive Director and one of our Controlling Shareholders. Hence, Prelim Construction is a connected person of our Company.	Provision of building construction services, including major upgrading works and metal fabrication, and manufacturing of steel structural component

CONNECTED TRANSACTIONS

MCS and MKH, which are controlled Mr. Leow Ban Leong who is the brother of Ms. Leow, our executive Director and one of our Controlling Shareholders, and Prelim Construction, which is controlled by Ms. Low Yuen Theng who is the sister-in-law of Ms. Leow, our executive Director and one of our Controlling Shareholders, are regarded as our connected persons (as defined under Chapter 20 of the GEM Listing Rules). However, they are not regarded as “related parties” pursuant to the provisions of International Accounting Standard (IAS) 24 “Related Party Disclosures” since Mr. Leow Ban Leong and Ms. Low Yuen Theng are not regarded as “close members” of Ms. Leow’s family. Details of the definition of related parties are set out in note 4 to the Accountants’ Report in Appendix I to this prospectus. As such, the transactions between our Group and MCS, MKH and Prelim Construction are not regarded as related party transactions.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

Master Service Agreement with MCS, MKH and Prelim Construction

Our Group will enter into a master service agreement (the “**Master Service Agreement**”) with MCS, MKH and Prelim Construction (the “**Connected Persons**”) for a term commencing from the Listing Date and ending on 31 December 2021 (both days inclusive), pursuant to which our Group agreed to provide engineering consultancy services to MCS, MKH and Prelim Construction. Our Directors believe it will be beneficial to us to continue our transaction with the Connected Persons in view of our established business relationship with the Connected Persons based on normal commercial terms that are fair and reasonable to our Group.

Pricing policy

The price for the aforesaid services is determined on order-by-order basis with reference to the prevailing comparable market price after arm’s length negotiation between the parties from time to time. Our management will follow a set of pricing policy in determining and approving the price and terms of the aforesaid services based on the following factors:

- The historical transaction amount paid by the relevant Connected Persons for services of similar type, scale and quality will be considered.
- To ensure that the service fees payable by the Connected Persons to our Group represents the prevailing market price and are on normal commercial terms, the price of our services to the Connected Persons will also be determined by comparing the fee proposal to the relevant Connected Persons with the quotations we provided to not less than two independent clients that require similar services. The fee proposal we offered to the Connected Persons shall not be less favourable than that we offered to independent clients for projects of similar type, scale and quality, subject to other pricing consideration relevant to such projects.
- The price of our services to the Connected Persons will also be determined with reference to factors such as project location, site area, complexity of the project, the estimated time and costs involved in the project based on our management’s estimation and the information provided by the Connected Persons in respect of the potential projects.

The above pricing policy for our transactions with the Connected Persons will be reviewed by our Directors (including the independent non-executive Directors) regularly.

CONNECTED TRANSACTIONS

Historical transaction amount

For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, the total revenue attributable to the provision of engineering consultancy services to the Connected Persons amounted to approximately SGD163,000, SGD190,000 and SGD12,000, respectively.

Annual Caps

It is expected that the engineering consultancy services fees payable to our Group under the Master Services Agreement for each of the three years ending 31 December 2021 will not exceed SGD0.1 million, SGD0.4 million and SGD0.4 million respectively.

The annual caps are determined with reference to the following basis:

- (i) the Connected Persons' expected demand for our engineering consultancy services and the revenue expected to be derived from the projects to be awarded to us by the Connected Persons for the two years ending 31 December 2021 (including but not limited to two projects that will be awarded to our Group by the Connected Persons in 2020, with a contract period of approximately three years and an aggregate contract sum exceeding SGD0.8 million, which is substantially higher than the contract sum of the projects undertaken by the Group for the Connected Persons during the Track Record Period);
- (ii) our pricing policy as described above;
- (iii) the scope and complexity of the services to be provided;
- (iv) the number of staff to be involved in the provision of the services;
- (v) the respective time spent for the provision of the services; and
- (vi) expertise and resources required for the provision of the services.

Confirmation from our Directors

Our Directors consider that the Master Services Agreement and the annual caps are on normal commercial terms, fair and reasonable and in the interests of our Group and our Shareholders as a whole.

Implication under the GEM Listing Rules

As the applicable percentage ratios (except the profits ratio) of the transactions contemplated under the Master Service Agreement are expected to be less than 5% and the annual transaction amounts are expected to be less than HK\$3 million, such continuing connected transactions constitute de minimis continuing connected transaction under Rule 20.74(1)(c) of the GEM Listing Rules, which will be fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account the Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option), the following persons will have beneficial interests or short positions in any 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 be directly and/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 of Shareholder(s)	Capacity/Nature of interest	Number of and class of Shares	Approximately percentage of shareholding after the Share Offer
WMCH Global Holdings Limited	Beneficial owner	450,000,000	75%
Mr. Wong	Interest of controlled corporation	450,000,000	75%
Ms. Tan Seow Hong (Note)	Interest of spouse	450,000,000	75%

Note: Ms. Tan Seow Hong is the spouse of Mr. Wong. Accordingly, Ms. Tan Seow Hong is deemed to be interested in all the Shares held by Mr. Wong under the SFO.

WMCH Global Holdings, which holds 75% of the issued share capital of our Company, is an investment holding company which is owned as to 55% by Mr. Wong, 20% by Ms. Leow, 17.5% by Mr. Lim and 7.5% by Mr. Heng. As such, WMCH Global Holdings, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng are considered as a group of Controlling Shareholders and Substantial Shareholders for the purpose of the GEM Listing Rules.

Save as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account the Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option), have beneficial interests or short positions in any 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 be directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying voting rights at general meetings of the Company and will be able, as a practical matter, to direct or influence the management of our Company.

SHARE CAPITAL

AUTHORISED AND ISSUED SHARE CAPITAL

<i>Authorised share capital:</i>	<i>HK\$</i>
5,000,000,000 Shares of HK\$0.01 each	50,000,000

Issued and to be issued, fully paid or credited as fully paid upon completion of the Share Offer and the Capitalisation Issue:

Number of Shares	Description of Shares	Aggregate nominal value of Shares HK\$
39,000,000	Shares in issue as at the Latest Practicable Date	390,000
411,000,000	Shares to be issued under the Capitalisation Issue	4,110,000
<u>150,000,000</u>	Shares to be issued under the Share Offer	<u>1,500,000</u>
<u><u>600,000,000</u></u>	Total	<u><u>6,000,000</u></u>

ASSUMPTIONS

The above tables assume that the Share Offer will become unconditional. It takes no account of any Shares which may be issued upon exercise of the Offer Size Adjustment Option or any Shares which may be allotted and issued or repurchased by our Company pursuant to the Issuing Mandate and Repurchase Mandate as described below.

RANKING

The Offer Shares will rank pari passu in all respects with all other Shares in issue as mentioned in this prospectus, and in particular, will rank in full for all dividends and other distributions declared, paid or made on the Shares after the date of this prospectus.

SHAREHOLDERS' GENERAL MEETING

Please refer to Appendix IV to this prospectus in respect of circumstances under which general meeting is required.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme, the principal terms of which are summarised in the section headed "Statutory and general information — D. Share Option Scheme" in Appendix V to this prospectus.

SHARE CAPITAL

ISSUING MANDATE

Our Directors have been granted a general unconditional mandate (the “**Issuing Mandate**”) to allot, issue and deal with not exceeding 20% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be issued upon exercise of the Offer Size Adjustment Option or any options that may be granted under the Share Option Scheme); and the number of Shares repurchased by our Company (if any) under the authorities referred in the paragraph headed “Repurchase mandate” in this section below.

Our Directors may, in addition to the Shares which they are authorised to issue under the Issuing Mandate, allot, issue and deal in the Shares pursuant to a rights issue, an issue of Shares pursuant to the exercise of subscription rights attaching to any warrants or convertible securities of our Company, scrip dividends or similar arrangements or the exercise of the Offer Size Adjustment Option or the options granted under the Share Option Scheme.

The Issuing Mandate will expire:

- (a) at the conclusion of our next annual general meeting; or
- (b) upon the expiry of the period within which our Company is required by any applicable laws of the Cayman Islands or our Articles to hold our next annual general meeting; or
- (c) when it is varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting;

whichever occurs first.

For further details on the Issuing Mandate, please refer to the section paragraph “Statutory and general information — A. further information about our Company — 3. Written resolutions of our sole Shareholder passed on 6 November 2019” in Appendix V to this prospectus.

REPURCHASE MANDATE

Our Directors have been granted a general unconditional mandate (the “**Repurchase Mandate**”) to exercise all of the powers of our Company to repurchase not more than 10% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be issued upon exercise of the Offer Size Adjustment Option or any options that may be granted under the Share Option Scheme).

The Repurchase Mandate relates only to repurchases made on the Stock Exchange or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with the GEM Listing Rules.

An explanatory statement related to the Repurchase Mandate is set out in the section headed “Statutory and general information — A. Further Information about our Company — 6. Repurchase of our Shares by our Company” in Appendix V to this prospectus.

SHARE CAPITAL

The Repurchase Mandate will expire:

- (a) at the conclusion of our next annual general meeting; or
- (b) upon the expiry of the period within which our Company is required by any applicable laws of the Cayman Islands or our Articles to hold our next annual general meeting; or
- (c) when it is varied, revoked or renewed by an ordinary resolution of the Shareholders in general meeting;

whichever occurs first.

For further details on the Repurchase Mandate, please refer to the paragraph headed “Statutory and general information — A. Further information about our Company — 3. Written resolutions of our sole Shareholder passed on 6 November 2019” in Appendix V to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the Companies Law and the terms of the Memorandum and Articles of Association, the Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its capital into Shares of larger amount; (iii) divide its Shares into several classes; (iv) subdivide its Shares into Shares of smaller amount; and (v) cancel any Shares which have not been taken. In addition, our Company may subject to the provisions of the Companies Law reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. For details, please refer to the paragraph headed “Summary of the constitution of the Company and Cayman Islands company law — 2. Articles of Association — (a) Shares — (iii) Alteration of capital” in Appendix IV to this prospectus.

Pursuant to the terms of the Memorandum and Articles of Association, all or any of the special rights attached to the Share or any class of Shares may 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. For details, see the section headed “Summary of the Constitution of the Company and Cayman Islands Company Law — 2. Articles of Association — (a) Shares — (ii) Variation of rights of existing shares or classes of shares” in Appendix IV to this prospectus.

FINANCIAL INFORMATION

You should read this section in conjunction with our Group's audited consolidated financial information, including the notes thereto, as set out in the Accountants' Report included in Appendix I to this prospectus (the "Consolidated Financial Information"). This historical Consolidated Financial Information is not necessarily indicative of the future performance of our Group. Our Group's Consolidated Financial Information has been prepared in accordance with IFRSs. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contains certain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by our Group in light of our Group's experience and perception of historical trends, current conditions and expected future developments, as well as other factors our Group believes are appropriate under the circumstances. However, whether actual outcomes and developments will meet our Group's expectations and projections depend on a number of risks and uncertainties over which our Group does not have control. For further information, please refer to the section headed "Risk factors" in this prospectus.

OVERVIEW

We have been in the civil and structural engineering market in Singapore for around 14 years. Leveraging on our industry experience in Singapore, we started providing the civil and structural engineering consultancy services in Vietnam in 2009. During the Track Record Periods, our revenue was substantially derived from our business operations in Singapore and Vietnam.

We are a civil and structural engineering consultant mainly providing services in Singapore and Vietnam. Our Group provides the following services: (i) civil and structural engineering consultancy services and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings.

During the Track Record Period, our revenue was approximately SGD8.4 million, SGD10.3 million and SGD6.0 million for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The selected financial information from our consolidated statements of profit or loss and other comprehensive income for the Track Record Period set forth below is extracted from and should be read in conjunction with the Accountants' Report included in Appendix I to this prospectus.

FINANCIAL INFORMATION

Consolidated statements of profit or loss and other comprehensive income

	Year ended 31 December 2017 <i>SGD'000</i>	Year ended 31 December 2018 <i>SGD'000</i>	Six months ended 30 June 2018 <i>SGD'000</i> (unaudited)	2019 <i>SGD'000</i>
Revenue	8,440	10,349	4,114	5,996
Cost of services	<u>(3,652)</u>	<u>(5,148)</u>	<u>(2,176)</u>	<u>(3,422)</u>
Gross profit	4,788	5,201	1,938	2,574
Other income, and gains and losses, net	80	65	23	23
Administrative expenses	(1,693)	(2,380)	(1,202)	(1,265)
Listing expenses	—	(950)	—	(1,995)
Finance costs	<u>(45)</u>	<u>(47)</u>	<u>(22)</u>	<u>(28)</u>
Profit/(loss) before income tax	3,130	1,889	737	(691)
Income tax expense	<u>(556)</u>	<u>(608)</u>	<u>(159)</u>	<u>(173)</u>
Profit/(loss) for the year/period	<u><u>2,574</u></u>	<u><u>1,281</u></u>	<u><u>578</u></u>	<u><u>(864)</u></u>

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands on 6 July 2018 as an exempted company with limited liabilities. In preparation of the Listing, the companies comprising our Group underwent the Reorganisation which is explained in the section headed “History, reorganisation and corporate structure” in this prospectus. Upon completion of the Reorganisation, our Company would become the holding company of our Group. All the companies now comprising our Group that took part in the Reorganisation were controlled by the Controlling Shareholders, which comprises of Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng.

As the companies now comprising our Group were controlled by the same Controlling Shareholders, both before and after the Reorganisation and the control is not transitory, there was a continuation of the risks and benefits to the under common control. The historical financial information has been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combination” (“AG5”) issued by the HKICPA and there was no change in the economic substance of the business of the Group. Accordingly, the historical financial information has been prepared as if Reorganisation has been completed as at the beginning of the Track Record Period with the group structure remained unchanged throughout the Track Record Period. The assets and liabilities of the combining companies are recorded using their respective book values from the perspective of the Controlling Shareholders.

FINANCIAL INFORMATION

KEY FACTORS AFFECTING THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including those set out below and in the section headed “Risk factors” in this prospectus.

Market demand of our civil and structural engineering consultancy services in Singapore and Vietnam

Our results of operations are directly affected by our revenue which depends on the market demand for our service. Market demand is in turn significantly affected by the general economic conditions in Singapore and Vietnam. A decline in economy may decrease the demand for civil and structural engineering consultancy services or the fees that can be charged. In addition, our projects are generally one-off projects which are not recurrent in nature. There is no guarantee that our clients will provide us with new contracts or that we will secure new clients.

Pricing of our service

The price or contract sum of our projects is generally estimated based on various factors, among other things, our estimated time and costs of completing the work. We have to strike a balance between pricing our projects competitive enough and maintaining adequate profit margin. In case of offering a price below the actual cost or a price that generates inadequate profit margin of a project, our profitability may be adversely affected.

Fluctuations in our cost of services

The main component of our cost of services is staff costs. For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, our staff costs amounted to approximately SGD3.4 million, SGD4.6 million and SGD3.1 million, which accounted for approximately 92.5%, 88.9% and 91.2% of our cost of services, respectively. As a result, our profitability heavily depends on our ability to control and manage our staff costs. As the actual staff costs related to a project will not be realised until the actual delivery of our service, any fluctuations in the staff costs during the project period will affect our profitability.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in total staff costs on our profit before tax during the Track Record Period, assuming all other variables remain constant. Fluctuations are assumed to be 30% and 40% for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, which corresponded to the range of historical fluctuations of our staff costs during the Track Record Period.

Hypothetical fluctuations of our staff costs	+/-30%	+/-40%
	<i>SGD'000</i>	<i>SGD'000</i>
Decrease/increase in profit/(loss) before tax		
For the year ended 31 December 2017	-/+1,316	-/+1,755
For the year ended 31 December 2018	-/+1,793	-/+2,391
For the six months ended 30 June 2019	-/+1,163	-/+1,550

FINANCIAL INFORMATION

CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS

The Accountants' Report in Appendix I to this prospectus sets forth certain significant accounting policies in note 4 of the Accountants' Report in Appendix I to this prospectus of which are important for understanding our financial condition and results of operations.

Our Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the estimates and assumptions 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 in note 5 of the Accountants' Report in Appendix I to this prospectus.

We believe that the following accounting policies involve the most significant judgments and estimates used in the preparation of the consolidated financial statements.

Recognition of revenue

Our revenue was principally generated from the provision of civil and structural consultancy services for various kinds of services. Revenue from our civil and structural engineering consultancy service contracts is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Such value of the goods or services transferred is measured with reference to the agreed payment schedules set out in the contracts. Output methods include methods such as drafting or drawing completed to date or milestones reached. Our Group recognises revenue over time only if we can reasonably measure its progress toward the completion of our obligation in a contract. However, if our Group cannot reasonably measure the outcome when a project is in the progress of a certain stage of the whole project but such stage could not be completed pursuant to the agreed payment schedule at the closing of the monthly management account, and expects to recover the costs incurred in completing our obligation in the contract, then we recognise revenue to the extent of the costs incurred.

During the Track Record period, no revenue had been reversed subsequent to the revenue recognition.

Recognition of cost of services

Amounts recorded as cost of services relate to direct expenses incurred in order to generate revenue from civil and structural engineering services. Such costs are recorded as incurred.

Adoption of IFRS 9 and IFRS 15

There is no significant impact on the accounting policies as well as financial position and performance of our Group upon the adoption of IFRS 9, replacing IAS 39 "Financial Instrument: Recognition and Measurement", which addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

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There is no significant impact on the accounting policies as well as financial position and performance of our Group upon the adoption of IFRS 15, which replaces both the provisions of IAS 18 “Revenue” and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

Adoption of IFRS 16

The initial adoption of IFRS 16 will not significantly affect the financial position and performance of our Group compared to IAS 17. For details of the impacts on transition, please refer to note 3 of the Accountants’ Report set out in Appendix I to this prospectus.

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

Revenue represents contract revenue recognised for the provision of civil and structural engineering consultancy and related services to our clients, which amounted to approximately SGD8.4 million, SGD10.3 million and SGD6.0 million for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 respectively.

Our Group provides the following services: (i) civil and structural engineering consultancy services and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings. The revenue generated from our services during the Track Record Period by project site location are set forth below:

	Year ended 31 December 2017		Year ended 31 December 2018		Six months ended 30 June 2018		Six months ended 30 June 2019	
	<i>SGD'000</i>	%	<i>SGD'000</i>	%	<i>SGD'000</i>	%	<i>SGD'000</i>	%
	(unaudited)							
Singapore								
Consultancy Services for								
Conventional Projects	2,481	29.4	1,631	15.8	726	17.6	1,333	22.2
Consultancy Services for PPVC								
Projects	1,513	17.9	4,885	47.2	1,920	46.7	2,896	48.3
Others ^(Note 1)	214	2.5	102	1.0	17	0.4	179	3.0
Vietnam								
Consultancy Services for								
Conventional Projects	2,928	34.7	3,004	29.0	1,081	26.3	1,267	21.1
Others ^(Note 2)	335	4.0	403	3.9	304	7.4	171	2.9
Other markets								
Consultancy Services for								
Conventional Projects	969	11.5	324	3.1	66	1.6	124	2.1
Consultancy Services for PPVC								
Projects	—	—	—	—	—	—	26	0.4
	<u>8,440</u>	<u>100.0</u>	<u>10,349</u>	<u>100.0</u>	<u>4,114</u>	<u>100.0</u>	<u>5,996</u>	<u>100.0</u>

Note 1: It includes visual inspection of existing buildings.

Note 2: It includes master planning, structural due diligence and visual inspection of existing buildings.

FINANCIAL INFORMATION

Our projects in other markets

It includes projects located in Maldives, Myanmar and Hong Kong. During the Track Record Period, we provided our services in the office of Singapore for all our projects in Maldives and in the offices of Vietnam for all projects in Myanmar, cooperating with local architectural companies having relevant statutory licences and/or qualifications in Maldives, Myanmar and Hong Kong.

Cost of services

The following table sets forth a breakdown of our cost of services during the Track Record Period:

	Year ended	Year ended	Six months	Six months
	31 December	31 December	ended	ended
	2017	2018	30 June	30 June
	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>
			(unaudited)	
Staff costs	3,379	4,575	2,050	3,119
Others	273	573	126	303
	3,652	5,148	2,176	3,422

Staff costs

Staff costs represent compensation and benefits provided to our in-house staff who are directly involved in the provision of our services. For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, staff costs amounted to approximately SGD3.4 million, SGD4.6 million and SGD3.1 million, representing approximately 92.5%, 88.9% and 91.2% of our cost of services, respectively.

The following table sets forth a breakdown of our staff costs which are directly related to the provision of our services by geographical locations during the Track Record Period:

	Year ended	Year ended	Six months	Six months
	31 December	31 December	ended	ended
	2017	2018	30 June	30 June
	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>
			(unaudited)	
Singapore	2,570	3,668	1,594	2,674
Vietnam	809	907	456	444
	3,379	4,575	2,050	3,119

FINANCIAL INFORMATION

Others

Other costs represent miscellaneous costs incurred in performing our services, such as subcontracting fees and printing fees. For the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, other costs amounted to approximately SGD0.3 million, SGD0.6 million and SGD0.3 million, representing approximately 7.5%, 11.1% and 8.8% of our cost of services, respectively.

Gross profit

Our pricing of services is generally determined on a project-by-project basis. For factors that will be taken into account, please see the paragraph headed “Business — Operating procedures — Tendering process — Tender preparation and tender selection by client — Preparation of fee proposal”.

The following table sets out our gross profit and gross profit margin during the Track Record Period:

	Year ended 31 December 2017		Year ended 31 December 2018		Six months ended 30 June 2018		Six months ended 30 June 2019	
	Gross profit margin SGD'000	%	Gross profit margin SGD'000	%	Gross profit margin SGD'000	%	Gross profit margin SGD'000	%
	(unaudited)							
Singapore								
Consultancy Services for Conventional Projects	903	36.4	533	32.7	242	33.3	431	32.3
Consultancy Services for PPVC Projects	748	49.4	2,053	42.0	713	37.1	1,017	35.1
Others ^(Note 1)	177	82.7	49	48.0	12	70.6	36	20.1
Vietnam								
Consultancy Services for Conventional Projects	2,041	69.7	2,139	71.2	760	70.3	851	67.2
Others ^(Note 2)	220	65.7	205	50.9	169	55.6	143	83.6
Other markets								
Consultancy Services for Conventional Projects	699	72.1	222	68.5	42	63.6	85	68.5
Consultancy Services for PPVC Projects	—	—	—	—	—	—	11	42.3
Total	4,788	56.7	5,201	50.3	1,938	47.1	2,574	42.9

Note 1: It includes visual inspection of existing buildings.

Note 2: It includes master planning, structural due diligence and visual inspection of existing buildings.

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Our gross profit was approximately SGD4.8 million, SGD5.2 million and SGD2.6 million for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 respectively, while our gross profit margin was approximately 56.7%, 50.3% and 42.9% for the same years/period, respectively.

Other income, gains and losses, net

The following table sets forth a breakdown of our other income, gains and losses, net during the Track Record Period:

	Year ended	Year ended	Six months	Six months
	31 December	31 December	ended	ended
	2017	2018	30 June	30 June
	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>
			(unaudited)	
Interest income	14	24	16	9
Rental income	36	—	—	—
Gain on disposal of property, plant and equipment	3	—	—	—
Government grants	31	9	6	5
Exchange (loss)/gain, net	(5)	19	—	(3)
Other income	1	13	1	12
	80	65	23	23

Other income, gains and losses, net mainly represents the interest income, the rental income arising from our property and government grants received mainly related to the incentives received upon fulfilling the conditions for staff costs incurred during the Track Record Period.

FINANCIAL INFORMATION

Administrative expenses

Administrative expenses consist primarily of staff expenses and benefits not directly relating to the execution of our projects, as well as depreciation, office expenses, rent and rates, legal and professional fee, and travelling expenses. The following table sets out a breakdown of our administrative expenses during the Track Record Period:

	Year ended 31 December 2017 <i>SGD'000</i>	Year ended 31 December 2018 <i>SGD'000</i>	Six months ended 30 June 2018 <i>SGD'000</i> (unaudited)	Six months ended 30 June 2019 <i>SGD'000</i>
Auditor's remuneration	15	22	3	6
Depreciation	93	168	81	73
Depreciation of right-of-use assets	—	—	—	55
Insurance	33	36	8	26
Legal and professional fee	53	94	52	52
Office expenses	239	351	182	203
Provision on trade receivable	6	—	—	—
Rent and rates	86	114	55	31
Research and development expense	189	231	135	119
Staff expenses and benefits	820	1,171	596	637
Travelling expenses	120	177	81	59
Others	39	16	9	4
	<u>1,693</u>	<u>2,380</u>	<u>1,202</u>	<u>1,265</u>
Total	<u>1,693</u>	<u>2,380</u>	<u>1,202</u>	<u>1,265</u>

Listing expenses

Listing expenses represent professional fees, underwriting commission and fees, incurred in connection with our Company's Listing. Assuming the Offer Size Adjustment Option is not exercised and assuming the Offer Price is fixed at HK\$0.43 per Offer Share, being the mid-point of the indicative Offer Price range, we expect that our total listing expenses, which are non-recurring in nature, will amount to approximately SGD6.1 million, of which approximately SGD2.0 million is directly attributable to the issue of new Offer Shares and to be accounted for as a deduction from equity following completion of the Share Offer. Approximately SGD1.0 million and SGD2.0 million have been recognised and charged to the profit or loss account for the year ended 31 December 2018 and the six months ended 30 June 2019, respectively. The remaining estimated listing expenses of approximately SGD1.1 million will be charged to the profit or loss account upon Listing.

The listing expenses mentioned above are the latest practicable estimate for reference only and the actual amount may differ from this estimate. Our results of operations for the year ending 31 December 2019 is expected to be adversely affected by the non-recurring listing expenses in connection with the Listing.

FINANCIAL INFORMATION

Finance costs

Our Group's finance costs primarily comprise interest expenses incurred from bank borrowings during the Track Record Period. Our Group mainly utilised bank borrowings in Singapore to ensure sufficient working capital for our business operation.

Income tax expense

Since our business operations are based in Singapore, Vietnam and Hong Kong, our Group is liable to pay corporate income tax and profit tax in accordance with the tax laws and regulations of Singapore, Vietnam and Hong Kong. During the Track Record Period, our Group has generated revenue from projects which located in Maldives and Myanmar, in which the corresponding clients' business operation were located in Singapore or Vietnam. Since the majority of our works were carried out by our Singapore or Vietnam's technical staffs, and the work done were presented to our clients located in Singapore or Vietnam, our Group is liable to pay the corporate income tax in Singapore and Vietnam, instead of Maldives and Myanmar. The following table sets forth a breakdown of our income tax expense during the Track Record Period:

	Year ended 31 December 2017 <i>SGD'000</i>	Year ended 31 December 2018 <i>SGD'000</i>	Six months ended 30 June 2018 <i>SGD'000</i> (unaudited)	Six months ended 30 June 2019 <i>SGD'000</i>
Current tax				
— Singapore corporate income tax	201	260	26	32
— Vietnam corporate income tax	355	348	133	140
— Hong Kong tax	—	—	—	1
Income tax expense	556	608	159	173

During the Track Record Period, the applicable tax rate for the Group's subsidiaries in Singapore, Vietnam and Hong Kong are 17%, 20% and 16.5%, respectively. The effective tax rates of our Group for the years ended 31 December 2017 and 2018 were approximately 17.8% and 32.2%, respectively. Such increase was primarily attributable to the non-tax deductible listing expenses of approximately SGD1.0 million incurred during the year ended 31 December 2018. Given that our Group recorded a loss for the six months ended 30 June 2019, the effective tax rate was not applicable for this period.

Year ended 31 December 2017 compared with year ended 31 December 2018

Revenue

Our Group's revenue increased by approximately SGD1.9 million or 22.6% from approximately SGD8.4 million for the year ended 31 December 2017 to approximately SGD10.3 million for the year ended 31 December 2018. The aforesaid increase was mainly attributable to the increase in the size of projects we have engaged given that we have recruited 23 additional engineers to expand our work capacity during the year ended 31 December 2018.

FINANCIAL INFORMATION

Our revenue for the consultancy services for conventional projects in Singapore decreased by approximately SGD0.9 million or 36.0% from approximately SGD2.5 million for the year ended 31 December 2017 to approximately SGD1.6 million for the year ended 31 December 2018. The decrease was mainly due to the number of conventional projects with revenue contribution decreased from 48 for the year ended 31 December 2017 to 31 for the year ended 31 December 2018.

Our revenue for the consultancy services for PPVC projects in Singapore increased by approximately SGD3.4 million or 226.7% from approximately SGD1.5 million for the year ended 31 December 2017 to approximately SGD4.9 million for the year ended 31 December 2018. The increase was mainly due to our Group commenced more PPVC projects in the year ended 31 December 2018, which led to the increase in number of PPVC projects with revenue contribution from 13 in the year ended 31 December 2017 to 24 in the year ended 31 December 2018.

Our revenue for the consultancy services for conventional projects in Vietnam remained stable at approximately SGD2.9 million and approximately SGD3.0 million for the years ended 31 December 2017 and 2018, respectively.

Cost of services

Our cost of services increased by approximately SGD1.4 million or 37.8% from approximately SGD3.7 million for the year ended 31 December 2017 to approximately SGD5.1 million for the year ended 31 December 2018. The increase was mainly attributable to increase in number of staff due to the increased workload as a result of the growth in demand for our engineering consultancy services.

Gross profit and gross profit margin

Our gross profit increased by approximately SGD0.4 million or 8.3% from approximately SGD4.8 million for the year ended 31 December 2017 to approximately SGD5.2 million for the year ended 31 December 2018, while our gross profit margin decreased by approximately 6.4% for the same period. The increase in gross profit was in line with our growth in revenue.

Our gross profit margin for the consultancy services for conventional projects in Singapore decreased by approximately 3.7% from approximately 36.4% for the year ended 31 December 2017 to approximately 32.7% for the year ended 31 December 2018. The decline in the gross profit margin was mainly due to the increase in revenue contribution from one of our 10 largest projects in the year ended 31 December 2018, which our Directors accepted the engagement with a relatively lower profit margin in this project given that the project sum is relatively higher.

Our gross profit margin for the consultancy services for PPVC projects in Singapore decreased by approximately 7.4% from approximately 49.4% for the year ended 31 December 2017 to approximately 42.0% for the year ended 31 December 2018. A higher gross profit margin was recorded for the year ended 31 December 2017 was primarily due to the relatively high gross profit margin of in one of our 10 largest projects, which contributed significant amount of revenue and also recognised most of this project's revenue in the year ended 31 December 2017. We charged a higher premium in such project because of (i) the client is in need of our consultancy service in PPVC since we are one of the leading consultants in this area, and (ii) our concern that the client may delay the progress payment. The decrease of revenue contribution of this project for the year ended 31 December 2018 led to the decrease in the gross profit margin for the year ended 31 December 2018.

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Our gross profit margin for the consultancy services for conventional projects in Vietnam remained stable at 69.7% and 71.2% for the years ended 31 December 2017 and 2018 respectively.

Our gross profit margin for the consultancy services for conventional projects in other markets slightly decreased by approximately 3.6% from approximately 72.1% for the year ended 31 December 2017 to approximately 68.5% for the year ended 31 December 2018. A higher gross profit margin was recorded during the year ended 31 December 2017 was mainly due to a project in Myanmar which more travelling costs need to be incurred by our Group in this remote project so that we charged a higher premium in such project. However this project was put on hold. Our Directors believe that the project will not further proceed since we have been informed by the project owner informally that the project will not proceed.

The gross profit margin of our business in Vietnam is generally higher than that in Singapore because the salary level of engineers in Vietnam is relatively lower, while we are able to maintain our bargaining power in price negotiations since we positioned ourselves as a multinational consultant with profound experience and reputation in civil and structural engineering.

Other income, gains and losses, net

Our other income, gains and losses, net was approximately SGD80,000 and approximately SGD65,000 for the years ended 31 December 2017 and 2018 respectively. Such decrease was mainly due to the decrease in rental income and government grants.

Administrative expenses

Our administrative expenses increased by approximately SGD0.7 million from approximately SGD1.7 million for the year ended 31 December 2017 to approximately SGD2.4 million for the year ended 31 December 2018. Such increase was mainly due to (i) more staff costs incurred to compensate the heavy workload of administrative staff in preparing for the listing application of our Group, which contributed to an additional staff expenses and benefits of approximately SGD0.3 million incurred for the year ended 31 December 2018, and (ii) increase in office expenses from addition of software and depreciation for the year ended 31 December 2018.

Finance costs

Our finance costs remained stable at approximately SGD45,000 and SGD47,000 for the years ended 31 December 2017 and 2018 respectively.

Listing expenses

The listing expense of approximately SGD1.0 million represented the amount paid to professional parties and charged to profit or loss for the preparation of Listing for the year ended 31 December 2018.

Income tax expense

Our income tax expense remained stable at approximately SGD0.6 million for the years ended 31 December 2017 and 2018. Our effective tax rate for the year ended 31 December 2018 increased from approximately 17.8% for the year ended 31 December 2017 to approximately 31.9% for the year ended 31 December 2018. Such increase was primarily attributable to the non-tax deductible listing expenses of approximately SGD1.0 million for the year ended 31 December 2018.

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Profit for the year

As a result of the foregoing, our profit for the year decreased by approximately 50.0% from approximately SGD2.6 million for the year ended 31 December 2017 to approximately SGD1.3 million for the year ended 31 December 2018, with our net profit margin recorded a decrease from approximately 30.5% for the year ended 31 December 2017 to approximately 12.4% for the year ended 31 December 2018 which was mainly due to (i) increase in our administrative expenses, and (ii) the listing expenses incurred, which partially offset by the increase in our gross profit.

Six months ended 30 June 2018 compared with six months ended 30 June 2019

Revenue

Our Group's revenue increased by approximately SGD1.9 million or 46.3% from approximately SGD4.1 million for the six months ended 30 June 2018 to approximately SGD6.0 million for the six months ended 30 June 2019. The increase was mainly attributable to the increase in the size of projects we have engaged during the six months ended 30 June 2019, given that we have recruited 23 additional engineers to expand our work capacity in 2018. In particular, number of projects which contributed revenue over SGD500,000 was one during the six months ended 30 June 2019 as compared to nil for the same period last year; and the number of projects which contributed revenue ranged from SGD50,000 to SGD500,000 was 30 during the six months ended 30 June 2019 as compared to only 20 for the same period last year.

Our revenue for the consultancy services for conventional projects in Singapore increased by approximately SGD0.6 million or 85.7% from approximately SGD0.7 million for the six months ended 30 June 2018 to approximately SGD1.3 million for the six months ended 30 June 2019. The growth was mainly due to the increase in average revenue contribution of each conventional project, from SGD32,000 per project during the six months ended 30 June 2018 to SGD63,000 per project during the six months ended 30 June 2019.

Our revenue for the consultancy services for PPVC projects in Singapore increased by approximately SGD1.0 million or 52.6% from approximately SGD1.9 million for the six months ended 30 June 2018 to approximately SGD2.9 million for the six months ended 30 June 2019. The increase was mainly due to our Group commenced more PPVC projects in the six months ended 30 June 2019 as compared to the same period in 2018, which led to the increase in number of PPVC projects with revenue contribution from 18 in the six months ended 30 June 2018 to 21 in the six months ended 30 June 2019.

Our revenue for the consultancy services for conventional projects in Vietnam increased by approximately SGD0.2 million or 18.2% from approximately SGD1.1 million for the six months ended 30 June 2018 to approximately SGD1.3 million for the six months ended 30 June 2019. The growth was mainly due to the slight increment in average revenue contribution of each project during the six months ended 30 June 2019 as compared to the same period in 2018.

FINANCIAL INFORMATION

Cost of services

Our cost of services increased by approximately SGD1.2 million or 54.5% from approximately SGD2.2 million for the six months ended 30 June 2018 to approximately SGD3.4 million for the six months ended 30 June 2019. The increase was mainly attributable to a payment of special bonus to our Singapore staff at the end of June 2019, as well as the increase in number of staff due to the increased workload as a result of the growth in demand for our engineering consultancy services.

Gross profit and gross profit margin

Our gross profit increased by approximately SGD0.7 million or 36.8% from approximately SGD1.9 million for the six months ended 30 June 2018 to approximately SGD2.6 million for the six months ended 30 June 2019, while our gross profit margin decreased by approximately 4.2% for the same period. The increase in gross profit was in line with our growth in revenue.

Our gross profit margin for the consultancy services for conventional projects in Singapore decreased by approximately 1.0% from approximately 33.3% for the six months ended 30 June 2018 to approximately 32.3% for the six months ended 30 June 2019. The decline in the gross profit margin was mainly due to the payment of special bonus to our Singapore staff at the end of June 2019, which led to the increase of direct labour costs.

Our gross profit margin for the consultancy services for PPVC projects in Singapore decreased by approximately 2.0% from approximately 37.1% for the six months ended 30 June 2018 to approximately 35.1% for the six months ended 30 June 2019. A higher gross profit margin was recorded for the six months ended 30 June 2018 was primarily due to the payment of special bonus to our Singapore staff at the end of June 2019, which led to the increase of direct labour costs.

Our gross profit margin for the consultancy services for conventional projects in Vietnam decreased by approximately 3.1% from approximately 70.3% for the six months ended 30 June 2018 to approximately 67.2% for the six months ended 30 June 2019. The decline in the gross profit margin was mainly due to the increase in revenue contribution from one of our Vietnam projects during the six months ended 30 June 2019, in which our Directors accepted the engagement with a relatively lower profit margin given that the project sum is relatively higher.

Other income, gains and losses, net

Our other income, gains and losses, net remained stable at approximately SGD23,000 and SGD23,000 for the six months ended 30 June 2018 and 2019, respectively.

FINANCIAL INFORMATION

Administrative expenses

Our administrative expenses remained stable at approximately SGD1.2 million and SGD1.3 million for the six months ended 30 June 2018 and 2019, respectively.

Finance costs

Our finance costs increased from approximately SGD22,000 for the six months ended 30 June 2018 to SGD28,000 for the six months ended 30 June 2019. Such increase was mainly due to the recognition of interest expense on lease liabilities of approximately SGD4,000 during the six months ended 30 June 2019, upon the adoption of IFRS 16 from 1 January 2019.

Listing expenses

The listing expense of approximately SGD2.0 million represented the amount paid to professional parties and charged to profit or loss for the preparation of Listing for the six months ended 30 June 2019.

Income tax expense

Our income tax expense remained stable at approximately SGD0.2 million for the six months ended 30 June 2018 and 2019, respectively. Given that our Group recorded a loss for the six months ended 30 June 2019, the effective tax rate was not applicable for this period. If the impact of the non-deductible listing expenses was excluded, our Group's effective tax rate for the six months ended 30 June 2018 and 2019 would be 21.6% and 13.3%, respectively. The drop in the effective tax rate was mainly due to the tax refund of approximately SGD88,000 during the six months ended 30 June 2019.

Loss for the period

As a result of the foregoing, our Group recorded a profit of approximately SGD0.6 million for the six months ended 30 June 2018, as compared to a loss of approximately SGD0.9 million for the six months ended 30 June 2019. Such change was mainly due to the listing expenses incurred during the six months ended 30 June 2019.

FINANCIAL INFORMATION

NET CURRENT ASSETS

The following table sets forth the breakdown of our current assets and current liabilities as at the dates indicated:

	As at 31 December 2017 <i>SGD'000</i>	As at 31 December 2018 <i>SGD'000</i>	As at 30 June 2019 <i>SGD'000</i>	As at 30 September 2019 <i>SGD'000</i> (unaudited)
Current assets				
Trade and other receivables	2,426	3,323	3,217	2,415
Contract assets	370	1,157	1,553	1,726
Amounts due from related parties	384	—	—	—
Amounts due from directors	73	25	25	25
Cash and bank balances	2,272	1,214	1,811	1,957
	5,525	5,719	6,606	6,123
Current liabilities				
Trade and other payables	866	1,091	1,703	1,156
Bank borrowings	98	108	41	42
Tax payable	493	301	331	225
Amount due to a director	—	587	1,810	1,612
Lease liabilities	—	—	114	111
	1,457	2,087	3,999	3,146
Net current assets	4,068	3,632	2,607	2,977

As at 31 December 2017 and 2018, our Group recorded net current assets which amounted to approximately SGD4.1 million and SGD3.6 million, respectively. Such decrease in our net current assets as at 31 December 2018 compared to 31 December 2017 was primarily due to increase in trade and other receivables of approximately SGD0.9 million due to the increase in the amount billed to our clients in December 2018 and decrease in cash and bank balances of approximately SGD1.1 million due mainly to the dividend paid amounted to approximately SGD1.7 million for the year ended 31 December 2018.

As at 30 June 2019, our Group recorded net current assets of approximately SGD2.6 million, representing a decrease of approximately SGD1.0 million as compared to 31 December 2018. Such decrease was mainly due to the net effect of (i) the increase in trade and other payable of approximately SGD0.6 million, which was mainly attributable to the amounts payable to professional parties in preparation for the Listing; (ii) the increase in amount due to a director of approximately SGD1.2 million, which was mainly attributable to the cash advance from a director to our Group in order to settle the professional fees related to the Listing; and (iii) the increase in cash and bank balances of approximately SGD0.6 million as a result of cash receipts from clients.

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As at 30 September 2019, our Group recorded net current assets of approximately SGD3.0 million, representing an increase of approximately SGD0.4 million as compared to 30 June 2019. Such increase was mainly due to the increase in contract assets of approximately SGD0.2 million, as a result of the increase in right to consideration for work completed but not billed in the three months ended 30 September 2019.

ANALYSIS OF SELECTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS

Property, plant and equipment

During the Track Record Period, our property, plant and equipment mainly represented building, leasehold improvements, motor vehicles, computer and office equipment. As at 31 December 2017 and 2018 and 30 June 2019, our property, plant and equipment is relatively stable and amounted to approximately SGD0.6 million, SGD0.5 million and SGD0.5 million, respectively.

Investment property

Our Property recorded a value relatively stable of approximately SGD1.4 million as at 31 December 2017 and 2018 and 30 June 2019. For details of our investment property, please refer to the paragraph headed “Business — Property” in this prospectus.

Property valuation

Unicorn Consulting and Appraisal Limited has valued the properties held by us as of 31 August 2019. The particulars of our owned properties and valuation certificates issued by Unicorn Consulting and Appraisal Limited are set out in Appendix III to this prospectus.

A reconciliation of the net book value of our properties as of 30 June 2019 as set out in “Accountants’ Report” in Appendix I to their fair value as of 31 August 2019 as stated in the property valuation report set out in “Property Valuation Report” in Appendix III is set out below:

	Amount <i>SGD’000</i>
Net book value of our property interests as of 30 June 2019:	
Buildings included in property, plant and equipment	314
Investment property	1,408
Less: Depreciation and amortisation for the two months ended 31 August 2019	(6)
	1,716
Valuation surplus	743
Valuation as of 31 August 2019 as set out in Appendix III to this prospectus	2,459

FINANCIAL INFORMATION

Trade and other receivables

The following table sets forth the breakdown of trade and other receivables as at the dates indicated:

	As at 31 December 2017 SGD'000	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000
Trade receivables	2,106	3,154	2,849
Other receivables	145	59	69
Prepayments and deposits	175	110	299
	2,426	3,323	3,217

Trade receivables

Our trade receivables primarily consist of trade balances due from our clients in respect of our provision of services. We receive progress payment from our clients pursuant to the terms of contract.

As at 31 December 2017 and 2018 and 30 June 2019, our trade receivables was approximately SGD2.1 million, SGD3.2 million and SGD2.8 million, respectively. The increase in trade receivables as at 31 December 2018 as compared to that in 2017 was mainly due to increase in revenue during the year ended 31 December 2018. The trade receivables as at 30 June 2019 decreased as compared to that at 31 December 2018 was mainly due to prompt settlement of trade receivables from certain clients during the six months ended 30 June 2019.

The following table sets out the ageing analysis of our trade receivables (net of allowance for doubtful debts) based on invoice date as at the dates indicated:

	As at 31 December 2017 SGD'000	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000
0–30 days	988	1,699	1,136
31–60 days	373	534	1,156
61–90 days	475	188	389
91–180 days	265	562	95
181–270 days	—	166	62
271–365 days	5	1	3
Over 365 days	—	4	8
	2,106	3,154	2,849

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The ageing analysis of these trade receivables based on due date as at the dates indicated is as follows

	As at 31 December 2017 SGD'000	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000	Subsequent settlement of trade receivables as at 30 June 2019 up to the Latest Practicable Date SGD'000
Neither past due nor impaired	988	1,699	1,136	1,101
0–30 days past due	373	534	1,156	874
31–60 days past due	475	188	389	389
61–90 days past due	18	555	43	43
91–180 days past due	246	52	75	75
181–270 days past due	—	121	42	42
271–365 days past due	5	2	1	1
Over 365 days past due	1	3	7	3
	2,106	3,154	2,849	2,528

Trade receivables which were past due but not impaired related to outstandings from a number of independent clients that have a good track record with our Group. Based on past experience, we believe that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. Our Group does not hold any collateral over these balances. We did not experience any material default of payment from clients during the Track Record Period. As at the Latest Practicable Date, approximately SGD2.5 million, or 88.7% of our trade receivables as at 30 June 2019 have been subsequently settled.

The following table sets forth our trade receivables turnover days for the year/period indicated:

	Year ended 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2019
Trade receivables turnover days (<i>Note</i>)	91.1	111.2	86.0

Note: Trade receivables turnover days equal ending balance of trade receivables divided by revenue for the relevant year/period, then multiplied by the number of days in the relevant year/period (i.e. 365 days for a full year).

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Our trade receivables turnover days were approximately 91.1 days, 111.2 days and 86.0 days for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively. Since our projects operate on a non-recurring and project-by-project basis, our total amount of billing during the Track Record Period may fluctuate subject to the size and the progress of our projects at a given time thereby affecting our trade receivables balance as at the respective year/period end date and also the trade receivables turnover days during the Track Record Period. A relatively higher turnover days was recorded in the year ended 31 December 2018 was mainly due to the increase in the amount billed to our clients in December 2018 in respect of the project recognised in the year ended 31 December 2018. The trade receivables turnovers days indicate the average number of days required for us to collect payments from our clients.

The trade receivables turnover days during the Track Record Period were longer than the general credit terms of 0 to 30 days granted to our clients because (i) some of our major projects are from our clients who are large-scale main contractors or developers and may need to carry out a longer internal and formal approval process to settle our invoices or (ii) some of our client have encountered foreign exchange control when they attempted to remit the money from their country to us.

As at 31 December 2017 and 31 December 2018 and 30 June 2019, our trade receivables of approximately SGD1.1 million, SGD1.5 million and SGD1.7 million were past due but not impaired respectively. For those trade receivables over 60 days past due and not impaired of approximately SGD0.2 million as at 30 June 2019, the balance was mainly arose from approximately four clients, including QingJian International (South Pacific) Development Co. Pte. Ltd, Master Contract Services Pte. Ltd and two other clients in Singapore. The following table sets forth an analysis of the outstanding trade receivables over 60 days past due as at 30 June 2019 of the abovementioned four clients:

Client	Approximate overdue days as at 30 June 2019	Approximate outstanding trade receivables over 60 days past due as at 30 June 2019 SGD'000	Subsequent settlement up to the Latest Practicable Date SGD'000	Reason for delayed payment
A Singapore developer A	61-90 days, 91-180 days	70.0	70.0	To the best knowledge of our Directors after due enquiry, it was mainly due to the client's prolonged internal and formal approval process to settle our invoices. As at the Latest Practicable Date, the outstanding balance has been subsequently settled.
Master Contract Services Pte. Ltd. (Note 1)	181-270 days	38.5	38.5	To the best knowledge of our Directors after due enquiry, it was mainly due to the client's prolonged internal and formal approval process to settle our invoices. As at the Latest Practicable Date, the outstanding balance has been subsequently settled.

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Client	Approximate overdue days as at 30 June 2019	Approximate outstanding trade receivables over 60 days past due as at 30 June 2019 SGD'000	Subsequent settlement up to the Latest Practicable Date SGD'000	Reason for delayed payment
QingJian International (South Pacific) Development Co. Pte. Ltd (<i>Note 2</i>)	61–90 days, 91–180 days and over 365 days	33.1	33.1	To the best knowledge of our Directors after due enquiry, it was mainly due to the client's prolonged internal and formal approval process to settle our invoices. As at the Latest Practicable Date, the outstanding balance has been subsequently settled.
A Singapore developer B	61–90 days, 91–180 days, 181–270 days, 271–365 days and over 365 days	10.6	8.2	To the best knowledge of our Directors after due enquiry, it was mainly due to the client's prolonged internal and formal approval process to settle our invoices.
		<u>152.2</u>		

Note 1: Master Contract Services Pte. Ltd. is one of our connected persons. For further information about the relationship between this company and our Group, please refer to the paragraph headed “Connected Transactions — Overview — Relationship between our Group and our connected persons” in this prospectus for details.

Note 2: Qingjian International (South Pacific) Development Co. Pte. Ltd is our five largest clients during the Track Record Period. For further information including their revenue contribution and years of business relationship, please refer to the paragraph headed “Business — Our clients” in this prospectus for details.

The following table sets forth the trade receivables and contract assets turnover days during the Track Record Period based on the aggregate amount of (i) trade receivables and (ii) contract assets:

	Year ended 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2019
Trade receivables and contract assets turnover days (<i>Note</i>)	107.1	152.0	132.9

Note: Trade receivables and contract assets turnover days equal the aggregate amount of ending balance of (i) trade receivables and (ii) contract assets divided by revenue for the relevant year/period, then multiplied by the number of days in the relevant year/period (i.e. 365 days for a full year).

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Our trade receivables and contract assets turnover days increased from approximately 107.1 days for the year ended 31 December 2017 to approximately 152.0 days for the year ended 31 December 2018. Such increase was mainly attributable to (i) the increase of contract assets as a result of the increase in right to consideration for work completed and not billed of approximately SGD0.6 million following the significant amount of work done on one of our 10 largest projects for Client F; and (ii) the increase in the amount billed to our clients in December 2018 in respect of the projects engaged in the year ended 31 December 2018. The turnover days then decreased to approximately 132.9 days for the six months ended 30 June 2019, mainly due to the prompt settlement of trade receivables from certain clients during the six months ended 30 June 2019, which led to the decrease in trade receivables.

Other receivables, prepayments and deposits

Our other receivables, prepayments and deposits mainly represent rental deposits and software subscription.

Contract assets

The contract assets primarily relate to our Group's rights to consideration for work completed but not billed. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from clients, for which revenue is recognised based on the progress of the provision of related services.

The following table sets forth the breakdown of our Group's contract assets as at the dates indicated:

	As at 31 December 2017 <i>SGD'000</i>	As at 31 December 2018 <i>SGD'000</i>	As at 30 June 2019 <i>SGD'000</i>
Contract assets	370	1,157	1,553
Contract liabilities	<u>—</u>	<u>—</u>	<u>—</u>
	<u><u>370</u></u>	<u><u>1,157</u></u>	<u><u>1,553</u></u>
 Contract costs incurred plus recognised profits			
less recognised losses	28,899	33,748	29,040
Less: Progress billings	<u>28,529</u>	<u>32,591</u>	<u>27,487</u>
	<u><u>370</u></u>	<u><u>1,157</u></u>	<u><u>1,553</u></u>

Our Group recorded contract assets of approximately SGD0.4 million, SGD1.2 million and SGD1.6 million as at 31 December 2017 and 2018 and 30 June 2019, respectively. Such increase was in line with our revenue growth for the year ended 31 December 2018 and the six months ended 30 June 2019. As at the Latest Practicable Date, approximately SGD1.3 million, or 82.1% of our contract assets as at 30 June 2019 has been subsequently billed.

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Amounts due from related parties

As at 31 December 2017 and 2018 and 30 June 2019, the amounts due from related parties were approximately SGD0.4 million, nil and nil, respectively. The balances primarily consist of the amount due from Tham & Wong LLP and the amount due from the wife of one of our Executive Directors. The amounts due from related parties were unsecured, non-interest bearing and recoverable on demand.

Amounts due from/(to) directors

The amounts due from/(to) directors are unsecured, non-interest bearing, non-trade nature and recoverable/repayable on demands.

It is expected that the amounts due from/(to) directors will be settled upon listing.

Trade and other payables

The following table sets out the breakdown of trade and other payables at the dates indicated:

	As at 31 December 2017 SGD'000	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000
Trade payables	108	113	197
Other payables	409	274	260
Accruals expenses	<u>349</u>	<u>704</u>	<u>1,246</u>
	<u><u>866</u></u>	<u><u>1,091</u></u>	<u><u>1,703</u></u>

Trade payables

The following table sets forth the ageing analysis of our trade payables based on invoice dates as at the dates indicated:

	As at 31 December 2017 SGD'000	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000
0–30 days	81	106	133
31–60 days	—	—	—
61–90 days	—	—	—
91–180 days	20	—	—
181–270 days	—	—	64
271–365 days	—	—	—
Over 365 days	<u>7</u>	<u>7</u>	<u>—</u>
	<u><u>108</u></u>	<u><u>113</u></u>	<u><u>197</u></u>

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Trade payables primarily refers to the amounts payable to our subcontractors. As at the Latest Practicable Date, approximately SGD133,000, or 67.5% of our trade payables as at 30 June 2019 has been subsequently settled.

The following table sets out the turnover days of trade payables for the year/period indicated:

	Year ended	Year ended	Six months
	31 December	31 December	ended
	2017	2018	30 June
			2019
Trade payables turnover days (<i>Note</i>)	144.4	72.0	117.7

Note: Trade payables turnover days equal ending balance of trade payables divided by cost of services (excluded staff costs) for the relevant year/period, then multiplied by the number of days in the relevant year/period (i.e. 365 days for a full year).

Our trade payables turnover days for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 were approximately 144.4 days, 72.0 days and 117.7 days, respectively. The decrease in trade payables turnover days for the year ended 31 December 2018 was mainly due to the increase in subcontracting fees incurred for the year ended 31 December 2018. The increase in trade payables turnover days for the six months ended 30 June 2019 was mainly due to the relatively higher amount of subcontracting fees invoices received during June 2019.

Other payables and accruals expenses

The other payables and accruals expenses represents mainly the accrued listing expenses, GST payable and VAT payable.

Tax payable

The tax payable represents the income tax payable as at each year/period end, which amounted to approximately SGD0.5 million, SGD0.3 million and SGD0.3 million as at 31 December 2017 and 2018 and 30 June 2019, respectively. The income tax paid for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 were approximately SGD0.3 million, SGD0.8 million and SGD0.1 million, respectively.

The income tax paid during the year ended 31 December 2018 exceeded the amount of tax payables as at 31 December 2017 was mainly due to the fact that, according to the tax law in Vietnam, our Group had to make quarterly income tax payments based on the estimates of the profit made in the past quarter, therefore the income tax paid during the year ended 31 December 2018 was to settle the (i) tax payables as at 31 December 2017 and (ii) the tax payable arising from the profit made in the year ended 31 December 2018.

Our SG Tax Adviser and VN Tax Adviser have reviewed the tax position of our Group's main operating subsidiaries in Singapore and Vietnam respectively, and found that the subsidiaries have properly performed their quarterly and/or annual corporate income tax filing. Save for a slight under provision for income tax in TW-Asia as at 31 December 2017, our SG Tax Adviser and VN Tax Adviser opine that our Group has made adequate tax provision during the Track Record Period.

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LIQUIDITY AND CAPITAL RESOURCES

Our Group had met its liquidity requirements principally through a combination of internal resources and shareholder's equity during the Track Record Period. Our Directors believe that in the long term, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity financing and/or bank borrowings.

The following table sets out a summary of the consolidated statements of cash flows for the year/period indicated:

	Year ended 31 December 2017 SGD'000	Year ended 31 December 2018 SGD'000	Six months ended 30 June 2018 SGD'000 (unaudited)	30 June 2019 SGD'000
Operating cash flows before movements in working capital	3,257	2,080	824	(544)
Net cash generated from/(used in) operating activities	2,718	(179)	106	(377)
Net cash used in investing activities	(250)	(56)	(26)	(26)
Net cash (used in)/generated from financing activities	(1,199)	(778)	(1,554)	1,020
Net increase/(decrease) in cash and cash equivalents	1,269	(1,013)	(1,474)	617
Cash and cash equivalents at beginning of the year/period	1,113	2,272	2,272	1,214
Effect of foreign exchange rate changes	(110)	(45)	28	(20)
Cash and cash equivalents at end of the year/period	2,272	1,214	826	1,811

As at 31 December 2017 and 2018 and 30 June 2019, the cash and cash equivalents amounted to approximately SGD2.3 million, SGD1.2 million and SGD1.8 million, respectively. The decrease in cash and cash equivalents balance as at 31 December 2018 was mainly due to the dividend paid of approximately SGD1.7 million during the year ended 31 December 2018. The increase in cash and cash equivalents balance as at 30 June 2019 was mainly due to the cash receipt from our clients during the six months ended 30 June 2019.

Net cash generated from operating activities

Our cash flow for operating activities is primarily generated from the receipt of trade receivables for the provision of civil and structural engineering consultancy services. Our cash flow used in operating activities are primarily related to the staff costs and administrative expenses.

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Our cash generated from operating activities was approximately SGD2.7 million for the year ended 31 December 2017, which was based on the profit before income tax of approximately SGD3.1 million adjusted for the changes in working capital including decrease in contract assets of approximately SGD0.4 million. This was partially offset by the increase in trade and other receivables of approximately SGD0.7 million due to the increase in revenue.

Our cash used in operating activities was approximately SGD0.2 million for the year ended 31 December 2018, which was based on the profit before income tax of approximately SGD1.9 million adjusted for the changes in working capital including (i) the increase in contract assets of approximately SGD0.8 million; (ii) increase in trade and other receivables of approximately SGD0.9 million and (iii) income tax paid of approximately SGD0.8 million.

Our cash used in operating activities was approximately SGD0.4 million for the six months ended 30 June 2019, which was based on the loss before income tax of approximately SGD0.7 million adjusted for the changes in working capital including (i) the increase in contract assets of approximately SGD0.4 million; (ii) increase in trade and other payables of approximately SGD0.6 million and (iii) income tax paid of approximately SGD0.1 million.

Net cash used in investing activities

Our cash flow for investing activities primarily consist of purchase of property, plant and equipment.

Our cash flow used in investing activities amounted to approximately SGD0.3 million for the year ended 31 December 2017, which was mainly resulted from the purchase of motor vehicles and computer and office equipment.

Our cash flow used in investing activities amounted to approximately SGD56,000 for the year ended 31 December 2018, which was mainly resulted from the purchases of computer and office equipment.

Our cash flow used in investing activities amounted to approximately SGD26,000 for the six months ended 30 June 2019, which was mainly resulted from the purchases of computer and office equipment.

Net cash used in financing activities

Our cash flow for financing activities primarily consist of dividends paid to our then shareholders and the repayment of bank borrowings.

Our cash flow used in financing activities amounted to approximately SGD1.2 million for the year ended 31 December 2017, which was primarily consist of (i) the dividends paid to our then shareholders of approximately SGD1.4 million; (ii) the repayment of bank borrowings of approximately SGD0.1 million; (iii) advance from directors of approximately SGD0.4 million and (iv) the repayment to related parties of approximately SGD0.1 million.

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Our cash flow used in financing activities amounted to approximately SGD0.8 million for the year ended 31 December 2018, which was primarily consist of (i) dividend paid of approximately SGD1.7 million; (ii) repayment of bank borrowings of approximately SGD0.1 million; (iii) advance from directors of approximately SGD0.6 million and (iv) advance from related parties of approximately SGD0.4 million.

Our cash flow generated from financing activities amounted to approximately SGD1.0 million for the six months ended 30 June 2019, which was primarily consist of (i) advance from directors of approximately SGD1.2 million, (ii) payment to lease liabilities of approximately SGD50,000 and (iii) repayment of bank borrowings of approximately SGD0.1 million.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Bank borrowings

The following table sets out our bank borrowings as at the dates indicated:

	As at 31 December 2017 <i>SGD'000</i>	As at 31 December 2018 <i>SGD'000</i>	As at 30 June 2019 <i>SGD'000</i>	As at 30 September 2019 <i>SGD'000</i> (unaudited)
Bank loans				
— Current portion	98	108	41	42
— Non-current portion	1,038	923	865	849
Total	1,136	1,031	906	891

As at 31 December 2017, 31 December 2018, 30 June 2019 and 30 September 2019, our Group had outstanding bank loans of approximately SGD1.1 million, SGD1.0 million, SGD0.9 million and SGD0.9 million, respectively, which were all denominated in SGD. The decrease in bank loans was mainly attributable to the repayment of bank borrowings and no additional bank borrowings has been obtained during the year ended 31 December 2018 and the six months ended 30 June 2019.

The loan facility was guaranteed by an investment property and a building, and guaranteed by Mr. Wong and Ms. Leow. Such personal guarantee will be released upon Listing.

The bank borrowings bear interest rate ranged from 2.7% to 4.2%, from 3.8% to 4.7%, and from 4.1% to 4.7%, for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively.

As at 30 September 2019, our Group did not have any unutilised bank facilities.

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Lease liabilities

Our Group has adopted IFRS 16 “Leases” with effect from 1 January 2019 (effective for annual periods beginning on or after 1 January 2019). Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. As at 30 September 2019, our lease liabilities amounted to approximately SGD0.1 million. For further information about the adoption of IFRS 16, please refer to note 4 of the Accountants’ Report set out in Appendix I to this prospectus.

The followings tables set forth our lease liabilities and its minimum lease payments due as at the dates indicated:

	As at 30 September 2019 <i>SGD’000</i> (unaudited)
Current	111
Non-current	<u>24</u>
	<u><u>135</u></u>
Minimum lease payments due:	
Within one year	115
More than one year but not later than two years	<u>24</u>
	<u>139</u>
Less: Future finance charges	<u>(4)</u>
Present value of lease liabilities	<u><u>135</u></u>

Contingent Liabilities

As at the Latest Practicable Date, our Group did not have any material contingent liabilities that will have a material adverse effect on our financial position, liquidity or result of operation.

Except as disclosed above, we did not have, as at the Latest Practicable Date, any outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities.

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CONTRACTUAL COMMITMENTS

Operating lease commitments

The total future minimum lease payments payable by our Group under non-cancellable operating leases as at the dates indicated are as follows:

	As at 31 December 2017 <i>SGD'000</i>	As at 31 December 2018 <i>SGD'000</i>	As at 30 June 2019 <i>SGD'000</i>
Within one year	81	102	—
In the second to fifth years	62	56	—
	143	158	—

Our Group is the lessee in respect of premises under operating leases. The leases typically run for an initial period of one to three years. The leases do not include contingent rentals. Other than operating lease commitments, our Group had no other capital commitments as at 31 December 2017, 31 December 2018, 30 June 2019 and the Latest Practicable Date.

WORKING CAPITAL

Our Directors are of the opinion that we will have sufficient working capital for our present requirements for at least 12 months from the date of this prospectus after taking into account the following factors:

- (a) We had cash and bank balances of SGD1.8 million as at 30 June 2019; and
- (b) We recorded a net current assets of SGD2.6 million and a current ratio of 1.7 times as at 30 June 2019, which indicates that we have sufficient resources to meet our short-term obligation.

After due consideration of the foregoing factors and discussion with our management, the Sole Sponsor has no reason to believe that our Directors' foregoing belief is unreasonable.

CAPITAL EXPENDITURE

During the Track Record Period, we incurred capital expenditure primarily for the purchase of motor vehicles, computer and office equipment, which was funded by our internal resources. Our capital expenditures were approximately SGD0.3 million, SGD0.1 million and SGD35,000 for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Our Group has not entered into any off-balance sheet transactions or arrangements as at Latest Practicable Date.

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CAPITAL MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

Our Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to maintain capital structure in order to minimise the costs of capital, support its business and maximise shareholders' value.

Our Directors review the capital structure regularly. As part of this review, our Directors consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure new share issues as well as the issue of new debt or the redemption of existing debt.

Financial risk management

Our Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the board of directors. Further details on our Group's exposure to these risks and the financial risk management policies and practises are set out in the Accountants' Report in Appendix I to this prospectus.

Sensitivity analysis of foreign exchange risk

The following table details our Group's sensitivities to a 10% increase and decrease in the functional currency of our Group against relevant foreign currency. 10% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign currency rate. The sensitivity analysis includes only outstanding VND, USD and HKD denominated monetary items and adjusted their translation at the end of the reporting period for a 10% change. A positive number indicates an increase in post-tax profit for the year SGD weakening 10% against VND. For a 10% strengthening of SGD against VND, there would be an equal but opposite impact on the post-tax profit for the year/period.

	Year ended 31 December 2017 +/-10% SGD'000	Year ended 31 December 2018 +/-10% SGD'000	Six months ended 30 June 2019 +/-10% SGD'000
VND	-/+163	-/+136	-/+171
USD	-/+1	-/+23	-/+23
HKD	—	—	+/-14

In the opinion of our Directors, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the exposure as at 31 December 2017 and 2018 and 30 June 2019 do not reflect the exposure during the Track Record Period.

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DIVIDEND POLICY

During the Track Record Period, the subsidiaries of our Group declared and paid interim dividends of approximately SGD1.4 million, SGD1.7 million and nil respectively. No dividends were declared by our Group after 30 June 2019 and up to the Latest Practicable Date. Upon the Listing, our Group shall adopt a general annual dividend policy of declaring and paying dividends, whether interim, final and/or special, of approximately 10% of the net profit attributable to Shareholders in any financial year, taking into account the need for preserving sufficient capital for business development and providing our Shareholders with reasonable returns for their investment.

Going forward, we shall continually review the dividend policy in light of our financial position and the prevailing economic climate. The determination to pay dividends will be based upon factors including but not limited to our actual and expected financial performance, our retained earnings and distributable reserves, our expected working capital requirements and future expansion plans, and any other factors that the Board may deem appropriate.

The above does not amount to any guarantee, representation or indication that we must or will declare and pay dividends in such manner or at all. The declaration and payment of dividends are at the sole discretion of the Board. The above historical dividend payments may not be indicative of the amount of our future dividend payments.

DISTRIBUTABLE RESERVES

As at 30 June 2019, our Company did not have any distributable reserve available for distribution to our Shareholders.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

Please see the section headed “Unaudited pro forma financial information” in Appendix II to this prospectus for our unaudited pro forma adjusted net tangible assets.

DISCLOSURE UNDER CHAPTER 17 OF THE GEM LISTING RULES

We confirm that as at the Latest Practicable Date, there were no circumstances which would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

RELATED PARTY TRANSACTIONS

During the Track Record Period, our Group entered into certain related party transactions including certain connected transactions, details of which are set out in the Accountants’ Report in Appendix I to this prospectus. Our Directors confirm that these related party transactions were conducted on normal commercial terms and they would not distort our track record results or make our historical results not reflective of our future performance.

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OTHER KEY FINANCIAL RATIOS

	As at/for the year ended 31 December 2017	As at/for the year ended 31 December 2018	As at/for the six months ended 30 June 2019
Profitability ratios			
Return on equity ^(Note 1)	50.9%	27.6%	N/A
Return on total assets ^(Note 2)	34.1%	16.8%	N/A
Liquidity ratio			
Current ratio ^(Note 3)	3.8 times	2.7 times	1.7 times
Capital sufficiency ratios			
Interest coverage ^(Note 4)	70.6 times	41.2 times	N/A
Gearing ratio ^(Note 5)	22.5%	22.2%	24.1%

1. Return on equity is calculated based on the net profit divided by the total equity at the end of the year and expressed as a percentage.
2. Return on total assets is calculated based on the net profit divided by the total asset at the end of the year and expressed as a percentage.
3. The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective dates.
4. Interest coverage is calculated by the net profit for the year attributable to owners of our Company before finance costs and income tax expense divided by finance costs for the respective year.
5. The gearing ratio is calculated by dividing total debts with total equity as at the end of respective year/period and expressed as a percentage.

Return on equity

Our return on equity was approximately 50.9% and 27.6% for the years ended 31 December 2017 and 2018, respectively. Such decrease was mainly attributable to the drop in net profit due to the listing expense of approximately SGD1.0 million incurred in the year ended 31 December 2018.

Return on total assets

Our return on total assets was approximately 34.1% and 16.8% for the years ended 31 December 2017 and 2018, respectively. Such decrease was mainly attributable to the drop in net profit due to the listing expense of approximately SGD1.0 million incurred in the year ended 31 December 2018.

Current ratio

Our current ratio as at 31 December 2017 and 2018, and 30 June 2019 were approximately 3.8 times, 2.7 times and 1.7 times, respectively. The decrease in current ratio as at 31 December 2018 was mainly attributable to the increase in current liabilities, such as amount due to a director which is unsecured, non-interest bearing, non-trade nature and recoverable/repayable on demands. The further

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decrease in current ratio as at 30 June 2019 was mainly due to the cash advance from a director to our Group during the six months ended 30 June 2019 in order to settle the professional fees related to the Listing, which led to the increase in current liabilities as at 30 June 2019.

Interest coverage

Our interest coverage was approximately 70.6 times and 41.2 times for the years ended 31 December 2017 and 2018, respectively. Such decrease was primarily attributable to the decrease in profit before finance cost and income tax for the year ended 31 December 2018 due to (i) the increase in administrative expenses and (ii) the listing expenses incurred, which partially offset by the increase in our gross profit.

Gearing ratio

Our gearing ratio remained stable at approximately 22.5%, 22.2% and 24.1% as at 31 December 2017 and 2018 and 30 June 2019, respectively.

RECENT DEVELOPMENTS

Subsequent to the Track Record Period and up to the Latest Practicable Date, we continued to focus on our principal business of provision of civil and structural engineering consultancy services.

Subsequent to the Track Record Period and up to the Latest Practicable Date, our Group has been awarded one out of 15 and four out of 23 tendered projects in Singapore and Vietnam respectively. As at the Latest Practicable Date, we had been awarded one contract for site supervision with a contract value of approximately SGD0.6 million in October 2019.

Our Directors have applied for the patents in Europe, Singapore, Hong Kong, China, Malaysia and India in relation to the knowhow of composite shear wall construction system for PPVC which was used in all our PPVC projects during the Track Record Period. The patent registration in Europe has been granted by the European Patent office on 15 May 2019 (subject to any notice of opposition filed by any person within nine months from such date) and the patent registration in Singapore has been granted by the Intellectual Property Office of Singapore on 26 September 2019. For further details of the patent registration, please refer to the paragraph headed “Business — Intellectual property rights” in this prospectus.

MATERIAL ADVERSE CHANGE

Our Directors confirm that since 1 July 2019 and up to the Latest Practicable Date, there were no significant changes to the general business model of our Group and economic environment in Singapore and Vietnam. Based on the unaudited financial information of our Group, for the nine months ended 30 September 2019, our revenue increased by 19.3% and our gross profit slightly decreased by 4.3% when compared to the same period in 2018, while our gross profit margin decreased by 10.1% at 40.9% for nine months ended 30 September 2019 when compared to the gross profit margin of 51.0% for the same period in 2018. The drop in gross profit margin largely due to payment of special bonus to our Singapore staff as at end of June 2019 and increase in number of staff due to increased workload as a result of the growth in demand for our engineering consultancy services. Our administrative expenses increased by 23.1% for the nine months ended 30 September 2019 when compared to the same period in

FINANCIAL INFORMATION

2018. As a result, our financial performance for the nine months ended 30 September 2019 dropped in comparison to the comparable period in 2018. Such drop was mainly due to increase in administrative expenses for the nine months ended 30 September 2019 due to higher operation expenses incurred to cope with larger work force. Our Group anticipates that its financial results for the year ending 31 December 2019 will be adversely affected by the listing expenses incurred in 2019.

Our Directors confirm that, save for the listing expenses to be incurred, (i) there were no material adverse changes in the market conditions or the industry and environment in which we operate that materially and adversely affect our financial or operating position since 31 December 2018 and up to the date of this prospectus; (ii) there was no material adverse change in the trading and financial position or prospects of our Group since 31 December 2018 and up to the date of this prospectus; and (iii) no event had occurred since 31 December 2018 and up to the date of this prospectus that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

REASONS FOR LISTING

Our Directors are of the view that the Listing will have the following benefits:

Maintain sufficient liquidity

Apart from the funding needs as set out in the section headed “Business — Business strategies and future plans” of this prospectus, we need to basically maintain sufficient cash to minimise any liquidity risk in the event that any of our bills cannot be timely settled by our clients, while at the same time we have to pay salary to our staff which is crucial to our compliance of labour law, as well as to settle the amount payable to our subcontractors.

As at 30 June 2019, our cash and bank balances were approximately SGD1.8 million which is lower than our total bank borrowings and trade and other payables of approximately SGD2.6 million. We generally grant a credit term of 0 to 30 days to our clients while we have to pay the salary to our staff on time in order to comply with labour law. However, our trade receivables turnover days were approximately 91.1 days, 111.2 days and 86.0 days for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, which were longer than the credit terms we granted. This was mainly due to some of our major projects are from our major clients, who are large-scale main contractors or developers, and may need to carry out a longer internal and formal approval process to settle our invoice.

Referring to our cost of services and administrative expenses for the year ended 31 December 2018, our minimum monthly working capital outflow, including but not limited to staff costs, office expenses and other miscellaneous expenses, was approximately SGD0.4 million, and our average monthly outflow in the 12-month time frame was approximately SGD0.6 million. Given that our trade receivable turnover days were 91.1, 111.2 and 86.0 days for the years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, respectively, it means our Group has to prepay around three months’ working capital of approximately SGD1.8 million (representing three times of the average monthly outflow), before we can collect the progress payment from our clients. On the other hand we have to pay salary to our staff on time which is crucial to our compliance of labour law. Such circumstance leads to the mismatch in our cash inflow and outflow.

In view of the mismatch in our cash inflow and outflow, our Directors are of the view that (i) our cash and bank balances should be retained to meet our obligations to our staff given that our work capacity and quality are highly dependent on our human resources, and (ii) the proceeds would provide us with an important capital base to fund our business plans while maintaining a healthy liquidity position.

Additional funding under limited collateral

As at 31 August 2019, one of our properties has already been pledged as security for our bank borrowings, and our Group did not have any unutilised bank facilities. Moreover, we are required by the bank to maintain a certain loan-to-value ratio, in the event that our collateral is insufficient to maintain the ratio, the bank may demand for additional collateral or reduce the loan amount. As a consultancy firm, we have limited additional collaterals that can be provided to banks for additional debt financing, as such, it limited our room for expansion to increase our market reach and market share.

FUTURE PLANS AND USE OF PROCEEDS

Currently, our Group relies on internal funding, cash generated from its operation and bank borrowing for our existing business operation. Our Directors are of the view that the Listing will enhance our creditworthiness and facilitate future financing from financial institutions, as a listed company will usually be able to secure financing from financial institutions at a lower cost, more favourable terms and more effectively when compared to a private company due to the larger equity base and the financial transparency of a listed company.

Retention of talents

Our operation involved contribution from our professional and experienced engineers, and competition for the pool of these engineers is keen among the industry. In general, experienced and professional engineers prefer to work for companies with branding, such as listed companies or large multinational corporations. Given our Group is a private company, we have encountered difficulties in competing for talents which eventually limited our growth in Singapore and Vietnam.

Our Directors believe that a public listing status would enhance our brand and corporate profile, which will in turn give us an advantage over our competitors in retention of experienced and professional engineers.

Avoid uncertainty in debt financing

Although the listing expenses are expected to be higher than the finance costs at the current interest rate level for the same amount of funds raised, the higher one-off listing expenses are compensated by the removal of uncertainty in relation to debt financing in terms of (i) the amount that can be raised, (ii) the timing of such funding, (iii) the collaterals required, (iv) the potential rise of the cost of debt financing in the future, and (v) the constraints that are likely to be imposed upon our Group as a private company (e.g. requirement to maintain loan-to-value ratio, restriction to pay dividends or additional financing).

In addition, the historically low level of debt financing interest rates has been evidencing an apparent rising trend. For example, the One-month Singapore Interbank Offered Rate has steadily increased from 0.419% in January 2015 to 1.884% in June 2019. The upward trend in interest rate movement may bring uncertainty in our borrowing costs, which may adversely affect our financial performance and liquidity. On the other hand, equity fund raising is a committed source of capital without finance costs and maturity, which has relatively low uncertainty as compared with debt financing.

Reinforce our bargaining power

According to the Industry Consultant's Report, our Group is one of the leading participants in civil and structural engineering consultancy services market in both Singapore and Vietnam in 2018. Our Directors believe that the Listing status will (i) enhance our publicity in the market, and (ii) give additional confidence to our existing and new clients and subcontractors, which in turn will strengthen our Group's bargaining power to negotiate business terms with them. It is believed that our clients and subcontractors prefer to deal with listed companies given their listing status, reputation and public financial disclosures.

FUTURE PLANS AND USE OF PROCEEDS

Provide additional platforms for funding

The Listing is expected to bring us to additional capital not only from the Listing but also to the secondary capital markets both in debt and equity platforms so that we would be able to further expand and capitalise the opportunities of any growing trend in the future.

Reward staff with share options

Being a listed company will allow us the flexibility of rewarding our staff with share options, which in turn will help as recruit, motivate and retain staff of high calibre. While it is also possible for private companies to grant share options to their staff, such options are unlikely to be attractive as a reward due to the lack of liquidity in private company shares. Being listed on the Stock Exchange which is an internationally recognised stock exchange will also increase the esteem and confidence of our employees.

Accordingly, our Directors believe that the Listing will be in the interest of our Group's business development strategies.

REASONS FOR LISTING IN HONG KONG

Hong Kong is an international finance centre which could offer various benefits to our Group.

The IPO market in Hong Kong is significantly higher than the IPO market in Singapore, which saw only fifteen IPOs in the period from January 2018 to December 2018, with total funds raised through IPOs and reverse takeovers of approximately SGD749 million (approximately HK\$3.13 billion).

In addition, the average daily turnover of companies on the Stock Exchange in 2018 was much higher than those of the Singapore Stock Exchange in 2018.

Having established operations in Singapore and Vietnam, we intend to, among other things, explore business opportunities in Hong Kong with a view to expanding our client base and reducing the risks associated with overly relying on business in any particular country or region, by diversifying our operations into Hong Kong. We also intend to use Hong Kong as a gateway to explore the PRC market when the opportunity arises.

On that basis, our Directors are of the view that Hong Kong is the most suitable listing venue for our Group having taking into consideration the following factors:

- (i) Hong Kong has no foreign exchange control and has been ranked the freest economy in the world for 10 consecutive years by the Heritage Foundation. The Hong Kong capital market is therefore attractive to a diverse and global investor base, resulting in easier access to funding by companies listed in Hong Kong and high liquidity in the stock market in Hong Kong;
- (ii) Hong Kong as a mature capital market will allow our Company to have a greater exposure to a broader analyst and investment community following the Listing, which will facilitate our future fund raising in the secondary market to finance our future business expansion and long-term development through the issuance of equity and/or debt securities should the need arises;

FUTURE PLANS AND USE OF PROCEEDS

- (iii) The size of the equity market in Hong Kong in terms of market capitalisation has demonstrated that the Stock Exchange is a very successful platform for listed companies to raise funds in the market. Having access to this platform will allow us the flexibility of offering various types of equity, equity-linked or debt securities as listed company with more favourable terms and costs when compared with a private issuance of such securities to private investors, not to mention the need to identify such investors who are willing to invest in securities issued by a private company in the first place; and
- (iv) having been selected for 17 out of 36 PPVC projects in Singapore since the first PPVC project in Singapore in 2014, we are one of the leading civil and structural engineering consultants in the area of PPVC in Singapore. Our Directors wish to build on our success in Singapore and establish our presence in overseas markets such as Hong Kong and the PRC while we have an edge in terms of PPVC knowhow. It is one of our business strategies to set up a supporting office in Hong Kong to explore business opportunities in the local public housing market. Having an office in Hong Kong will also keep us close to the PRC market, as it is easier for us to gather intelligence in Hong Kong on market trend, progress on PPVC development, and competition landscape in the PRC due to the close proximity between Hong Kong and the PRC. We have already entered into a memorandum of understanding with a Singapore-incorporated subsidiary of a Hong Kong listed company which provides a range of services including construction management services. In January 2019, a reputable Hong Kong construction company has collaborated with our Group and accepted the fee quotation from our Group for services as its MiC consultant in preparation for the tendering of a project in Hong Kong. We believe that such cooperations will assist our efforts in exploring the market in Hong Kong for PPVC construction consultancy projects. As we are new in Hong Kong, a listing status in Hong Kong will further help us pursue business with potential new clients in Hong Kong, who are otherwise not familiar with us. The financial and operational transparency associated with a company listed in a reputable exchange like the Stock Exchange will give us more credibility when we try to commence business relationship with our potential Hong Kong business partners.

BUSINESS OBJECTIVES AND STRATEGIES

Please refer to the paragraph headed “Business — Business strategies and future plans” in this prospectus for our Group’s business objectives and strategies.

USE OF PROCEEDS

Assuming an Offer Price of HK\$0.43 per Offer Share, being the mid-point of the indicative Offer Price range, we estimate that we will receive net proceeds of approximately HK\$29.7 million from the Share Offer after deducting the underwriting fees, commission fees and estimated expenses payable by us in connection with the Share Offer.

We set out below the detailed breakdown and description of our intended use of the net proceeds of the Share Offer:

- (i) as to approximately 29.3% of the net proceeds, representing approximately HK\$8.7 million, will be used to expand our operation in Singapore, including relocation to a new office (through several steps) in Singapore with gross floor area of approximately 370 m²; setting

FUTURE PLANS AND USE OF PROCEEDS

up a new team specialised in geotechnical engineering services, recruitment of 1 geotechnical project manager and 3 geotechnical engineers and acquiring computers and softwares;

- (ii) as to approximately 23.5% of the net proceeds, representing approximately HK\$7.0 million, will be used for expanding our operation in Vietnam, including setting up new office in Da Nang with gross floor area of approximately 120 m², relocating of our Vietnam office to a new office in Ho Chi Minh City with gross floor area of approximately 300 m², setting up new supervision department in our office in Ho Chi Minh City, Vietnam, renovation of new offices, office rental, procurement of office furniture and equipment, computers and softwares, recruitment of 1 project manager, 2 engineers, 4 draughtsmen, 35 new staff in the supervision department, 2 accounting personnel and 1 administration staff;
- (iii) as to approximately 18.8% of the net proceeds, representing approximately HK\$5.6 million, will be used for staff recruitment, rental and other related expenses for our supporting office already leased in Sheung Wan, Hong Kong with gross floor area of approximately 76 m², including recruitment of 1 project manager, 2 engineers, 2 draughtsmen; and 2 accounting/administration staff, rental and other related expenses, renovation and procurement of computers and softwares; The two engineers to be recruited for the supporting office in Hong Kong would be civil and structural engineers each with a minimum of 3 years of experience in building construction work and holds a degree in building studies, structural, construction management or other equivalent academic qualification;
- (iv) as to approximately 11.8% of the net proceeds, representing approximately HK\$3.5 million, will be used for enhancing our information technology system, including subscribing more software licences for the construction consultancy services provided by our Group and acquiring an ERP system for accounting and human resources records;
- (v) as to approximately 7.4% of the net proceeds, representing approximately HK\$2.2 million, will be used for research and development on PPVC knowhow, including funding for the research with NUS on (i) extent of concrete roughness affecting shear wall capacity; (ii) mechanical connector; and (iii) more cost and technically efficient non-shrink grout for our composite shear wall system, expenses for the research material and testing;
- (vi) as to approximately 1.4% of the net proceeds, representing approximately HK\$0.4 million, will be used for sales and marketing, including online marketing and advertisings;
- (vii) as to approximately 1.8% of the net proceeds, representing approximately HK\$0.5 million, will be used for setting up local scholarships in Singapore for NUS students studying civil and structural engineering; and
- (viii) as to approximately 6.0% of the net proceeds, representing approximately HK\$1.8 million, will be used for working capital and other general corporate purposes.

FUTURE PLANS AND USE OF PROCEEDS

If the Offer Price is finally determined to be more than HK\$0.43, being the mid-point of the indicative range of the Offer Price, the above proposed allocation of the net proceeds will increase on a pro rata basis. If the Offer Price is less than the mid-point of the indicative range of the Offer Price, the above allocation of the net proceeds will decrease on a pro rata basis, and the Company plans to finance such shortfall by internally generated financial resources and/or other financing as and when appropriate.

The possible use of proceeds outlined above may change in light of the Group's evolving business needs and conditions, management requirements together with prevailing market circumstances. In the event of any material modification to the use of the proceeds as described above, the Company will issue an announcement and make disclosure in the Company's annual report for the relevant year as required by the GEM Listing Rules.

To the extent that the net proceeds from the issue of Offer Shares under the Share Offer are not immediately required for the above purposes, it is the present intention of the Directors that such net proceeds be placed in short-term interest bearing deposit accounts held with authorised financial institutions.

IMPLEMENTATION PLAN

In order to implement the business strategies as described above, set forth below are the implementation plans of the Group for each of the six-month periods from the Latest Practicable Date until 31 December 2021. It should be noted that the implementation plans are formulated on the bases and assumptions referred to in the sub-section headed "Bases and assumptions" in this section below. These bases and assumptions are subject to many uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed "Risk factors" in this prospectus.

From the Latest Practicable Date to 31 December 2019:

Business strategies	Implementation plans	Use of proceeds HKD'000
Expand our operation in Singapore — Setting up a new additional small office	● Rental expenses for small office	22.7
Setting up supporting office in Hong Kong	● Recruit 1 accounting staff for financial matters ● Rental and other related expenses in relation to the new office premises	119.6
Enhancement of our information technology system — Vietnam	● Acquiring additional licences for professional software such as Etabs, SAFE, Tekla and Revit	136.3
Enhancement of our information technology system — Singapore	● Acquiring additional licences for professional software such as Etabs, SAFE, Tekla and Revit	459.8

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 30 June 2020:

Business strategies	Implementation plans	Use of proceeds HKD'000
Expand our operation in Singapore — Relocate all staff to a new office with a gross floor area of approximately 370 m ²	<ul style="list-style-type: none"> ● Rental expenses for small office ● Rental and renovation and related expenses for the new office premises ● Office expenses 	812.2
Expand our operation in Singapore — Setting up a new team specialising in geotechnical engineering services	<ul style="list-style-type: none"> ● Recruit 1 geotechnical project manager and 3 geotechnical engineers ● Office expenses ● Acquire computer hardware and software 	695.6
Expand our operation in Vietnam — Relocation to a larger office in Ho Chi Minh City	<ul style="list-style-type: none"> ● Rental and renovation and related expenses for the new office premises ● Office expenses 	624.5
Expand our operation in Vietnam — Setting up new Supervision department in Ho Chi Minh City	<ul style="list-style-type: none"> ● Remuneration for 7 new staff for potential new projects of supervision department ● Acquiring computer hardware and software 	291.5
Setting up new office in Hong Kong	<ul style="list-style-type: none"> ● Remuneration for 1 accounting staff ● Recruit 1 project manager to implement projects and manage daily communication with client ● Rental and other related expenses in relation to the new office premises ● Acquire computer hardware and software 	448.7
Enhancement of our information technology system — Singapore	<ul style="list-style-type: none"> ● Acquiring ERP system 	171.7
Enhancement of our information technology system — Vietnam	<ul style="list-style-type: none"> ● Acquiring additional licenses for professional software such as Etabs, SAFE, Tekla and Revit 	1,048.8
Working capital		444.2

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 31 December 2020:

Business strategies	Implementation plans	Use of proceeds HKD'000
Expand our operation in Singapore — New office	<ul style="list-style-type: none"> ● Rental and renovation and related expenses for the new office premises ● Office expenses 	2,106.1
Expand our operation in Singapore — Setting up a new team specialising in geotechnical engineering services in Singapore	<ul style="list-style-type: none"> ● Remuneration for 1 geotechnical project manager and 3 geotechnical engineers ● Acquire computer hardware and software ● Office expenses 	1,402.2
Expand our operation in Vietnam — Setting up new office in Da Nang	<ul style="list-style-type: none"> ● Recruit 1 engineer to implement projects ● Recruit 3 draughtsmen for preparing technical drawings and schedule ● Rental and renovation and related expenses for the new office premises ● Acquiring computer hardware and software 	527.9
Expand our operation in Vietnam — New office in Ho Chi Minh City	<ul style="list-style-type: none"> ● Rental expenses for the new office premises ● Office expenses 	196.5
Expand an operation in Vietnam — Setting up new Supervision department in Ho Chi Minh City	<ul style="list-style-type: none"> ● Remuneration for the 28 new staff for potential projects of supervision department 	823.3
Setting up new office in Hong Kong	<ul style="list-style-type: none"> ● Remuneration for 1 project manager and 1 accounting staff ● Recruit 1 engineer, 1 draughtsmen and 1 administrative staff ● Rental and other related expenses in relation to the new office premises ● Acquire computer hardware and software 	1,635.0
Sales and marketing	<ul style="list-style-type: none"> ● Strengthen our marketing activities in Singapore and Vietnam 	142.0
Scholarship	<ul style="list-style-type: none"> ● Financial aid to NUS student 	272.6
Enhancement of our information technology system — Singapore	<ul style="list-style-type: none"> ● Acquiring additional licences for professional software such as Etabs, SAFE, Tekla and Revit ● Acquiring ERP system 	1,695.9
Working capital		444.2

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 30 June 2021:

Business strategies	Implementation plans	Use of proceeds HKD'000
Expand our operation in Singapore — New office	<ul style="list-style-type: none"> ● Rental expenses for the new office premises ● Office expenses 	811.1
Expand our operation in Singapore — Setting up a new team specialising in geotechnical engineering services in Singapore	<ul style="list-style-type: none"> ● Remuneration for 1 geotechnical project manager and 3 geotechnical engineers ● Office expenses 	1,025.8
Expand our operation in Vietnam — Setting up new office in Da Nang	<ul style="list-style-type: none"> ● Recruit 1 project manager, 1 engineer, 1 draughtsmen, 2 accounting personnel and 1 administration staff ● Remuneration for 1 engineer and 3 draughtsmen ● Rental expenses for the new office premises ● Acquiring computer hardware and software 	528.4
Expand our operation in Vietnam — New office in Ho Chi Minh City	<ul style="list-style-type: none"> ● Rental expenses for the new office premises ● Office expenses 	196.5
Expand our operation in Vietnam — Setting up new Supervision department in Ho Chi Minh City	<ul style="list-style-type: none"> ● Remuneration for the 35 new staff for potential projects of supervision department 	1,492.2
Setting up new office in Hong Kong	<ul style="list-style-type: none"> ● Remuneration for 1 project manager, 1 engineer, 1 draughtsmen, 1 accounting staff, and 1 administration staff ● Recruit 1 engineer and 1 draughtsmen ● Rental and other related expenses in relation to the new office premises ● Acquiring computer hardware and software 	1,733.6
Sales and marketing	<ul style="list-style-type: none"> ● Strengthen our marketing activities in Singapore and Vietnam 	142.0
Working capital		444.2

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 31 December 2021

Business strategies	Implementation plans	Use of proceeds HKD'000
Expand our operation in Singapore — New office	<ul style="list-style-type: none"> ● Rental expenses for the new office premises ● Office expenses 	640.7
Expand our operation in Singapore — Setting up a new team specialising in geotechnical engineering services in Singapore	<ul style="list-style-type: none"> ● Remuneration for 1 geotechnical project manager and 3 geotechnical engineers ● Office expenses 	1,193.4
Expand our operation in Vietnam — Setting up new office in Da Nang	<ul style="list-style-type: none"> ● Remuneration for 1 project manager, 2 engineers, 4 draughtsmen, 2 accounting personnel and 1 administration staff ● Rental expenses for the new office premises 	535.5
Expand our operation in Vietnam — New office in Ho Chi Minh City	<ul style="list-style-type: none"> ● Rental expenses for the new office premises ● Office expenses 	196.5
Expand our operation in Vietnam — Setting up new Supervision department in Ho Chi Minh City	<ul style="list-style-type: none"> ● Remuneration for the 35 new staff for potential projects of supervision department 	1,543.7
Setting up new office in Hong Kong	<ul style="list-style-type: none"> ● Remuneration for 1 project manager, 2 engineers, 2 draughtsmen, 1 accounting staff, and 1 administrative staff ● Rental and other related expenses in relation to the new office premises 	1,656.9
Improve our PPVC knowhow by investing further in research and development	<ul style="list-style-type: none"> ● Research funding for mechanical connection with NUS 	2,215.2
Sales and marketing	<ul style="list-style-type: none"> ● Strengthen our marketing activities in Singapore and Vietnam 	142.0
Scholarship	<ul style="list-style-type: none"> ● Financial aid to NUS student 	272.6
Working capital		444.2

FUTURE PLANS AND USE OF PROCEEDS

In summary, the implementation plans of our Group's business objectives and strategies from Latest Practicable Date to 31 December 2021 will be funded by the net proceeds from the Share Offer as follows,

	From the Latest Practicable Date to		For the six months ending			Total Percentage of net proceeds %	
	31 December	30 June	31 December	30 June	31 December		
	2019	2020	2020	2021	2021		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Expand our operation in Singapore	22.7	1,507.8	3,508.3	1,836.9	1,834.1	8,709.8	29.3%
Expand our operation in Vietnam	—	916.0	1,547.7	2,217.1	2,275.7	6,956.5	23.5%
Setting up a supporting office in Hong Kong	119.6	448.7	1,635.0	1,733.6	1,656.9	5,593.8	18.8%
Enhancement of our information technology system	596.1	1,220.5	1,695.9	—	—	3,512.5	11.8%
Improve our PPVC knowhow by investing further in research and development	—	—	—	—	2,215.2	2,215.2	7.4%
Sales and marketing	—	—	142.0	142.0	142.0	426.0	1.4%
Scholarships	—	—	272.6	—	272.6	545.2	1.8%
Working capital	—	444.2	444.2	444.2	444.2	1,776.8	6.0%
Total	<u>738.4</u>	<u>4,537.2</u>	<u>9,245.7</u>	<u>6,373.8</u>	<u>8,840.7</u>	<u>29,735.8</u>	<u>100.0%</u>

Bases and assumptions

The implementation plan set out by our Directors is based on the following bases and assumptions:

- our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which our future plans relate;
- there will be no material changes in the funding requirement for each of our Group's future plans described in this prospectus from the amount as estimated by our Directors;
- there will be no material changes in existing laws and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- there will be no changes in the effectiveness of the licences, permits and qualifications obtained by our Group, where applicable;

FUTURE PLANS AND USE OF PROCEEDS

- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- there will be no disasters, natural, political or otherwise, which would materially disrupt the businesses or operations of our Group; and
- our Group will not be materially affected by the risk factors as set out in the section headed “Risk factors” in this prospectus.

UNDERWRITING

UNDERWRITERS

Placing Underwriters

Astrum Capital Management Limited
Guotai Junan Securities (Hong Kong) Limited
Easy Securities Limited
Fulbright Securities Limited
Quasar Securities Co., Limited

Public Offer Underwriters

Astrum Capital Management Limited
Guotai Junan Securities (Hong Kong) Limited
Easy Securities Limited
Fulbright Securities Limited
Quasar Securities Co., Limited
Tianda Securities Limited

Joint Bookrunners

Astrum Capital Management Limited
Guotai Junan Securities (Hong Kong) Limited

Joint Lead Managers

Easy Securities Limited
Fulbright Securities Limited
Quasar Securities Co., Limited
Tianda Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is initially offering for subscription of 15,000,000 Public Offer Shares at the Offer Price under the Public Offer, on and subject to the terms and conditions set forth in this prospectus and the Application Forms. The Public Offer Underwriters have agreed on and subject to the terms and conditions in the Public Offer Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Public Offer Shares.

The Public Offer Underwriting Agreement is subject to various conditions, which include, but without limitation, the Listing Department granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus. In addition, the Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been executed, becoming unconditional and not having been terminated.

UNDERWRITING

Grounds for termination

The respective obligations of the Public Offer Underwriters to subscribe for, or procure subscribers for, the Public Offer Shares under the Public Offer Underwriting Agreement are subject to termination, if, at any time prior to 8:00 a.m. on the Listing Date:

- (i) there has been a material breach of any of the representations, warranties, undertakings or provisions of either the Public Offer Underwriting Agreement or the Placing Underwriting Agreement by any of our Company, our executive Directors and our Controlling Shareholders, or
- (ii) any statement (save and except those statement of the Sole Sponsor, Joint Bookrunners (for themselves and on behalf of the Underwriters) and any of the Public Offer Underwriters) contained in the post hearing information pack, this prospectus, the Application Forms or the formal notice of our Company or any announcements in the agreed form issued by our Company in connection with the Public Offer (including any supplement or amendment thereto) was, has or may become untrue, incorrect or misleading in any material respect, or any forecasts, expressions of opinion, intention or expectation expressed in this prospectus, the Application Forms or the formal notice of our Company are not, in all material respects, fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or
- (iii) any event, act or omission which gives or is likely to give rise to any liability of any of our Company, our executive Directors and our Controlling Shareholders pursuant to the indemnities given by them under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement, as applicable; or
- (iv) any material breach of any of the obligations of any of our Company, our executive Directors and our Controlling Shareholders under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement, as applicable; or
- (v) any of the reporting accountants of our Company, or any of the legal counsels or consultants of our Company has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, summaries of valuations and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (vi) approval in principle from the Stock Exchange granting the listing of, and permission to deal in, the Offer Shares, including any additional Shares issued pursuant to the exercise of the Offer Size Adjustment Option, the Shares in issue and any Shares which may be issued upon the Capitalisation Issue and upon the exercise of any options which may be granted under the Share Option Scheme, is refused or not granted, on or before the listing approval date, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
- (vii) our Company withdraws any of this prospectus, the Application Forms or the listing application in respect of the Share Offer; or

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- (viii) save as disclosed in this prospectus, any material potential litigation, legal proceeding, legal reaction, claim or disputes being threatened or instigated against any member of the Group or any Director, or 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 the commencement by any governmental, political or regulatory body of any action against any executive Director in his or her capacity as such or an announcement by any governmental, political or regulatory body that it intends to take any such action; or
- (ix) any of the representations, warranties and undertakings given pursuant to the Public Offer Underwriting Agreement given by our Company or our Controlling Shareholders under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement, as applicable, is (or would when repeated be) untrue, incorrect or misleading in any material respect; or
- (x) any person (other than any of the Public Offer Underwriters) has withdrawn or sought to withdraw its consent to being named in any of this prospectus, the Application Forms and the formal notice of our Company or to the issue of any of this prospectus, the Application Forms and the formal notice of our Company; or
- (xi) there will have developed, occurred, happened or come into effect any change or development involving a prospective change or development, or any event or series of events, matters or circumstances likely to result in or representing a change or development, or prospective change or development, concerning or relating to:
 - (a) any local, national, regional or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and interbank markets, a change in the system under which the value of the Hong Kong currency or Singapore currency is linked to that of the currency of the United States or a devaluation of the Hong Kong dollars, Singapore or Vietnam currency against any foreign currencies) in or affecting Hong Kong, Singapore, Vietnam, BVI or the Cayman Islands or any other jurisdiction the Joint Bookrunners (for themselves and on behalf of the Underwriters) considers relevant (each a “**Relevant Jurisdiction**”); or
 - (b) any new law or regulation or any change in any existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting any other Relevant Jurisdiction; or
 - (c) any deterioration of the condition of the financial markets in any Relevant Jurisdiction or generally in the international equity securities or other financial markets; or
 - (d) (A) any event or series of events in the nature of force majeure (including, without limitation, acts of government, economic sanctions, strikes or lockouts (whether or not covered by insurance), riots, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, outbreak of infectious disease or epidemics, including, but not limited to, Severe Acute Respiratory Syndrome and H1N1 or swine or avian influenza or such related/mutated forms of accident or interruption or delay in transportation), or (B) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or

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has been declared) or other declaration of a national or international state of emergency or calamity or crisis, in the case of either (A) or (B), in or affecting any Relevant Jurisdiction; or

- (e) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange or (B) a general moratorium on commercial banking activities in any Relevant Jurisdiction, declared by the relevant authorities, or a material disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services, in the case of either (A) or (B), in or affecting any Relevant Jurisdiction; or
- (f) any taxation or exchange controls, currency exchange rates or foreign investment regulations in any Relevant Jurisdiction adversely affecting an investment in the Shares; or
- (g) any litigation or claim of material importance being threatened or instigated against any member of the Group or any Director, any of the chairman or chief executive officer of our Company vacating his office, any executive 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 the commencement by any governmental, political, regulatory body of any action against any executive Director in his or her capacity as such or an announcement by any governmental, political, regulatory body that it intends to take any such action; or
- (h) any material contravention by any member of the Group of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Law, any of the GEM Listing Rules or any applicable law or regulation; or
- (i) a prohibition on our Company for whatever reason from allotting or selling the Offer Shares (including the additional Shares that may be allotted and issued by our Company upon the exercise of the Offer Size Adjustment Option) pursuant to the terms of the Share Offer; or
- (j) any material non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Share Offer with the GEM Listing Rules or any other applicable law or regulation; or
- (k) the issue or requirement to issue by our Company of a supplementary prospectus, Application Forms, pursuant to the Companies Ordinance or the GEM Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Joint Bookrunners (for themselves and on behalf of the Underwriters), materially adverse to the marketing for or implementation of the Share Offer; or
- (l) any material change or prospective material change, or a materialisation of, any of the risks set out in the section headed “Risk factors” in this prospectus; or

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- (m) any valid demand by creditors for repayment of indebtedness or a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (n) any material change in respect of the business, assets, liabilities, conditions, business affairs, prospects, profits, losses or the financial or trading position or performance or management of our Company or any member of the Group; or
- (o) any matter that has arisen or has been discovered which would, had it arisen immediately before the date of this prospectus, not having been disclosed in this prospectus, constitute a material omission therefrom;

and which, with respect to any of sub-paragraphs (a) through (o) above, in the sole and absolute opinion of the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters):

- (A) is, will be or may have any material adverse effect or any development involving a prospective material adverse effect, in or affecting the business, general affairs, management, prospects, assets and liabilities, financial position (including, but not limited to, revenue and net profits), shareholders' equity or results of operations of the Group Companies, taken as a whole or be materially adverse to any present or prospective shareholder of our Company in its capacity as such; or
- (B) has, will have or may have a material adverse effect on the success of the Share Offer or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or make it impracticable, inadvisable or inexpedient for any material part of the Public Offer Underwriting Agreement, the Placing Underwriting Agreement, the Public Offer or the Share Offer to be performed or implemented as envisaged; or
- (C) makes or may make it impracticable, inadvisable or inexpedient to proceed with or to market the Public Offer and/or the Share Offer or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the Application Forms, the formal notice of our Company; or
- (D) would 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,

then the Joint Bookrunners (for themselves and on behalf of the Underwriters), in their sole and absolute discretion, may, for themselves and on behalf of the Public Offer Underwriters, upon giving notice to our Company, our executive Directors and our Controlling Shareholders made pursuant to the Public

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Offer Underwriting Agreement on or prior to 8:00 a.m. on the Listing Date (with a copy of such notice to the other Public Offer Underwriters), terminate the Public Offer Underwriting Agreement with immediate effect.

UNDERTAKINGS GIVEN TO THE STOCK EXCHANGE PURSUANT TO THE GEM LISTING RULES

Undertaking by our Company

Pursuant to Rule 17.29 of the GEM 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 17.29 of the GEM Listing Rules.

Undertaking by our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM 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 twelve 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 twelve months commencing on the date on which the period referred to in the 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 the 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 group of Controlling Shareholder of our Company. Pursuant to Rule 13.19 of the GEM Listing Rules, each of our Controlling Shareholder 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 24 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 pursuant to Rule of the GEM Listing Rules, immediately inform our Company 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 that any of the pledged or charged Shares will be disposed of, immediately inform our Company of such indications.

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UNDERTAKINGS PURSUANT TO THE PUBLIC OFFER UNDERWRITING AGREEMENT

Undertaking by our Company

Except pursuant to the Share Offer, the Capitalisation Issue, the exercise of the Offer Size Adjustment Option and the Share Option Scheme, during the period commencing on the date of the Public Offer Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), our Company has undertaken to each of the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters), the Joint Lead Managers, the Public Offer Underwriters and the Sole Sponsor not to, and to procure each other member of our Group not to, without the prior written consent of the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) (such consent not to be unreasonably withheld or delayed) and the Sole Sponsor and unless in compliance with the requirements of the GEM Listing Rules:

- (i) offer, allot, issue or sell, or agree to allot, issue or sell, hedge, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of its affiliates), either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any voting or other right attaching to any Shares); or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or such securities; or
- (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
- (iv) offer or agree to do any of the foregoing transactions and publicly disclose any intention to effect such transaction, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

In the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the six-month period commencing from the expiry of the First Six-Month Period (the “**Second Six-Month Period**”), it will take all reasonable steps to ensure that such action will not create a disorderly or false market in any of the Shares or other securities of our Company.

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Undertaking by our Controlling Shareholders

Each of our Controlling Shareholders has also undertaken to each of our Company, the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters), the Joint Lead Managers, the Public Offer Underwriters and the Sole Sponsor that, (i) save as pursuant to the Share Offer; or (ii) permitted under the GEM Listing Rules, without the prior written consent of the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) (such consent not to be unreasonably withheld or delayed) and the Sole Sponsor:

- (1) he/it will not, at any time from the date of the Public Offer Underwriting Agreement and ending on the date which is twelve months after the Listing Date (the “**First Twelve-Month Period**”), (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period);

- (2) he/it will not, during twelve-month period commencing from the expiry of the First Twelve-Month Period (the “**Second Twelve-Month Period**”), enter into any of the transactions specified in (i), (ii) or (iii) in paragraph (1) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a “controlling shareholder” (as defined in the GEM Listing Rules) of our Company; and

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- (3) without prejudice to the undertakings as referred to in paragraphs (1) and (2) above, during the period commencing on the date by reference to which disclosure of its direct or indirect shareholding in our Company is made in this prospectus and ending on the date which is 24 months from the Listing Date, it shall:
- (a) when he/it pledges or charges or otherwise create any rights of encumbrances over any Shares or other securities of our Company 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 Rule 13.18(1) of the GEM Listing Rules, immediately inform our Company, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) and the Joint Lead Managers of such pledge or charge or creation of the rights of encumbrances together with the number of the securities so pledged or charged and all other information as may be reasonably requested by our Company, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) and/or the Joint Lead Managers; and
 - (b) subsequent to the pledge or charge or creation of rights or encumbrances over the Shares (or interest therein) or other shares or interests as mentioned in sub-paragraph (a) above, when it receives any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged or encumbered securities as referred to in sub-paragraph (a) above will be disposed of, immediately inform our Company of such indications, and inform the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) and the Joint Lead Managers as soon as practicable thereafter (taking into account the requirements of applicable laws, rules and regulations) of such indications.

PLACING

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company and Controlling Shareholders will enter into the Placing Underwriting Agreement with, among others, the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to procure subscribers and purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the 135,000,000 Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed. The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the sub-section headed “Undertakings pursuant to the Public Offer Underwriting Agreement” in this section.

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Our Company is expected to grant to the Placing Underwriters the Offer Size Adjustment Option exercisable by the Joint Bookrunners (for themselves and on behalf of the Placing Underwriters) at any time before 6:00 p.m. on the Business Day immediately prior to the date of announcement of the results of application and the basis of the Public Offer Shares or otherwise it will lapse, to require our Company to allot and issue up to an aggregate of 22,500,000 additional Placing Shares, representing 15% of the Offer Shares, at the Offer Price per Offer Share under the Share Offer, solely to cover over allocations, if any, in the Placing.

Commission and expenses

The Public Offer Underwriters will receive an underwriting commission of 8.0% of the aggregate Offer Price payable for the Public Offer Shares in accordance with the terms of the Public Offer Underwriting Agreement, out of which the Public Offer Underwriters may pay any sub-underwriting commission in connection with the Share Offer. In addition, our Company agreed, at its sole and absolute discretion, to pay an incentive fee (if any) to one or more of the Underwriters for their own accounts. Based on the Offer Price of HK\$0.43 per Offer Share (being the mid-point of the indicative range of the Offer Price), the aggregate commission and fees payable to the Underwriters (exclusive of any discretionary incentive fee), together with Stock Exchange listing fees, SFC transaction levy, Stock Exchange trading fees, legal and other professional fees and printing and other expenses relating to the Share Offer, are estimated to amount to approximately SGD6.1 million in total (assuming the Offer Size Adjustment Option is not exercised). We will also pay for all expenses in connection with any exercise of the Offer Size Adjustment Option.

SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Underwriters will receive an underwriting commission. Particulars of these underwriting commission and expenses are set forth under the sub-section headed "Placing — Commission and expenses" in this section.

We have appointed Titan Financial Services Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the Listing Date and ending on the date on which we comply with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the second full financial year commencing after the Listing Date.

Save as disclosed above, none of the Sole Sponsor and the Underwriters is interested legally or beneficially in shares of any members of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any members of our Group or has any interest in the Share Offer.

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 6A.07 of the GEM Listing Rules.

MINIMUM PUBLIC FLOAT

Our Directors will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 11.23 of the GEM Listing Rules after completion of the Share Offer.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

DETERMINING THE OFFER PRICE

The Offer Price is expected to be fixed by the Price Determination Agreement to be entered into between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company on or before the Price Determination Date, when the market demand for the Offer Shares will be ascertained. The Price Determination Date is currently expected to be on or around Wednesday, 20 November 2019.

Prospective investors should be aware that the Offer Price to be determined on or before the Price Determination Date may be, but not expected to be, lowered than the indicative Offer Price range as stated in this prospectus. The Offer Price will not be more than HK\$0.48 per Offer Share and is expected to be not less than HK\$0.38 per Offer Share. The Offer Price will fall within the Offer Price range as stated in this prospectus unless otherwise announced, not later than the morning of the last day for lodging applications under the Public Offer.

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may, where they consider appropriate, based on the level of interest expressed by prospective professional, institutional and private investors during a book-building process, and with the consent of our Company, reduce the number of the Offer Shares and/or the indicative Offer Price range below that stated in this prospectus at any time prior to the Price Determination Date, which is expected to be on or around Wednesday, 20 November 2019. In such a case, our Company will, as soon as practicable following the decision to make such reduction, cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at www.tw-asia.com an announcement of such change on or before the Price Determination Date. In addition, we will:

- (i) issue a supplemental prospectus updating investors of the reduction in the indicative offer price together with an update of all financial and other information in connection with such change;
- (ii) extend the period under which the offer was open for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their existing subscriptions; and
- (iii) give potential investors who had applied for the Offer Shares the right to withdraw their applications using an opt-in approach given the change in circumstances.

Upon issue of such an announcement and supplemental prospectus, the revised indicative Offer Price range and/or number of Offer Shares will be final and conclusive and the Offer Price, if agreed upon by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company will be fixed within such revised range. Such an announcement and supplemental prospectus will also include confirmation or revision, as appropriate, of the working capital statement and the Share Offer statistics as currently set out in this prospectus, and any other financial information which may change materially as a result of such reduction.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Before submitting applications for Public Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price range and/or number of Offer Shares may not be made until Price Determination Date.

Applicants who have submitted their applications for Public Offer Shares before such announcement is made may subsequently withdraw their applications in the event that such announcement is subsequently made. In the absence of any such announcement so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company will under no circumstances be set outside the offer price range as stated in this prospectus.

If, for any reason, the Offer Price is not agreed between us and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on or before Wednesday, 20 November 2019, the Share Offer will not proceed and will lapse.

Announcement of the final Offer Price, together with the level of indication of interests in the Placing and the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares is expected to be published on or before Thursday, 28 November 2019.

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$0.48 per Offer Share and is expected to be not less than HK\$0.38 per Offer Share. Applicants under the Public Offer should pay, on application, the maximum Offer Price of HK\$0.48 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy, amounting to a total of HK\$2,909.02 per board lot of 6,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK\$0.48 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

Further details are set out in the section headed “How to apply for Public Offer Shares” in this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares is conditional upon, among others, the satisfaction of all of the following conditions:

1. Listing

The Listing Department granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Share Offer and the Capitalisation Issue and Shares which fall to be allotted and issued upon the exercise of the Offer Size Adjustment Option and upon the exercise of any options which may be granted under the Share Option Scheme (and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Stock Exchange).

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

2. Underwriting Agreements

The obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of a waiver of any condition(s)) and such obligations not being terminated in accordance with the terms of the Underwriting Agreements.

3. Price determination

The Offer Price having been determined and the execution of the Price Determination Agreement on or before the Price Determination Date or such later date as may be agreed by our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters).

If any of the conditions is not fulfilled or waived on or before the times specified above, the Share Offer will lapse and the application money will be returned to the applicants, without interest. The terms on which the application money will be returned to the applicants are set out in the section headed “How to apply for Public Offer Shares — 13. Despatch/collection of share certificates and refund monies” in this prospectus.

THE SHARE OFFER

The Share Offer comprises the Placing and the Public Offer. A total of initially 150,000,000 Offer Shares (subject to Offer Size Adjustment Option) will be made available under the Share Offer, of which 135,000,000 Placing Shares (subject to reallocation and the Offer Size Adjustment Option), representing 90% of the Offer Shares, will initially be conditionally placed with selected professional, institutional and private investors under the Placing. The remaining 15,000,000 Public Offer Shares (subject to reallocation), representing 10% of the Offer Shares, will initially be offered to members of the public in Hong Kong under the Public Offer. The Public Offer is open to all members of the public in Hong Kong as well as to institutional and/or professional investors. The Public Offer Underwriters have agreed to underwrite the Public Offer Shares under the terms of the Public Offer Underwriting Agreement. The Placing Underwriters will underwrite the Placing Shares pursuant to the terms of the Placing Underwriting Agreement. Further details of the underwriting are set out in the section headed “Underwriting” in this prospectus.

Investors may apply for Offer Shares under the Public Offer or indicate an interest for Offer Shares under the Placing, but may not do both.

The Placing

Our Company is expected to offer initially 135,000,000 Placing Shares (subject to reallocation and the Offer Size Adjustment Option) at the Offer Price under the Placing. The number of Placing Shares expected to be initially available for application under the Placing represents 90% of the total number of Offer Shares being initially offered under the Share Offer. The Placing is expected to be fully underwritten by the Placing Underwriters subject to the Offer Price being agreed on or before the Price Determination Date.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

It is expected that the Placing Underwriters or selling agents nominated by them, on behalf of our Company, will conditionally place the Placing Shares at the Offer Price with selected professional, institutional and private investors. Professional and/or institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Private investors applying through banks or other institutions who sought the Placing Shares in the Placing may also be allocated the Placing Shares.

Allocation of the Placing Shares will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to acquire further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and its shareholders as a whole. Investors to whom Placing Shares are offered will be required to undertake not to apply for Shares under the Public Offer.

Our Company, our Directors, the Sole Sponsor and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are required to take reasonable steps to identify and reject applications under the Public Offer from investors who receive Shares under the Placing, and to identify and reject indications of interest in the Placing from investors who receive Shares under the Public Offer.

The Placing is expected to be subject to the conditions as stated in the sub-section headed “Conditions of the Share Offer” in this section.

The Public Offer

Our Company is initially offering 15,000,000 Public Offer Shares for subscription (subject to reallocation) by members of the public in Hong Kong under the Public Offer, representing 10% of the total number of Offer Shares offered under the Share Offer. The Public Offer is fully underwritten by the Public Offer Underwriters subject to the Offer Price being agreed on or before the Price Determination Date. Applicants for the Public Offer Shares are required on application to pay the maximum Offer Price of HK\$0.48 per Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy.

The Public Offer is open to all members of the public in Hong Kong as well as to institutional and/or professional investor. An applicant for Shares under the Public Offer will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it has not applied for nor taken up any Shares under the Placing nor otherwise participated in the Placing. Applicants should note that if such undertaking and/or confirmation given by an applicant is breached and/or is untrue (as the case may be), such applicant’s application under the Public Offer is liable to be rejected.

Multiple applications or suspected multiple applications and any application made for more than 100% of the Shares initially comprised in the Public Offer (i.e. 15,000,000 Public Offer Shares) are liable to be rejected.

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. When there is over-subscription under the Public Offer, allocation of the Public Offer Shares may involve balloting, which would mean that some

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

applicants may be allotted more Public Offer Shares than others who have applied for the same number of the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

RE-ALLOCATION OF THE OFFER SHARES BETWEEN PLACING AND PUBLIC OFFER

The allocation of the Offer Shares between the Placing and the Public Offer is subject to reallocation on the following basis:

- (a) In the event that the Placing Shares are fully subscribed or oversubscribed under the Placing:
 - (i) if the Public Offer Shares are undersubscribed, the Joint Bookrunners (for themselves and on behalf of the Underwriters), at its absolute discretion, may reallocate all or any of the unsubscribed Public Offer Shares from the Public Offer to the Placing;
 - (ii) if the Public Offer Shares are fully subscribed or oversubscribed and the number of Shares validly applied for under the Public Offer represents less than 15 times the number of Shares initially available for subscription under the Public Offer, then up to 15,000,000 Shares may be reallocated to the Public Offer from the Placing at the discretion of the Joint Bookrunners (for themselves and on behalf of the Underwriters), so that the total number of Shares available for subscription under the Public Offer will be increased to 30,000,000 Shares, representing 20% of the total number of Offer Shares initially available for subscription under the Share Offer (before any exercise of the Offer Size Adjustment Option);
 - (iii) if the number of Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of Shares initially available for subscription under the Public Offer, then Shares will be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 45,000,000 Shares, representing 30% of the number of the Offer Shares initially available for subscription under the Share Offer (before any exercise of the Offer Size Adjustment Option);
 - (iv) if the number of Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of Shares initially available for subscription under the Public Offer, then Shares will be reallocated to the Public Offer from the Placing, so that the number of Shares available for subscription under the Public Offer will be increased to 60,000,000 Shares, representing 40% of the number of the Offer Shares initially available for subscription under the Share Offer (before any exercise of the Offer Size Adjustment Option); and
 - (v) if the number of Shares validly applied for under the Public Offer represents 100 times or more the number of Shares initially available for subscription under the Public Offer, then Shares will be reallocated to the Public Offer from the Placing, so that the number of Shares available for subscription under the Public Offer will be increased to 75,000,000 Shares, representing 50% of the number of the Offer Shares initially available for subscription under the Share Offer (before any exercise of the Offer Size Adjustment Option).

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

- (b) In the event that the Placing Shares are undersubscribed under the Placing:
 - (i) if the Public Offer Shares are undersubscribed, the Share Offer shall not proceed unless fully underwritten by the Underwriters pursuant to the Underwriting Agreements; and
 - (ii) if the Public Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 15,000,000 Shares may be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 30,000,000 Shares, representing 20% of the total number of Offer Shares initially available for subscription under the Share Offer (before any exercise of the Offer Size Adjustment Option).

In all cases save for (a)(i) and (b)(i) above, the number of Offer Shares allocated to the Placing will be correspondingly reduced.

The Offer Shares to be offered in the Public Offer and the Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Bookrunners (for themselves and on behalf of the Underwriters). In accordance with the requirements set out in Guidance Letter HKEx-GL91-18, if such reallocation is done other than pursuant to paragraph (a)(iii), (a)(iv) or (a)(v) above, Joint Bookrunners (for themselves and on behalf of the Underwriters) may, at its discretion, reallocate the Offer Shares initially allocated for the Placing to the Public Offer to satisfy valid applications under the Public Offer, provided that the maximum total number of Offer Shares that may be allocated to the Public Offer following such reallocation shall be not more than double the initial allocation to the Public Offer i.e. 30,000,000 Offer Shares, representing 20% of the number of the Offer Shares initially available for subscription under the Share Offer and the final Offer Price shall be fixed at the bottom end of the Offer Price range (i.e. HK\$0.38 per Offer Share). Details of any reallocation of the Offer Shares between the Public Offer and the Placing will be disclosed in the allotment results announcement of the Share Offer, which is expected to be published on Thursday, 28 November 2019.

OFFER SIZE ADJUSTMENT OPTION

It is expected that our Company will grant the Offer Size Adjustment Option to the Placing Underwriters, exercisable by Joint Bookrunners (for themselves and on behalf of the Placing Underwriters) at any time before 6:00 p.m. on the Business Day immediately prior to the date of the announcement of the results of allocations and the basis of allocation of the Public Offer Shares, to require our Company to allot and issue up to an aggregate of 22,500,000 additional Placing Shares, representing 15% of the number of the Offer Shares initially being offered under the Share Offer, on the same terms as those applicable to the Share Offer. The Offer Size Adjustment Option will not be used for price stabilisation purposes in the secondary market after listing of the Shares on the Stock Exchange and is not subject to the Securities and Future (Price Stabilising) Rules of the SFO. Any such additional Shares may be issued to cover any excess demand in the Placing and in the event that the Offer Size Adjustment Option is exercised, Joint Bookrunners (for themselves and on behalf of the Placing Underwriters) may decide to whom and proportions in which the additional Shares will be allotted. If the Offer Size Adjustment Option is exercised in full, the additional 22,500,000 Shares and the total Offer Shares (inclusive of the shares of the Offer Size Adjustment Option) will represent approximately 3.61% and 27.71% of our Company's enlarged share capital immediately after completion of the Share

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Offer and the exercise of the Offer Size Adjustment Option. The additional net proceeds received from the exercise of the Offer Size Adjustment Option will be allocated pro rata in accordance to the allocations as disclosed in the section headed “Business — Business strategies and future plans”.

Our Company will disclose in the announcement of the results of allocations and the basis of allocation of the Public Offer Shares whether, and to what extent, the Offer Size Adjustment Option has been exercised. In the event that the Offer Size Adjustment Option has not been exercised by the Joint Bookrunners (for themselves and on behalf of the Placing Underwriters), our Company will confirm in such announcement that the Offer Size Adjustment Option has lapsed and cannot be exercised at any future date.

HOW TO APPLY FOR PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Joint Lead Managers and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a U.S. person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorised officer, who must state his/her representative capacity, and stamped with your corporation's chop.

HOW TO APPLY FOR PUBLIC OFFER SHARES

If an application is made by a person under a power of attorney, our Company, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Joint Lead Managers may accept it at their discretion, and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four.

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you:

- are an existing beneficial owner of shares in our Company and/or any of its subsidiaries;
- are a Director or chief executive officer of our Company and/or any of its subsidiaries;
- are a connected person (as defined in the GEM Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Share Offer;
- are an associate (as defined in the GEM Listing Rules) of any of the above; or
- have been allocated or have applied for any Placing Shares or otherwise participated in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which application channel to use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, either (i) use a **YELLOW** Application Form; or (ii) give **electronic application instructions** to HKSCC via CCASS to cause HKSCC Nominees to apply for you.

HOW TO APPLY FOR PUBLIC OFFER SHARES

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 Thursday, 14 November 2019 until 12:00 noon on Tuesday, 19 November 2019 from:

- (a) any of the following offices of the Public Offer Underwriters:

Name	Address
Astrum Capital Management Limited	Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong
Guotai Junan Securities (Hong Kong) Limited	26/F–28/F, Low Block, Grand Millennium Plaza, 181 Queen’s Road, Central, Hong Kong
Easy Securities Limited	11/F, Continental Place, 238 Dex Voeux Road Central, Sheung Wan, Hong Kong
Fulbright Securities Limited	33/F, Cosco Tower, Grand Millennium Plaza, 183 Queen’s Road, Central, Hong Kong
Quasar Securities Co., Limited	Unit A, 12/F, Harbour Commercial Building, 122–124 Connaught Road, Central, Hong Kong
Tianda Securities Limited	2401–2410, 24/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (b) any of the following branches of DBS Bank (Hong Kong) Limited, the receiving bank for the Public Offer:

District	Branch Name	Address
Hong Kong Island	Head Office	G/F, The Center, 99 Queen's Road Central, Central
	North Point Branch	G/F, 391 King's Road, North Point
Kowloon	Nathan Road — SME Banking Centre	2/F, Wofoo Commercial Building, 574–576 Nathan Road, Mongkok
New Territories	Tuen Mun Town Plaza — SME Banking Centre	Shop 23, G/F, Tuen Mun Town Plaza (II), 3 Tuen Lung Street, Tuen Mun

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Thursday, 14 November 2019 until 12:00 noon on Tuesday, 19 November 2019 from:

- the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, 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 "**Ting Hong Nominees Limited — WMCH Global Investment Limited 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:

Thursday, 14 November 2019	—	9:00 a.m. to 5:00 p.m.
Friday, 15 November 2019	—	9:00 a.m. to 5:00 p.m.
Saturday, 16 November 2019	—	9:00 a.m. to 1:00 p.m.
Monday, 18 November 2019	—	9:00 a.m. to 5:00 p.m.
Tuesday, 19 November 2019	—	9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Tuesday, 19 November 2019, the last day for application or such later time as described in the sub-section headed "9. Effect of bad weather on the opening of the application lists" in this section below.

HOW TO APPLY FOR PUBLIC OFFER SHARES

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the **WHITE** or **YELLOW** Application Forms carefully; otherwise, your application may be rejected.

By submitting a **WHITE** or **YELLOW** Application Form, among other things, you (or if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Joint Bookrunners (for themselves and on behalf of the Underwriters) (or its agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations, except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;
- (viii) agree to disclose to our Company, our Hong Kong Branch Share Registrar, the receiving bank, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) 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 any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the Share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company, the Directors, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Joint Lead Managers and the Underwriters, any of their respective directors, offices or representatives or any other person or parties involved in the Share Offer 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 anyone as your agent or by any other person; and

HOW TO APPLY FOR PUBLIC OFFER SHARES

(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 should refer to the **YELLOW** Application Form for details.

5. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Phone System by calling (852) 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center 1/F,
One & Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from the above address.

If you are not a **CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Sponsor, Joint Bookrunners (for themselves and on behalf of the Underwriters), Joint Lead Managers and the Hong Kong Branch Share Registrar.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Giving electronic application instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus; and
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;
 - (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, our Directors, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Underwriters), Joint Lead Managers and the Underwriters will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send Share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
 - confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
 - confirm that you have received and read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- agree that none of our Company, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Underwriters and/or their respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is 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 (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application**

HOW TO APPLY FOR PUBLIC OFFER SHARES

instructions) to observe and comply with the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Law and the Memorandum and Articles of Association; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

Effect of giving electronic application instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum purchase amount and permitted numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 6,000 Public Offer Shares. Instructions for more than 6,000 Public Offer Shares must be in one of the numbers set out in the table in the relevant 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⁽¹⁾

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Thursday, 14 November 2019	—	9:00 a.m. to 8:30 p.m.
Friday, 15 November 2019	—	8:00 a.m. to 8:30 p.m.
Saturday, 16 November 2019	—	8:00 a.m. to 1:00 p.m.
Monday, 18 November 2019	—	8:00 a.m. to 8:30 p.m.
Tuesday, 19 November 2019	—	8:00 a.m. to 12:00 noon

HOW TO APPLY FOR PUBLIC OFFER SHARES

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Thursday, 14 November 2019 until 12:00 noon on Tuesday, 19 November 2019 (24 hours daily, except on Tuesday, 19 November 2019, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Tuesday, 19 November 2019, 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 below.

Note:

- (1) The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

No multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal data

The section of the Application Form headed “Personal data” applies to any personal data held by our Company, our Hong Kong Branch Share Registrar, the receiving bank, the Joint Bookrunners, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

6. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant will be allotted any Public Offer Shares.

HOW TO APPLY FOR PUBLIC OFFER SHARES

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** Application Form 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 Tuesday, 19 November 2019.

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).

HOW TO APPLY FOR PUBLIC OFFER SHARES

8. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Form have tables showing the exact amount payable for the Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form in respect of a minimum of 6,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 6,000 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 Tuesday, 19 November 2019. 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 Tuesday, 19 November 2019 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected timetable” in this prospectus, an announcement will be made in such event.

10. PUBLICATION OF RESULTS

Our Company expect to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Thursday, 28 November 2019 on the websites of our Company at **www.tw-asia.com** and the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where appropriate) of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the websites of our Company and the Stock Exchange at **www.tw-asia.com** and **www.hkexnews.hk**, respectively, by no later than 9:00 a.m. on Thursday, 28 November 2019;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- by telephone enquiry line by calling (852) 2153 1688 between 9:00 a.m. and 6:00 p.m. from Thursday, 28 November 2019 to Monday, 2 December 2019 (excluding Hong Kong Public Holiday); and
- from the designated results of allocations website at www.whiteform.com.hk/results with a “search by ID” function on a 24-hour basis from 9:00 a.m. on Thursday, 28 November 2019 to midnight on Wednesday, 4 December 2019;
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 28 November 2019 to Monday, 2 December 2019 at all the receiving bank’s designated branches as set out in paragraph headed “Where to collect the Application Forms” in this section.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed “Structure and conditions of the Share Offer” in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

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 in the following circumstances:

- (i) if a person responsible for this prospectus under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person’s responsibility for this prospectus; or

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (ii) if any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Joint Lead Managers and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing 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 our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or are suspected of making multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up or indicated an interest for, or have been or will be placed or allocated, (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated; our Company or the Joint Bookrunners believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 100% of the Public Offer Shares initially offered under the Public Offer.

HOW TO APPLY FOR PUBLIC OFFER SHARES

12. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$0.48 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Share Offer as set out in the section headed “Structure and conditions of the Share Offer — Conditions of the Share Offer” in this prospectus are not fulfilled or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on or before Thursday, 28 November 2019.

13. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the 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 Form, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of Share certificates and refund monies as mentioned below, any refund cheques and Share certificates are expected to be posted on or before Thursday, 28 November 2019. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

HOW TO APPLY FOR PUBLIC OFFER SHARES

Share certificates will only become valid at 8:00 a.m. on Friday, 29 November 2019, provided that the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised and the Share Offer has become unconditional. 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 our Hong Kong Branch Share Registrar Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 28 November 2019 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or Share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or Share certificate(s) will be sent to the address on the relevant Application Form on Thursday, 28 November 2019, 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 for collection of your refund cheque(s). 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 Thursday, 28 November 2019, 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 Thursday, 28 November 2019, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- *If you are applying 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*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in the paragraph headed "10. Publication of results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 28 November 2019 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 by giving electronic application instructions to HKSCC via CCASS

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 28 November 2019, 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 the paragraph headed "10. Publication of results" above on Thursday, 28 November 2019. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 28 November 2019 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.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- 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 Thursday, 28 November 2019. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 28 November 2019.

14. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the GEM Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

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

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangements as such arrangements may affect their rights and interests.

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

The following is the text of a report, prepared for inclusion in this prospectus, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WMCH GLOBAL INVESTMENT LIMITED AND TITAN FINANCIAL SERVICES LIMITED

Introduction

We report on the historical financial information of WMCH Global Investment Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-49, which comprises the consolidated statements of financial position as at 31 December 2017 and 31 December 2018 and 30 June 2019, the statement of the financial position of the Company as at 31 December 2018 and 30 June 2019 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the two years then ended 31 December 2018 and the six months ended 30 June 2019 (the “**Track Record Period**”) and a summary of significant accounting policies and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-49 forms an integral part of this report, which has been prepared for inclusion in the Document of the Company dated 14 November 2019 (the “**Document**”) in connection with the listing of shares of the Company on the GEM of The stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 4 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, “Accountants' Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 4 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2017 and 31 December 2018 and 30 June 2019 and of the Company's financial position as at 31 December 2018 and 30 June 2019, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 4 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2018 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 4 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 4 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that dividends have been declared by the Company’s subsidiaries now comprising the Group in respect of the Track Record Period.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Shek Lui

Practising Certificate Number: P05895

Hong Kong, 14 November 2019

HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which confirm with the International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Singapore Dollars (“**SGD**”) and all values are rounded to the nearest thousand (“**SGD'000**”) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Six months ended 30 June	
		2017 SGD'000	2018 SGD'000	2018 SGD'000 (unaudited)	2019 SGD'000
Revenue	6	8,440	10,349	4,114	5,996
Cost of services		<u>(3,652)</u>	<u>(5,148)</u>	<u>(2,176)</u>	<u>(3,422)</u>
Gross profit		4,788	5,201	1,938	2,574
Other income, gains and losses, net	7	80	65	23	23
Administrative expenses		(1,693)	(2,380)	(1,202)	(1,265)
Listing expenses		—	(950)	—	(1,995)
Finance costs	8	<u>(45)</u>	<u>(47)</u>	<u>(22)</u>	<u>(28)</u>
Profit/(Loss) before income tax	9	3,130	1,889	737	(691)
Income tax expense	10	<u>(556)</u>	<u>(608)</u>	<u>(159)</u>	<u>(173)</u>
Profit/(Loss) for the year/period		<u>2,574</u>	<u>1,281</u>	<u>578</u>	<u>(864)</u>
Other comprehensive (expenses)/ income for the year/period					
<i>Item that may be reclassified subsequently to profit and loss:</i>					
Exchange differences arising on translation of foreign operation		<u>(118)</u>	<u>(45)</u>	<u>30</u>	<u>(24)</u>
Other comprehensive (expenses)/income for the year/period, net of tax		<u>(118)</u>	<u>(45)</u>	<u>30</u>	<u>(24)</u>
Total comprehensive income/ (expenses) for the year/period		<u>2,456</u>	<u>1,236</u>	<u>608</u>	<u>(888)</u>

	Year ended 31 December		Six months ended 30 June	
	2017 <i>SGD'000</i>	2018 <i>SGD'000</i>	2018 <i>SGD'000</i>	2019 <i>SGD'000</i>
Profit/(Loss) for the year/period attributable to:				
Owners of the Company	<u>2,574</u>	<u>1,281</u>	<u>578</u>	<u>(864)</u>
Total comprehensive income/ (expenses) for the year/period attributable to:				
Owners of the Company	<u>2,456</u>	<u>1,236</u>	<u>608</u>	<u>(888)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at
		2017	2018	30 June
	Notes	SGD'000	SGD'000	SGD'000
Non-current assets				
Property, plant and equipment	14	580	518	491
Investment property	15	1,447	1,421	1,408
Right of use assets	16	—	—	161
		<u>2,027</u>	<u>1,939</u>	<u>2,060</u>
Current assets				
Trade and other receivables	17	2,426	3,323	3,217
Contract assets	18	370	1,157	1,553
Amounts due from related parties	19	384	—	—
Amounts due from directors	20	73	25	25
Cash and bank balances	22	<u>2,272</u>	<u>1,214</u>	<u>1,811</u>
		<u>5,525</u>	<u>5,719</u>	<u>6,606</u>
Current liabilities				
Trade and other payables	23	866	1,091	1,703
Borrowings	24	98	108	41
Tax payable		493	301	331
Amount due to a director	21	—	587	1,810
Lease liabilities	25	—	—	114
		<u>1,457</u>	<u>2,087</u>	<u>3,999</u>
Net current assets		<u>4,068</u>	<u>3,632</u>	<u>2,607</u>
Total assets less current liabilities		<u>6,095</u>	<u>5,571</u>	<u>4,667</u>
Non-current liabilities				
Borrowings	24	1,038	923	865
Lease liabilities	25	—	—	50
		<u>1,038</u>	<u>923</u>	<u>915</u>
Net assets		<u>5,057</u>	<u>4,648</u>	<u>3,752</u>
Capital and reserves				
Share capital	26(a)	1,156	604	14
Reserves	26(b)	<u>3,901</u>	<u>4,044</u>	<u>3,738</u>
Total equity		<u>5,057</u>	<u>4,648</u>	<u>3,752</u>

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000
Non-current assets			
Investment in subsidiary		—	13
Current assets			
Other receivables		2	—
Amounts due from directors		14	14
		16	14
Current liabilities			
Other payables		504	960
Amount due to a subsidiary		—	483
Amount due to a director		454	1,512
		958	2,955
Net current liabilities		(942)	(2,941)
Total assets less current liabilities		(942)	(2,928)
Net liabilities		(942)	(2,928)
Capital and reserves			
Share capital	26(a)	14	14
Reserves	26(c)	(956)	(2,942)
Total equity		(942)	(2,928)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital <i>SGD'000</i>	Other reserves <i>SGD'000</i>	Retained earnings <i>SGD'000</i>	Exchange reserve <i>SGD'000</i>	Dividend reserve <i>SGD'000</i>	Total <i>SGD'000</i>
Balance at 1 January 2017	1,156	—	2,915	(117)	—	3,954
Profit for the year	—	—	2,574	—	—	2,574
Other comprehensive expenses for the year	—	—	—	(118)	—	(118)
Total comprehensive income/ (expense) for the year	—	—	2,574	(118)	—	2,456
Dividends declared	—	—	(1,353)	—	1,353	—
Dividends paid	—	—	—	—	(1,353)	(1,353)
Balance at 31 December 2017 and 1 January 2018	1,156	—	4,136	(235)	—	5,057
Profit for the year	—	—	1,281	—	—	1,281
Other comprehensive expenses for the year	—	—	—	(45)	—	(45)
Total comprehensive income/ (expense) for the year	—	—	1,281	(45)	—	1,236
Effect of re-organisation	(606)	606	—	—	—	—
Issuance of share capital	54	—	—	—	—	54
Dividends declared	—	—	(1,699)	—	1,699	—
Dividends paid	—	—	—	—	(1,699)	(1,699)
Balance at 31 December 2018	<u>604</u>	<u>606</u>	<u>3,718</u>	<u>(280)</u>	<u>—</u>	<u>4,648</u>

	Share capital <i>SGD'000</i>	Other reserves <i>SGD'000</i>	Retained earnings <i>SGD'000</i>	Exchange reserve <i>SGD'000</i>	Dividend reserve <i>SGD'000</i>	Total <i>SGD'000</i>
Balance at 31 December 2018 and 1 January 2019	604	606	3,718	(280)	—	4,648
Effect of adoption of IFRS 16	—	—	(8)	—	—	(8)
As at 1 January 2019 (restated)	604	606	3,710	(280)	—	4,640
Loss for the period	—	—	(864)	—	—	(864)
Other comprehensive expenses for the period	—	—	—	(24)	—	(24)
Total comprehensive expense for the period	—	—	(864)	(24)	—	(888)
Effect of re-organisation	(590)	590	—	—	—	—
Balance at 30 June 2019	<u>14</u>	<u>1,196</u>	<u>2,846</u>	<u>(304)</u>	<u>—</u>	<u>3,752</u>
Balance at 1 January 2018 (audited)	<u>1,156</u>	<u>—</u>	<u>4,136</u>	<u>(235)</u>	<u>—</u>	<u>5,057</u>
Profit for the period	—	—	578	—	—	578
Other comprehensive income for the period	—	—	—	30	—	30
Total comprehensive income for the period	—	—	578	30	—	608
Effect of re-organisation	(606)	606	—	—	—	—
Issuance of share capital	40	—	—	—	—	40
Dividends declared	—	—	(1,699)	—	1,699	—
Dividends paid	—	—	—	—	(1,699)	(1,699)
Balance at 30 June 2018 (unaudited)	<u>590</u>	<u>606</u>	<u>3,015</u>	<u>(205)</u>	<u>—</u>	<u>4,006</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		Six months ended	
	2017	2018	30 June	
	SGD'000	SGD'000	2018	2019
			SGD'000	
			(unaudited)	
OPERATING ACTIVITIES				
Profit/(loss) before income tax	3,130	1,889	737	(691)
Adjustments for:				
Interest income	(14)	(24)	(16)	(9)
Gain on disposal of property, plant and equipment	(3)	—	—	—
Interest expenses	45	47	22	28
Bad debts of trade receivables	6	—	—	—
Depreciation for right of use assets	—	—	—	55
Depreciation for property, plant and equipment	67	142	68	60
Amortisation for investment property	26	26	13	13
Operating cash flows before movements in working capital	3,257	2,080	824	(544)
Decrease/(increase) in contract assets	429	(787)	(731)	(396)
(Increase)/decrease in trade and other receivables	(745)	(897)	550	106
Increase/(decrease) in trade and other payables	62	225	(116)	600
Net cash generated from/(used in) operations	3,003	621	527	(234)
Income tax paid	(285)	(800)	(421)	(143)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	2,718	(179)	106	(377)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(267)	(80)	(42)	(35)
Proceeds from disposal of property, plant and equipment	3	—	—	—
Interest received	14	24	16	9
NET CASH USED IN INVESTING ACTIVITIES	(250)	(56)	(26)	(26)

	Year ended 31 December		Six months ended 30 June	
	2017 SGD'000	2018 SGD'000	2018 SGD'000	2019 SGD'000
			(unaudited)	
FINANCING ACTIVITIES				
Interest paid	(45)	(47)	(22)	(28)
Advance from directors	360	635	311	1,223
(Repayment to)/advance from related parties	(64)	384	(135)	—
Payment to lease liabilities	—	—	—	(50)
Dividend paid to controlling shareholders	(1,353)	(1,699)	(1,699)	—
Proceed from issue of shares	—	54	40	—
Repayment of borrowings	(97)	(105)	(49)	(125)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	<u>(1,199)</u>	<u>(778)</u>	<u>(1,554)</u>	<u>1,020</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,269	(1,013)	(1,474)	617
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/ PERIOD	1,113	2,272	2,272	1,214
Effect of foreign exchange rate changes	<u>(110)</u>	<u>(45)</u>	<u>28</u>	<u>(20)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	<u><u>2,272</u></u>	<u><u>1,214</u></u>	<u><u>826</u></u>	<u><u>1,811</u></u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in Cayman Islands on 6 July 2018 as an exempted company with limited liability under the Companies Law, (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are stated in the section headed "CORPORATE INFORMATION" of the Prospectus.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of civil and structural engineering consultancy services and provision of other services including master planning, structural due diligence and visual inspection of existing buildings.

The Historical Financial Information is presented in ("SGD") which is also the functional currency of the Company and its subsidiaries (collectively, the "Group").

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRSs issued by the IASB and the principles of merger accounting under Accounting Guideline 5 *Merger accounting for Common Control Combinations* issued by the IASB.

Pursuant to the group reorganisation ("**Reorganisation**") as fully explained in the paragraph headed "Reorganisation" in the section headed "HISTORY, REORGANISATION AND CORPORATE STRUCTURE" of the Prospectus, the Company became the holding company of the companies now comprising the Group on 16 January 2019. Immediately prior to and after the Reorganisation, the Group was controlled by Mr. Wong Seng ("**Mr. Wong**"), Ms. Leow Geok Mui ("**Ms. Leow**"), Mr. Lim Chin Keong ("**Mr. Lim**") and Mr. Heng Kim Huat ("**Mr. Heng**") (collectively, the "**Controlling Shareholders**"). During the Track record period, each of Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng had been involved in decision-making and implementation of the management and operation decisions of the Group to reach unanimous consensus and ensure that the businesses are heading to a direction consistent with the Group's business strategy as a whole. The Controlling Shareholders have together centralised the ultimate control and right to make final decisions with respect to the businesses and projects of the Group. The Reorganisation is merely a reorganisation of the Group with no change in management of such business and ultimate owner of the business. Accordingly, the Historical Financial Information has been prepared on the basis by applying the principles of merger accounting issued by the IASB, as if the Reorganisation had been completed at the beginning of the Track Record Period.

The Group resulting from the Reorganisation, which involves interspersing the Company and the investment holdings companies of Lion City Global Limited, Blue Synergy Global Limited and Green Spring Global Limited by the Controlling Shareholders and TW-Asia Consultants Pte. Ltd., Artus Consultancy Services Pte. Ltd., TWAsia Consultants Company Limited (formerly known as Tham and Wong (Vietnam) Co. Ltd.) and Global Speed Limited, have always been under the collective control of the Controlling Shareholders throughout the Track Record Period or since their respective dates of incorporation where there is a shorter period, and before and after the Reorganisation.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the Track Record Period or since their respective date of incorporation, where there is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2017 and 2018 and 30 June 2019 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganisation had been in existence as at those dates, taking into account the respective dates of incorporation.

All intra-group transactions and balances have been eliminated on combination in full.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRSs that are effective for the financial year beginning on 1 January 2018 throughout the Track Record Period, including IFRS 15 Revenue from Contracts with Customers, except for that the Group adopted IFRS 9 “Financial Instruments” on 1 January 2018 and initially adopted IFRS 16 from 1 January 2019 as set out below.

There is no significant impact on the accounting policies and Historical Financial Information of the Group upon the adoption of IFRS 15, which replaces both the provisions of IAS 18 “Revenue” and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

There is no significant impact on the accounting policies and Historical Financial Information of the Group upon the adoption of IFRS 9, replacing IAS 39 “Financial Instruments: Recognition and Measurement”, which addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The directors of the Company anticipate that the adoption of IFRS 16 will not significantly affect the financial position and performance of the Group compared to IAS 17.

Impacts on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings/accumulated losses, if relevant. The impact on transition is summarised below.

	<i>SGD'000</i>
Right-of-use assets	105
Leases liabilities	110
Accumulated losses	<u>8</u>

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is approximately 4.7%.

	<i>SGD'000</i>
Operating lease commitments as at 31 December 2018	158
Discounting effects using incremental borrowing rates as at 1 January 2019	<u>(44)</u>
Lease liabilities as at 31 December 2018	114
Recognition exemption for	
— Short term leases	<u>(4)</u>
Lease liabilities as at 1 January 2019	<u>110</u>

At the date of this report, the Group has not applied the following new and amendments to IFRSs or International Accounting Standards (“IAS”) and IFRS Interpretations Committee Interpretation (“IFRIC”) that have been issued but not yet effective:

IFRS 17	Insurance Contracts ²
Amendments to IFRS 3	Definition of Business ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IAS 1 and IAS 8	Definition of Material ⁴

- 1 Effective for annual periods beginning on or after a date to be determined
- 2 Effective for annual periods beginning on or after 1 January 2021
- 3 Effective for business combination and asset acquisitions for which the acquisition date is on or after beginning of the first annual period beginning on or after 1 January 2020
- 4 Effective for annual periods beginning on or after 1 January 2020

Except as described below, the management of the Group considers that the application of all the other new and amendments to IFRSs or IASs and interpretation will have no material impact on the Group's financial position and performance and/or on the disclosures to the Group in foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRSs issued by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of preparation

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values or revalued amounts at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Basis of combination

The consolidated financial statements incorporate the financial statements of the Company and companies controlled by the company and its subsidiaries. Control is achieved when a company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Combination of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Merger accounting for business combination involving entities under common control

The Historical Financial Information incorporates the financial statements items of the combining entities in which the common control combination occurs as if they had been consolidated from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statements of profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of profit or loss and other comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policy adopted by the Group.

Foreign currency translation

In the individual financial statements of the consolidated entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting the consolidated financial statement, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. SGD) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation commences when the assets are ready for their intended use.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvement	Over the term of lease or 33.33%, whichever is shorter
Building	over the lease term
Investment properties	60 years
Computer and office-equipment	33.33%
Motor vehicles	16.67%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over the lease term and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Research and development expense

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials and salaries where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Other development expenditure does not meet these criteria is recognised as an expense in the period in which it is incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Recognised financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to its acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or declared from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Under IAS 39

Financial assets are classified as loans and receivables and financial assets at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial assets and is included in the "other (losses) gains" line item. Fair value is determined in the manner described in Note 28.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from related parties, amounts due from directors, and cash and bank balances) are measured at amortised cost using the effective interest method, less any identified impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivable where the recognition of interest would be immaterial.

*Under IFRS 9**Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counter party; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 7 to 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Classification of financial assets

Trade receivables arising from contracts with clients are initially measured in accordance with IFRS 15.

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

All recognised financial assets (including trade and other receivables, amounts due from directors, amounts due from related parties and cash and bank balances) are subsequently measured at amortised costs.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant periods.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss using the effective interest method and is included in the "other income" line item.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other (losses) gains" line item.

Impairment of financial assets under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables, amounts due from directors, amounts due from related parties and cash and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experiences, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and trade-related amounts due from related parties and measures the lifetime ECL on a collective basis for portfolios of trade receivables that share similar economic risk characteristics. The ECL on those financial assets are estimated using a provision matrix i.e. analysis of trade-related receivables by ageing and apply a probability-weighted estimate of the credit losses within the relevant time band. The probability weighted estimate of the credit losses is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default (i.e. no default history), ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group also considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Credit-impaired financial assets

Financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Classification of financial liabilities or equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other income, gains and losses, net" line item.

Fair value is determined in the manner described in Note 28.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of non-financial assets

Property, plant and equipment are subject to impairment testing. They are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Leases (Prior to 1 January 2019)

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

Assets leased out under operating leases as the lessor

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the time pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Lease (upon application of IFRS 16 with transitions in accordance with Note 3)*As a lessee**Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;

- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares (net of any related income tax benefit) are deducted from share premium to the extent they are incremental cost directly attributable to the equity transaction.

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to clients in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a client
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to clients.

Control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if:

- (a) the client simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- (b) the Group’s performance creates or enhances an asset (for example work in progress) that the client controls as the asset is created or enhanced; or
- (c) the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the client obtains control of the asset.

(a) Civil and Structural engineering services

Where the outcome of a contract of comprehensive structural and geotechnical engineering consultancy service can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on direct measurement to the value of contracts work performed, provided that contract work performed can be measured reliably according to the complete of specific detailed components as set out in the contract. Variation in contract work, claims and incentive payments (if any) are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a contract of comprehensive structural and geotechnical engineering consultancy service cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract cost incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as “Contract assets”. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as “Contract liabilities”. Amounts received before the related work is performed are included in the consolidated statements of financial position as a liability and are shown as “Advances received from clients” under “Trade and other payable”. Amount billed for work performed but yet paid by the clients are included in the consolidated statements of financial position under “Trade and other receivables”

Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred.

The Group presents a contract liability or a contract asset in its consolidated statements of financial position when either party to the contract has performed. The Group performs by transferring goods or services to the client, and the client performs by paying consideration to the Group. Any unconditional rights to consideration are presented separately as "Trade and other receivable".

Contract liabilities are obligations to transfer goods or services to a client for which the Group has received consideration, or for which an amount of consideration is due from the client.

Contract assets are rights to consideration in exchange for goods or services that the Group has transferred to a client when that right is conditional on something other than the passage of time.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental income

Rental income is recognised, on a straight-line basis, over the terms of the respective leases.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Dividends

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

Employee benefits*Defined contribution plans**Singapore*

The Group makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. CPF is a compulsory comprehensive savings plan funded by contributions from employers and employees. Under the Central Provident Fund Act (Chapter 36 of the laws of Singapore) (the “CPFA”), the Group is required to submit to the CPF by the end of each month in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed in the CPFA. These contributions are recognised as an expense in the period in which they become payable in accordance with the scheme.

Vietnam

State pension scheme in Vietnam are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Taxations

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the Historical Financial Information and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue, expenses and assets are recognised net of the amount of GST or VAT except where the GST or VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST or VAT is recognised as part of the expenses item as applicable.

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

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

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker for their decisions about resources allocation to the Group's business components for their review of the performance of those components.

Related parties

For the purposes of the Historical Financial Information, a party is considered to be related to the Group pursuant to the provisions of International Accounting Standard (IAS) 24 "Related Party Disclosures" if:

- (a) the party is a person or a close member of that person's family and if that person:
 - (i) has control or joint control over of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if 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 joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group (if the Group is itself such a plan) and the sponsoring employers are also related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

(a) Project-based services contracts

Revenue recognition on provision of civil and structural engineering consultancy services is dependent on the estimation of the progress of the satisfaction of performance obligation of a service contract over time. The revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's past experience and the nature of the contract activities undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the outcome of the contract and the revenue can be reliably estimated. Actual outcome in terms of total contract costs and/or revenue may be higher or lower than those estimated at the end of each reporting period, which would affect the revenue and profit recognised in future years.

Significant judgement is required to estimate the total contract costs and the recoverable variation works that will affect whether any provision is required for foreseeable losses. The estimates are made based on past experience and knowledge of the project management.

Details of the revenue and contract assets are disclosed in Note 6 and Note 18.

(b) Estimation of useful lives of property, plant and equipment and investment property

The management depreciates and amortises the property, plant and equipment and investment property with definite useful lives on a straight-line basis over their estimated useful lives, respectively. The estimated useful lives reflect the directors' estimation of the periods that the future economic benefits can be derived from the usage of the Group's property, plant and equipment and investment property with definite useful lives. If the estimated useful lives did not reflect its actual useful lives, additional depreciation and amortisation maybe required.

6. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information. Revenue is recognised over time and is disaggregated by nature of services as follows:

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
Consultancy services fee	7,891	9,844	3,793	5,646
Other services fee	549	505	321	350
	<u>8,440</u>	<u>10,349</u>	<u>4,114</u>	<u>5,996</u>

Revenue is measured based on the consideration specified in a contract with a client and excludes amounts collected on behalf of third parties. Under the contracts with clients, each consultancy service contract relates to facts and circumstances that are specific to each client. Contract terms provide the Group with an enforceable right to payment, for its performance completed to date, of its costs incurred plus a reasonable margin.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at each of the Track Record Periods and the expected timing or recognising revenue are as follow:

	As at 31 December		As at 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
			(unaudited)	
Remaining performance obligations expected to be satisfied during the year ended				
Within one year	6,624	8,680	8,393	8,350
1–2 years	3,579	4,500	4,252	4,689
2–5 years	<u>3,323</u>	<u>2,845</u>	<u>5,271</u>	<u>2,405</u>
	<u>13,526</u>	<u>16,025</u>	<u>17,916</u>	<u>15,444</u>

The Group expects the transaction price allocated to the unsatisfied contract at 30 June 2019 will be recognised as revenue within five years from 30 June 2019.

The chief operating decision-maker has been identified as the executive directors of the Company. The directors regard the Group's business of provision of civil and structural engineering consultancy services as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented.

Geographical information

The Group's revenue is mainly derived from clients located in Singapore and Vietnam. The Group's revenue by the geographical location of the clients, determined based on the location of which the construction site located, is detailed below:

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
			(unaudited)	
Singapore	4,208	6,618	2,663	4,408
Vietnam	3,263	3,407	1,385	1,438
Others (<i>Note</i>)	<u>969</u>	<u>324</u>	<u>66</u>	<u>150</u>
	<u>8,440</u>	<u>10,349</u>	<u>4,114</u>	<u>5,996</u>

Note: Other geographical locations are mainly located in Republic of the Union of Myanmar, Republic of Maldives and Hong Kong.

The Group's business activities are conducted predominantly in Singapore and Vietnam. Information about the Group's non-current assets by the geographical location of the assets is detailed below:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
Singapore	1,873	1,806	1,818
Vietnam	154	133	157
Hong Kong	—	—	85
	<u>2,027</u>	<u>1,939</u>	<u>2,060</u>

Information about major clients (Note)

Revenue from clients which individually contributed over 10% of the Group's revenue is as follows:

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
			(unaudited)	
Tham & Wong LLP	1,581	N/A*	N/A*	N/A*
Client D	N/A*	1,222	957	N/A*
Client E	<u>N/A*</u>	<u>N/A*</u>	<u>488</u>	<u>N/A*</u>

* The corresponding revenue does not contribute over 10% of total revenue of the Group.

Note: Each of the major clients is an individual company or a subsidiary of a private company.

7. OTHER INCOME, GAINS AND LOSSES, NET

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
			(unaudited)	
Interest income	14	24	16	9
Rental income	36	—	—	—
Gain on disposal of property, plant and equipment	3	—	—	—
Government grants (Note)	31	9	6	5
Exchange (loss)/gain, net	(5)	19	—	(3)
Other income or loss	<u>1</u>	<u>13</u>	<u>1</u>	<u>12</u>
	<u>80</u>	<u>65</u>	<u>23</u>	<u>23</u>

Note: The government grants received mainly comprise of the Special Employment Credit Scheme and the Temporary Employment Credit Scheme, which are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support. There were no fulfilled conditions or contingencies relating to those government grants.

8. FINANCE COSTS

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
Interest on bank loans	45	47	22	24
Interest on lease liabilities	—	—	—	4
	<u>45</u>	<u>47</u>	<u>22</u>	<u>28</u>

9. PROFIT BEFORE INCOME TAX

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
Profit before income tax is stated after charging:			(unaudited)	
(a) Staff costs (including directors' emoluments (Note 13))				
— Salaries, wages and other benefits	3,977	5,433	2,532	3,506
— Contributions to defined contribution retirement plans	<u>411</u>	<u>544</u>	<u>250</u>	<u>369</u>
Total staff cost (Note):	4,388	5,977	2,782	3,875
(b) Other items				
Depreciation and amortisation	93	168	81	73
Research and development expense	189	231	135	119
Auditors' remuneration	15	22	3	6
Bad debts of trade receivables	6	—	—	—
Operating lease charges in respect of leased premises	86	114	55	31
Depreciation of right-of-use assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>55</u>

Note: Total staff costs (including directors' emoluments) for the year

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
Cost of services	3,379	4,575	2,050	3,119
Administrative expenses	<u>1,009</u>	<u>1,402</u>	<u>731</u>	<u>756</u>
	<u>4,388</u>	<u>5,977</u>	<u>2,781</u>	<u>3,875</u>

10. INCOME TAX EXPENSE

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
	(unaudited)			
Current tax				
— Singapore corporate income tax	201	260	26	32
— Vietnam corporate income tax	355	348	133	140
— Hong Kong tax	—	—	—	1
	<u>556</u>	<u>608</u>	<u>159</u>	<u>173</u>
Income tax expense	<u>556</u>	<u>608</u>	<u>159</u>	<u>173</u>

The applicable tax rate of the subsidiaries in Singapore is 17% for the Track Record Period.

For the Group's subsidiary incorporated in Vietnam, the statutory corporate tax rates are 20% for the Track Record Period.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Reconciliation between income tax expense and profit before income tax at applicable tax rate:

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
	(unaudited)			
Profit/(loss) before income tax	<u>3,130</u>	<u>1,889</u>	<u>737</u>	<u>(691)</u>
Tax at the applicable income tax rates	532	321	125	(117)
Tax rates for specific districts	51	50	17	18
Tax effect of non-taxable income	(11)	(23)	—	—
Tax effect of non-deductible expenses	66	271	43	387
Tax effect of under provision in previous year	—	15	—	—
Tax refund	—	—	—	(88)
Tax reduction	<u>(82)</u>	<u>(26)</u>	<u>(26)</u>	<u>(27)</u>
	<u>556</u>	<u>608</u>	<u>159</u>	<u>173</u>

11. DIVIDEND

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
Interim/final dividends	<u>1,353</u>	<u>1,699</u>	<u>1,699</u>	<u>—</u>

No dividends have been paid or declared by the Company since its date of incorporation.

Prior to the Reorganisation, the directors of Artus Consultancy Services Pte. Ltd. have declared and appropriated dividends to its then shareholder approximately to SGD1,000,000 and Nil during the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 respectively.

Prior to the Reorganisation, the directors of TW-Asia Consultants Limited have declared and appropriated dividends to its then shareholder approximately to Nil, SGD400,000 and Nil during the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 respectively.

Prior to the Reorganisation, the directors of TW-Asia Consultants Company Limited (formerly known as Tham and Wong (Vietnam) Co. Ltd.) have declared and appropriated dividends to its then shareholder approximately to SGD353,000, SGD1,299,000 and Nil during the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 respectively.

12. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the basis of presentation and preparation of the results of the Group for the Track Record Period on a consolidated basis as disclosed in Note 2 above.

13. DIRECTORS' EMOLUMENTS**(a) Directors' emoluments**

	Fees	Salaries, allowances, and benefits in kind	Discretionary bonuses	Retirement scheme contribution	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Year ended 31 December 2017					
<i>Executive directors:</i>					
Mr. Wong Seng	—	287	23	9	319
Ms. Leow Geok Mui	—	192	15	17	224
Mr. Lim Chin Keong	—	162	12	14	188
Mr. Heng Kim Huat	—	163	13	14	190
	<u>—</u>	<u>804</u>	<u>63</u>	<u>54</u>	<u>921</u>
Year ended 31 December 2018					
<i>Executive directors:</i>					
Mr. Wong Seng	—	274	43	7	324
Ms. Leow Geok Mui	—	183	30	15	228
Mr. Lim Chin Keong	—	166	22	14	202
Mr. Heng Kim Huat	—	168	28	12	208
	<u>—</u>	<u>791</u>	<u>123</u>	<u>48</u>	<u>962</u>

	Fees SGD'000	Salaries, allowances, and benefits in kind SGD'000	Discretionary bonuses SGD'000	Retirement scheme contribution SGD'000	Total SGD'000
Six months ended 30 June 2018					
<i>Executive directors:</i>					
Mr. Wong Seng	—	156	—	3	159
Ms. Leow Geok Mui	—	106	—	6	112
Mr. Lim Chin Keong	—	83	—	6	89
Mr. Heng Kim Huat	—	95	—	5	100
	<u>—</u>	<u>440</u>	<u>—</u>	<u>20</u>	<u>460</u>
Six months ended 30 June 2019					
<i>Executive directors:</i>					
Mr. Wong Seng	—	142	—	3	145
Ms. Leow Geok Mui	—	96	—	6	102
Mr. Lim Chin Keong	—	97	—	6	103
Mr. Heng Kim Huat	—	90	—	5	95
	<u>—</u>	<u>425</u>	<u>—</u>	<u>20</u>	<u>445</u>

Note: For the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 and 30 June 2018, there was no arrangement under which a director has waived or agreed to waive any emolument.

(b) Five highest paid individuals

For the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 and 30 June 2018, the five individuals whose emoluments were the highest in the Group included four, four, four and four directors respectively.

Details of the emoluments of the remaining one highest paid individual are as follows:

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
Salaries, fee and allowances	94	121	65	75
Discretionary bonuses	—	—	—	—
Retirement scheme contribution	13	14	7	9
	<u>107</u>	<u>135</u>	<u>72</u>	<u>84</u>

The emoluments fell within the following bands:

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	(unaudited)			
Emolument bands:				
Nil to—SGD 150,000	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

For the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 and 30 June 2018, no emoluments were paid by the Group to the above highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office as a director or management of any members of the Group.

14. PROPERTY, PLANT AND EQUIPMENT

	Building SGD'000	Leasehold improvement SGD'000	Motor vehicles SGD'000	Computer and office equipment SGD'000	Total SGD'000
Cost					
As at 1 January 2017	380	21	42	98	541
Additions	—	39	136	92	267
Disposal	—	—	(40)	—	(40)
Exchange realignment	—	(2)	(7)	(6)	(15)
As at 31 December 2017 and 1 January 2018	380	58	131	184	753
Additions	—	3	—	77	80
As at 31 December 2018 and 1 January 2019	380	61	131	261	833
Additions	—	3	—	32	35
Exchange realignment	—	—	(2)	(3)	(5)
As at 30 June 2019	380	64	129	290	863
Accumulated depreciation					
As at 1 January 2017	51	6	42	54	153
Charge for the year	6	10	12	39	67
Written back on disposal	—	—	(40)	—	(40)
Exchange realignment	—	(1)	(2)	(4)	(7)
As at 31 December 2017 and 1 January 2018	57	15	12	89	173
Charge for the year	6	18	22	96	142
As at 31 December 2018 and 1 January 2019	63	33	34	185	315
Charge for the period	3	9	11	37	60
Exchange realignment	—	(1)	—	(2)	(3)
As at 30 June 2019	66	41	45	220	372
Carrying amounts					
As at 31 December 2017	<u>323</u>	<u>43</u>	<u>119</u>	<u>95</u>	<u>580</u>
As at 31 December 2018	<u>317</u>	<u>28</u>	<u>97</u>	<u>76</u>	<u>518</u>
As at 30 June 2019	<u>314</u>	<u>23</u>	<u>84</u>	<u>70</u>	<u>491</u>

15. INVESTMENT PROPERTY

SGD'000

Cost

As at 1 January 2017, 31 December 2017, 1 January 2018, 31 December 2018 and 30 June 2019	1,550
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Accumulated amortisation

As at 1 January 2017	77
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Charge for the year	26
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As at 31 December 2017 and 1 January 2018	103
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Charge for the year	26
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As at 31 December 2018	129
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Charge for the period	13
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As at 30 June 2019	142
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Carrying amount

As at 31 December 2017	1,447
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As at 31 December 2018	1,421
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As at 30 June 2019	1,408
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The fair value of the Group's investment property as at 31 December 2017 and 2018 and 30 June 2019 is SGD1,800,000, SGD1,800,000 and SGD1,800,000 respectively. The fair value has been arrived at on the basis of a valuation carried out by Unicorn Consulting and Appraisal Limited ("Unicorn"), an independent qualified professional valuer not connected with the Group.

The fair value was determined based on the market comparable approach that reflects recent transactions prices for similar properties, adjusted for differences in nature, location and conditions of the properties under review. There has no change from the valuation technique used in the prior year.

Details of the Group's investment property and information about the fair value hierarchy as at 31 December 2017 and 2018 and 30 June 2019 are as follows:

**Fair value measurement using
Significant unobservable inputs (Level 2)**

	As at 31 December 2017 SGD'000	As at 31 December 2018 SGD'000	As at 30 June 2019 SGD'000
Recurring fair value measurement for:			
— Property located in Singapore	1,800	1,800	1,800

16. RIGHT OF USE ASSETS

The Group does not have the option to purchase the right-of-use assets for a nominal amount at the end of the lease terms.

	Buildings <i>SGD'000</i>
Cost	
As at 1 January 2019	105
Additions	<u>111</u>
As at 30 June 2019	<u>216</u>
Accumulated depreciation	
As at 1 January 2019	—
Charge for the period	<u>55</u>
As at 30 June 2019	<u>55</u>
Carrying amounts	
As at 30 June 2019	<u><u>161</u></u>

17. TRADE AND OTHER RECEIVABLES

	As at 31 December		As at
	2017	2018	30 June
	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>
Trade receivables	2,106	3,154	2,849
Other receivables	145	59	69
Prepayments and deposits	<u>175</u>	<u>110</u>	<u>299</u>
	<u><u>2,426</u></u>	<u><u>3,323</u></u>	<u><u>3,217</u></u>

Trade receivables

The Group usually provide clients with a credit term of 0 to 30 days. For the settlement of trade receivables from provision of engineering consultancy services, the Group usually reaches an agreement on the term of each payment with the client by taking into account of factors such as, among other things, the credit history of the client, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management.

Based on the invoice dates, the ageing analysis of the trade receivables, net of provision for impairment, was as follows:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
0–30 days	988	1,699	1,136
31–60 days	373	534	1,156
61–90 days	475	188	389
91–180 days	265	562	95
181–270 days	—	166	62
271–365 days	5	1	3
Over 365 days	—	4	8
	<u>2,106</u>	<u>3,154</u>	<u>2,849</u>

At the end of each reporting period, the Group reviewed trade receivables for evidence of impairment on both an individual and collective basis. Based on this assessment, no provision for impairment has been recognised at 31 December 2017 and 31 December 2018 and 30 June 2019.

Ageing of trade receivables which are past due but not impaired were as follows:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
Neither past due nor impaired	<u>988</u>	<u>1,699</u>	<u>1,136</u>
0–30 days past due	373	534	1,156
31–60 days past due	475	188	389
61–90 days past due	18	555	43
91–180 days past due	246	52	75
181–270 days past due	—	121	42
271–365 days past due	5	2	1
Over 365 days past due	<u>1</u>	<u>3</u>	<u>7</u>
	<u>2,106</u>	<u>3,154</u>	<u>2,849</u>

Trade receivables which were past due but not impaired related to a number of independent clients that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Upon the adoption of IFRS 9 on 1 January 2018, the Group applies the IFRS 9 simplified approach to measure ECL for trade receivable which uses a lifetime ECL model. Trade receivables have been grouped based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates.

Set out below is the information about the credit risk exposure on the Group's trade receivable as at 31 December 2018 and 30 June 2019 using a provision matrix:

As at 31 December 2018

	Expected credit loss rate	Gross carrying amount <i>SGD'000</i>	Expected credit loss <i>SGD'000</i>
Credit-impaired receivable	100.00%	—	—
Other trade receivables aged:			
Current and within one year past due			
— Singapore	0.03%	2,214	1
— Vietnam	2.38%	<u>937</u>	<u>22</u>
		<u>3,151</u>	<u>23</u>
More than one year past due			
— Singapore	0.03%	3	—
— Vietnam	2.38%	<u>—</u>	<u>—</u>
		<u>3</u>	<u>—</u>
Total		<u><u>3,154</u></u>	<u><u>23</u></u>

As at 30 June 2019

	Expected credit loss rate	Gross carrying amount <i>SGD'000</i>	Expected credit loss <i>SGD'000</i>
Credit-impaired receivable	100.00%	—	—
Other trade receivables aged:			
Current and within one year past due			
— Singapore	0.03%	2,481	1
— Vietnam	2.38%	<u>361</u>	<u>9</u>
		<u>2,842</u>	<u>10</u>
More than one year past due			
— Singapore	0.03%	7	—
— Vietnam	2.38%	<u>—</u>	<u>—</u>
		<u>7</u>	<u>—</u>
Total		<u><u>2,849</u></u>	<u><u>10</u></u>

The expected credit loss rates, which ranged from 0.03% to 2.38% for those not credit-impaired trade receivables and contract assets and was 100% for those credit-impaired trade receivables and contract assets, are estimated based on the exposure to default of each client, payment history of the client, the existing relationship with the client and study on corporate default and recovery data from international credit-rating agencies and are adjusted for forward-looking information (for example, the macroeconomic factors affecting the industry and the impact that may result in client ability to make payments) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting dates. The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on the

good repayment records for those clients and continuous business with the Group. The clients are assessed individually for the credit risk based on their probability of default and exposure of default. The grouping is regularly reviewed by the management of the Group to ensure relevant information about the clients is updated.

In the view of directors, the effect on the expected credit loss is insignificant and there is no adjustment for the provision of expected credit loss on the initial application of IFRS 9.

Other receivables

No amounts in relation to other receivables were past due at 31 December 2017, 31 December 2018 and 30 June 2019.

18. CONTRACT ASSETS

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
Contract assets	370	1,157	1,553
Contract liabilities	—	—	—
	<u>370</u>	<u>1,157</u>	<u>1,553</u>
Contract costs incurred plus recognised profits less recognised losses	28,899	33,748	29,040
Less: Progress billings	<u>28,529</u>	<u>32,591</u>	<u>27,487</u>
	<u>370</u>	<u>1,157</u>	<u>1,553</u>

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from clients, for which revenue is recognised based on the progress of the provision of related services.

Movements in the contract assets and the contract liabilities balances during the Track Record Period are as follows:

	As at 31 December 2017		As at 31 December 2018		As at 30 June 2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities	Contract assets	Contract liabilities
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Transfers from contract assets recognised at the beginning of the year	<u>794</u>	<u>—</u>	<u>351</u>	<u>—</u>	<u>776</u>	<u>—</u>

19. AMOUNTS DUE FROM RELATED PARTIES

Particulars of amounts due from related parties are disclosed as follows:

	As at 31 December		As at	Maximum outstanding balance during the year/six months ended		Maximum outstanding balance as at
	2017	2018	30 June	31 December		30 June
	SGD'000	SGD'000	2019	2017	2018	2019
Tham & Wong LLP ("LLP") (note (a))	207	—	—	321	207	—
Ms. Pham Nguyen My Dung (note (b))	177	—	—	177	177	—
	<u>384</u>	<u>—</u>	<u>—</u>			

Notes:

- (a) The amount due from LLP include approximately SGD169,000, Nil and Nil as at year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 was trade nature respectively. The amount due from LLP include approximately SGD38,000, Nil and Nil as at year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 was non-trade nature respectively. The amount due from LLP is unsecured, non-interest bearing and recoverable on demand.
- (b) The amount due from Ms. Pham Nguyen My Dung, who is the wife of Mr. Lim Chin Keong, is unsecured, non-interest bearing, non-trade nature and recoverable on demand.
- (c) Mr. Wong ceased to be one of the partner of Tham & Wong LLP on February 2018, and Tham & Wong LLP was no longer a related party of the Company since 14 February 2018.

20. AMOUNTS DUE FROM DIRECTORS

	As at 31 December		As at	Maximum outstanding balance during the year/six months ended		Maximum outstanding balance as at
	2017	2018	30 June	31 December		30 June
	SGD'000	SGD'000	2019	2017	2018	2019
Mr. Wong Seng	73	—	—	73	73	—
Ms. Leow Geok Mui	—	12	12	—	12	12
Mr. Lim Chin Keong	—	9	9	—	9	9
Mr. Heng Kim Huat	—	4	4	—	4	4
	<u>73</u>	<u>25</u>	<u>25</u>			

The amounts due from directors are unsecured, non-interest bearing, non-trade nature and recoverable on demands.

21. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, non-interest bearing, non-trade nature and repayable on demand.

22. CASH AND BANK BALANCES

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
Cash and bank balances (<i>Note</i>)	2,272	1,214	1,811

Note: Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group has Vietnam Dong (“VND”) and United States Dollar (“USD”) denominated cash and bank balance, which expose the Group to foreign currency risk. The carrying amounts of the Group’s VND and USD denominated monetary assets at the end of the reporting period are as follows:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
VND	825	530	795
USD	4	225	230
HKD	—	—	55

23. TRADE AND OTHER PAYABLES

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
Trade payables	108	113	197
Other payables	409	274	260
Accruals expenses	349	704	1,246
	866	1,091	1,703

The Group is usually granted by subcontractors with a credit term of 0 to 30 days. The ageing analysis of trade payables based on the invoice date is as follows:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
0–30 days	81	106	133
31–60 days	—	—	—
61–90 days	—	—	—
91–180 days	20	—	—
181–270 days	—	—	64
271–365 days	—	—	—
Over 365 days	7	7	—
	108	113	197

24. BORROWINGS

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
Current — secured			
Bank loans (<i>Note</i>)	98	108	41
Non-current — secured			
Bank loans (<i>Note</i>)	1,038	923	865
	<u>1,136</u>	<u>1,031</u>	<u>906</u>

According to the repayment schedule, the bank loans are repayable as follows:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
Within one year	98	108	41
More than one year, but not more than two years	109	91	43
More than two years, but not more than five years	143	156	143
More than five years	786	676	679
	<u>1,136</u>	<u>1,031</u>	<u>906</u>

The range of interest rates per annum on the Company's borrowings were as follows:

	Year ended 31 December		Year ended
	2017	2018	30 June
			2019
Borrowings	<u>2.7% to 4.2%</u>	<u>3.8% to 4.7%</u>	<u>4.1% to 4.7%</u>

Note: Two loan banking facilities were included in the bank borrowings:

- (a) The mortgage loan facility (“**Facility 1**”) of approximately SGD970,000, SGD925,000 and SGD906,000 as at 31 December 2017, 31 December 2018 and 30 June 2019. As at 31 December 2017, Facility 1 was guaranteed by the investment property in Note 15 and guaranteed by Mr. Wong and Ms. Leow. Facility 1 bear interest rate ranged from 3.4% to 4.2%, from 3.8% to 4.7% and 4.7%, for the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019, respectively. Such personal guarantees will be released upon Listing.
- (b) The instalment loan facility (“**Facility 2**”) of approximately, SGD166,000, SGD106,000 and Nil as at 31 December 2017, 31 December 2018 and 30 June 2019. As at 31 December 2017, facility 2 was guaranteed by building in note 14 and guaranteed by Mr. Wong and Ms. Leow. Facility 2 bear floating interest rate ranged from, from 2.7% to 4.2%, from 4.1% to 4.2% and from 4.1% to 4.3%, for the year ended 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019, respectively. Such personal guarantee has been released during the period.

25. LEASE LIABILITIES

	As at 30 June 2019 SGD'000
Analysed as:	
Current	114
Non-current	<u>50</u>
	<u>164</u>
Minimum lease payments due:	
Within one year	119
More than one year but not later than two years	<u>51</u>
	<u>170</u>
Less: Future finance charges	(6)
Present value of lease liabilities	<u><u>164</u></u>
Maturity analysis:	
Within one year	114
More than one year but not later than two years	<u>50</u>
	<u><u>164</u></u>

26. CAPITAL AND RESERVES

(a) Share capital

	As at 31 December	As at
	2017	30 June
	SGD'000	2019
	SGD'000	SGD'000
Share capital	<u>1,156</u>	<u>604</u>
	<u>14</u>	<u>14</u>

For the purpose of the preparation of the consolidated statements of financial position, the balance of share capital at 31 December 2017 and 31 December 2018 and 30 June 2019 represents the aggregate of the paid-up share capital of the subsidiaries comprising the Group prior to the Reorganisation.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 6 July 2018 with an initial authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1 each and 10,000 ordinary shares were issued and paid up.

(b) Reserves of the Group

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity.

(c) Reserves of the company

	Accumulated loss <i>SGD'000</i>	Total <i>SGD'000</i>
As at 6 July 2018 (date of incorporation)	—	—
Loss and total comprehensive loss	<u>(956)</u>	<u>(956)</u>
As at 31 December 2018 and 1 January 2019	(956)	(956)
Loss and total comprehensive loss	<u>(1,986)</u>	<u>(1,986)</u>
As at 30 June 2019	<u><u>(2,942)</u></u>	<u><u>(2,942)</u></u>

27. PLEDGE OF ASSETS

At the end of each reporting period, the following assets were pledged to bank secure the Group's banking facilities:

	As at 31 December		As at
	2017	2018	30 June
	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>
Investment property	1,447	1,421	1,408
Building	<u>323</u>	<u>317</u>	<u>—</u>
	<u><u>1,770</u></u>	<u><u>1,738</u></u>	<u><u>1,408</u></u>

As at 30 June 2019, the Group had obtained facility from banks which were guaranteed by building, referring to Note 24. The aforesaid guarantees on the banking facilities had been released during the six months ended 30 June 2019.

28. OPERATING LEASE COMMITMENTS

As lessee

At the end of each reporting date, the total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

	As at 31 December		As at
	2017	2018	30 June
	<i>SGD'000</i>	<i>SGD'000</i>	<i>SGD'000</i>
Within one year	81	102	—
In the second to fifth years	<u>62</u>	<u>56</u>	<u>—</u>
	<u><u>143</u></u>	<u><u>158</u></u>	<u><u>—</u></u>

The Group is the lessee in respect of premises under operating leases. The leases typically run for an initial period of one to three years. The leases do not include contingent rentals.

29. RELATED PARTY TRANSACTIONS

In addition to the balances and transactions detailed elsewhere in the Historical Financial Information, the Group had the following related party transactions during the Track Record Period.

(a) Key management personnel remuneration

The emoluments of the directors and senior management of the Company, who represent the key management personnel during the Track Record Period are as follows:

	Year ended 31 December		Six months ended 30 June	
	2017	2018	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000
			(unaudited)	
Salaries, fee and allowances	804	791	440	425
Discretionary bonuses	63	123	—	—
Retirement scheme contributions	54	48	20	20
	<u>921</u>	<u>962</u>	<u>460</u>	<u>445</u>

(b) Material related party transactions

Name of related party	Nature	Year ended 31 December		Six months ended 30 June	
		2017	2018	2018	2019
		SGD'000	SGD'000	SGD'000	SGD'000
				(unaudited)	
Tham & Wong LLP	Consulting income	1,581	345	114	16
Tham & Wong LLP	Rental income	36	—	—	—

Notes:

Mr. Wong was one of the partners of Tham & Wong LLP and he was ceased to be one of the partners of Tham & Wong LLP on 14 February 2018.

(c) Financial guarantee given by related parties

Further details of financial guarantees provided by the directors are disclosed in Note 24.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the board of directors.

The Group's exposure to these risks and the financial risk management policies and practises used by the Group to manage these risks are described below.

(a) Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statements of financial position relate to the following categories of financial assets and liabilities:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
Financial assets			
Loans and receivables:			
— Trade receivables, other receivables and deposits	2,282	3,242	3,016
— Cash and bank balances	2,272	1,214	1,811
— Amounts due from directors	73	25	25
— Amounts due from related parties	384	—	—
	<u>5,011</u>	<u>4,481</u>	<u>4,852</u>
Financial liabilities			
Financial liabilities measured at amortised cost:			
— Trade payables, other payables and accrued expenses	861	1,088	1,702
— Amount due to a director	—	587	1,810
— Lease liabilities	—	—	164
— Borrowings	1,136	1,031	906
	<u>1,997</u>	<u>2,706</u>	<u>4,582</u>

(b) Interest rate risks

The Group is exposed to cash flow interest rate risk in relation to variable-rate borrowings and balance due to changes of interest rates.

The directors of the Company consider the Group's exposures of the bank balance are not significant as interest bearing bank balance are within short maturity period and thus they are not included in sensitivity analysis.

The Group currently does not have any interest rate hedging policy. However, management closely monitors its exposure to future cash flow interest rate risk as a result of changes in market interest rates will consider hedging changes in market interest rates should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

As at 31 December 2017, 31 December 2018 and 30 June 2019, if the interest rate on all variable-rate borrowings had been 100 basis points higher/lower with all other variables held constant, the Group's profit after income tax for the year/period would have been decreased/increased by approximately SGD12,000 and SGD11,000 and SGD6,200, respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each of the Track Record Period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100-basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period. The analysis is performed on the same basis during the Track Record Period.

(c) Currency risk

The carrying amounts of the Group's monetary assets and liabilities (including bank balances, trade receivables and trade payables) denominated in monetary assets and liabilities (including trade payables and other payables) denominated in currencies other than functional currency of the respective group entity at the end of each reporting period are as follows:

	Assets			Liabilities		
	As at 31 December		As at 30 June	As at 31 December		As at 30 June
	2017	2018	2019	2017	2018	2019
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
VND	2,120	1,634	2,000	486	271	287
USD	4	225	230	—	—	—
HKD	—	—	81	—	—	223

Sensitivity analysis

The following table details the Group's sensitivities to a 10% increase and decrease in the functional currency of the Group against relevant foreign currency. 10% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign currency rate. The sensitivity analysis includes only outstanding VND, USD and HKD denominated monetary items and adjusted their translation at the end of the reporting period for a 10% change. A positive number indicates an increase in post-tax profit for the year SGD weakening 10% against VND. For a 10% strengths of SGD against VND, there would be an equal but opposite impact on the post-tax profit for the year.

	Year ended 31 December		Six months ended
	2017	2018	30 June 2019
	+/-10%	+/-10%	+/-10%
	SGD'000	SGD'000	SGD'000
VND	-/+163	-/+136	-/+171
USD	-/+1	-/+23	-/+23
HKD	—	—	+/-14

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the exposure at the end of each reporting period do not reflect the exposure during the track record period.

(d) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to clients in the ordinary course of its operations. The Group's maximum exposure to credit risk on recognised financial assets and contract assets is limited to the carrying amount at end of each reporting period.

In respect of trade and other receivables and contract assets, individual credit evaluations are performed on all clients and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivable and contract asset and amount due from directors and related parties balance at the end of each reporting period to ensure adequate impairment losses are made for irrecoverable amounts.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. The expected credit losses, trade receivables and contract assets are estimated using a provision matrix based on the Group's historical analysis and the key economic variables and the supportive forwarding-looking information that is available without undue cost or effort that impacting credit risk and expected credit loss.

As at 30 June 2019, trade receivables and contract assets that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the clients, historical settlement records and past experience.

As at 31 December 2017, 31 December 2018 and 30 June 2019, the Group has concentration of credit risk as 12.8% and 37.4%, 10.7% and 33.7%, 14.3% and 39.9% of the total trade and other receivables were due from the Group's largest trade debtor and five largest trade debtors respectively. The aggregate amounts of trade and other receivables from these trade debtors amounted to SGD269,000 and SGD788,000, SGD339,000 and SGD1,063,000, SGD407,000 and SGD1,136,000, of the Group's total trade and other receivables at 31 December 2017 and 31 December 2018 and 30 June 2019 respectively. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these debtors.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Internal credit rating, actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations, actual or expected significant changes in the operating results of the borrower and significant changes in the expected performance and behaviour of the borrower including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower are indicators to be incorporated.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical elements and forward looking elements.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 (2017: incurred loss model) on trade balances individually or based on provision matrix. In this regard, the directors consider that the Group's credit risk is significantly reduced. There is no adjustment for the provision of expected credit loss on the initial application of IFRS 9.

The directors considered the credit risk of the Group's other receivables is relatively low as they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(i) *Trade receivable and contract assets*

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets.

Assessed lifetime expected credit loss rate of contract assets and trade receivables is close to be zero as there are no recent history of default and continuous payment received. Based on historical and forward looking elements of the Group, it was determined that no loss allowance provision is necessary in respect of these balances as there has not been a significant change in credit quality of the clients.

(ii) *Other receivables*

As at 31 December 2017, 31 December 2018 and 30 June 2019, the Group expects that the credit risk associated with other receivables is considered to be low, since the majority of these balances is due from government authorities having a strong capacity to meet its contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these receivables are not material under the 12 months expected losses method. Thus no loss allowance provision was recognised during the Track Record Period.

(iii) *Deposits with bank*

In relation to the Group's deposit with bank, the Group limits its exposure to credit risk by placing deposits with financial institution with high credit rating and no recent history of default. The directors consider that the Group's credit risk on the bank deposits is low. Management continues to monitor the position and will take appropriate action if their ratings are changed. As at 31 December 2017, 31 December 2018 and 30 June 2019, the Group has no significant concentration of credit risk in relation to deposit with bank.

(iv) *Amounts due from related parties and directors*

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. The Group has assessed that the expected credit loss rate for these receivables are immaterial under 12 months expected credit losses method. Thus, no loss allowance for amounts due from directors and related parties was recognised as at 31 December 2017, 31 December 2018 and 30 June 2019.

(e) **Liquidity risk**

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, and amount due to a director, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

Management monitors the cash flow forecasts of the Group in meeting its liabilities.

The table includes both interest and principal cash flows. To the extent that interest cash flows are at floating rate, the undiscounted amount is derived from current interest rates at the end of each reporting period.

	Weighted average effective interest rate %	On demand or within 1 year SGD'000	More than 1 year but less than 2 years SGD'000	More than 2 year but less than 5 years SGD'000	Over 5 years SGD'000	Undiscounted cash flows SGD'000	Total carrying amount SGD'000
As at 31 December 2017							
Trade and other payables	—	861	—	—	—	861	861
Borrowings	3.6	147	149	210	1,005	1,511	1,136
		<u>1,008</u>	<u>149</u>	<u>210</u>	<u>1,005</u>	<u>2,372</u>	<u>1,997</u>
As at 31 December 2018							
Trade and other payables	—	1,088	—	—	—	1,088	1,088
Amount due to a director	—	587	—	—	—	587	587
Borrowings	4.5	149	127	166	908	1,350	1,031
		<u>1,824</u>	<u>127</u>	<u>166</u>	<u>908</u>	<u>3,025</u>	<u>2,706</u>
As at 30 June 2019							
Trade and other payables	—	1,702	—	—	—	1,702	1,702
Lease liabilities	4.5	119	51	—	—	170	164
Borrowings	4.1	83	83	250	853	1,269	906
Amount due to a director	—	1,810	—	—	—	1,810	1,810
		<u>3,714</u>	<u>134</u>	<u>250</u>	<u>853</u>	<u>4,951</u>	<u>4,582</u>

(f) Fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to relatively short-term nature of these financial instruments.

For financial reporting purpose, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurements in its entirety.

The table below gives the information about how the fair value of these financial assets and financial liabilities are measured at fair values on a recurring basis are determined (in particular, the valuation technique(s) and input used).

The different levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

31. PARTICULARS OF SUBSIDIARIES

At the date of this report, the Company has direct or indirect equity interests in the following subsidiaries:

Name of company	Place of incorporation/ establishment	Date of incorporation/ establishment	Registered capital	Paid up capital	Proportion of ownership interest		Principal activities	Name of statutory auditors
					Group's effective interest	Held by the Company		
Lion City Global Limited	British Virgin Islands ("BVI")	28 May 2018	US\$50,000	US\$10,000	100%	—	Investment holding	Note 1
Blue Synergy Global Limited	BVI	2 January 2018	US\$50,000	US\$10,000	—	100%	Investment holding	Note 1
Green Spring Global Limited	BVI	30 May 2018	US\$50,000	US\$10,000	—	100%	Investment holding	Note 1
TW-Asia Consultants Company Limited (formerly known as Tham & Wong (Vietnam) Co. Ltd.)	Vietnam	27 December 2006	VND 7,417,800,476	VND 7,417,800,476	—	100%	Provision of Civil and Structural and geotechnical engineering consultancy services	Baker Tilly A&C Auditing and Consulting Co., Ltd
Artus Consultancy Services Pte Ltd	Singapore	22 January 2005	SGD50,000	SGD50,000	—	100%	Holding of investment property	Assensure PAC
TW-Asia Consultants Pte Ltd	Singapore	5 June 2013	SGD500,000	SGD500,000	—	100%	Provision of Civil and Structural engineering consultancy services	Assensure PAC
Global Speed Limited	Hong Kong	23 November 2018	HKD1	HKD1	—	100%	Provision of Civil and Structural engineering consultancy services	Note 1

Note:

- No statutory financial statements have been prepared for these entities as they either have not carried on any business since the date of incorporation or which are not subject to statutory audit requirement under the relevant rules and regulations in their respective jurisdiction of incorporation.

The Historical Financial Information has been prepared in accordance with all applicable IFRSs which in collective term includes all applicable individuals International Financial Reporting Standards issued by the IASB. Further details of the significant accounting policies adopted are set out in Note 4.

The IASB has issued a number of new and revised IFRSs. For the purpose this Historical Financial Information, the Group has adopted all applicable new and revised IFRSs to Track Record Period, except for any new standards and interpretations issued but not yet effective for the Track Record Period are set out Note 3.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the disclosure requirement of the Hong Kong Companies Ordinance (Cap. 622).

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

32. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to maintain capital structure in order to minimise the costs of capital, support its business and maximise shareholders' value.

The capital structure of the Group consists of net debt and borrowing disclosed in Notes 21 and 23. Net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

The following is the debt to equity ratio at the end of each reporting period:

	As at 31 December		As at
	2017	2018	30 June
	SGD'000	SGD'000	2019
			SGD'000
Total borrowings (<i>Note (a)</i>)	1,136	1,031	906
Less: cash and cash equivalents (<i>Note (c)</i>)	<u>(2,272)</u>	<u>(1,214)</u>	<u>(1,811)</u>
Net assets	(1,136)	(183)	(905)
Total equity (<i>Note (b)</i>)	<u>5,057</u>	<u>4,648</u>	<u>3,752</u>
Debt to equity ratio	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Notes:

- (a) Total borrowings represent bank borrowing.
- (b) Total equity includes share capital and reserves at the end of each reporting period.
- (c) Cash and cash equivalents include cash and bank balances.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Amount due	Secured	Total
	(to)/from	borrowings	
	directors		
	SGD'000	SGD'000	SGD'000
As at 1 January 2017	433	(1,233)	(800)
Accrued Interest	—	(45)	(45)
Interest paid	—	45	45
Financing cash inflows	(360)	—	(360)
Financing cash outflows	<u>—</u>	<u>97</u>	<u>97</u>
As at 31 December 2017	<u>73</u>	<u>(1,136)</u>	<u>(1,063)</u>
As at 1 January 2018	73	(1,136)	(1,063)
Accrued Interest	—	(47)	(47)
Interest paid	—	47	47
Financing cash inflows	(635)	—	(635)
Financing cash outflows	<u>—</u>	<u>105</u>	<u>105</u>
As at 31 December 2018	<u>(562)</u>	<u>(1,031)</u>	<u>(1,593)</u>

	Lease liabilities <i>SGD'000</i>	Amount due (to)/from directors <i>SGD'000</i>	Secured borrowings <i>SGD'000</i>	Total <i>SGD'000</i>
As at 1 January 2019	—	(562)	(1,031)	(1,593)
Accrued interest	(4)	—	(24)	(28)
Interest paid	4	—	24	28
Financing cash inflows	(164)	(1,223)	—	(1,387)
Financing cash outflows	—	—	125	125
	<u>—</u>	<u>—</u>	<u>125</u>	<u>125</u>
As at 30 June 2019	<u>(164)</u>	<u>(1,785)</u>	<u>(906)</u>	<u>(2,855)</u>
As at 1 January 2018	—	73	(1,136)	(1,063)
Accrued interest	—	—	(22)	(22)
Interest paid	—	—	22	22
Financing cash inflows	—	(345)	—	(345)
Financing cash outflows	—	34	49	83
	<u>—</u>	<u>34</u>	<u>49</u>	<u>83</u>
As at 30 June 2018	<u>—</u>	<u>(238)</u>	<u>(1,087)</u>	<u>(1,325)</u>

34. EVENTS AFTER THE REPORTING PERIOD

No audited financial statements have been prepared by the Company or its subsidiaries in respect of any period subsequent to 30 June 2019.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION
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The information sets forth in this Appendix does not form part of the Accountants' Report prepared by HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" and the accountants' report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group is prepared by the directors of the Company in accordance with Rule 7.31 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") is for illustration purposes only, and is set forth here to illustrate the effect of the share offer ("Share Offer") on the consolidated financial statement of the Group as at 30 June 2019 as if the Share Offer had taken place on 30 June 2019.

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 June 2019 or at any future date following the Share Offer.

The following unaudited pro forma consolidated financial statement of the Group is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 as shown in the accountants' report set out in Appendix I to this prospectus, and adjusted as described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 <i>SGD'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Share Offer <i>SGD'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 <i>SGD'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share <i>SGD</i> <i>(Note 4)</i>
Based on the Share Offer of HK\$0.38 per Share	3,752	6,946	10,698	0.0178
Based on the Share Offer of HK\$0.48 per Share	3,752	9,415	13,167	0.0219

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 is extracted from the accountants' report as set out in Appendix I to this prospectus.
2. The estimated net proceeds from the Share Offer are based on the Offer Price of HK\$0.38 and HK\$0.48 per Share, after deduction of underwriting fees and related expenses by the Company (excluding listing expenses of approximately HK\$16.7 million incurred up to 30 June 2019) and takes no account of any Shares which may be issued upon the exercise of the Offer Size Adjustment Option or any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme.
3. The unaudited pro forma adjustment consolidated net tangible assets per Share is arrived at after the adjustments referred to above and on the basis that 150,000,000 Shares are in issue immediately after the Capitalisation Issue and the issue under Share Offer and takes no account of any Shares which may be issued upon the exercise of the Offer Size Adjustment Option or any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme.
4. No adjustments have been made to the unaudited pro forma consolidated net tangible assets of the Group as at 30 June 2019 to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2019.

B. LETTER FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus, in connection with the unaudited pro forma financial information.



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

14 November 2019

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN
A PROSPECTUS**

TO DIRECTORS OF WMCH Global Investment Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of WMCH Global Investment Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the pro forma consolidated adjusted net tangible assets of the Group as at 30 June 2019, and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus (the “**Prospectus**”) dated 14 November 2019 issued by the Company. The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described in Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the proposed share offer (the “**Share Offer**”) on the Group’s consolidated financial statement as at 30 June 2019. As part of this process, information about the Group’s consolidated financial position has been extracted by the directors from the Group’s consolidated financial statements for the year ended 30 June 2019, on which an accountants’ report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7, “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statement and Other Assurance and Related Services Engagement” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Shek Lui

Practising Certificate Number: P05895

Hong Kong, 14 November 2019

The following is the text of a letter, valuation summary and valuation certificates prepared for the purpose of incorporation in this prospectus received from Unicorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests owned by the Group. Terms defined in this appendix applies to this appendix only.

Unicorn Consulting and Appraisal Limited
21/F
No. 268 Des Voeux Road Central
Hong Kong



The Board of Directors

WMCH Global Investment Limited
28 Sin Ming Lane
04-136 Midview City
Singapore 573972

14 November 2019

Dear Sirs,

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to your instructions for us to assess the Market Values of the property interests located in Singapore owned by WMCH Global Investment Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for Initial Public Offering purposes. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Values of the property interests as at 31 August 2019 for property interests owned by the Group (the “**Valuation Date**”).

VALUATION STANDARDS

The valuation has been prepared in accordance with the requirements set out in the Rules Governing the Listing of Securities on the GEM issued by The Stock Exchange of Hong Kong Limited including but not limited to the provision of Chapter 8; and the International Valuation Standards 2017 published by the International Valuation Standards Council effective from 1 July 2017.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale or letting. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoing of an onerous nature, which could affect the values.

We have assumed that the areas shown on the documents and plans handed to us by the Group are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

VALUATION METHODOLOGY

We have adopted the Market Approach by making reference to comparable sale transactions as available in the relevant markets. Each comparable is analysed and compared with the subject on the basis of its unit price and where there is a difference, the unit price is adjusted in order to arrive at the appropriate unit price for the subject.

We have noted that the Group have been leasing various properties from independent third parties for its occupation. Due either to the short-term nature of the leases, the prohibition against assignment or sub-letting, or otherwise the lack of substantial profit rents, we have attributed no commercial value to these leased properties and opined that they are not constituting a property interest.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made. In the course of our inspections, we did not note any serious defects. We are, however, not able to report whether the properties are free of rot, infestation or any other structural defects. Neither was any tests carried out on any of the services.

INFORMATION SOURCES

We have relied to a considerable extent on the information and documents provided by the Group, in particular but not limited to, the identification of the properties, the particulars of occupancy and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect any material information has been withheld.

TITLE INVESTIGATION

We have made enquires and relevant searches at the Singapore Titles Automated Registration System. However, we have not searched the original documents nor verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Singapore Dollar (“SGD”).

Our valuation summary and valuation certificates are attached hereto.

Yours faithfully,

For and on behalf of

Unicorn Consulting and Appraisal Limited

Kit Cheung

BSc(Hons) MRICS MHKIS RPS(GP) MCIREA

Registered Real Estate Appraiser PRC

Executive Director

Note: Kit Cheung is a Registered Professional Surveyor with over 9 years’ experiences in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Kit Cheung is a member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors, a member of China Institute of Real Estate Appraisers and Agents and a Registered Real Estate Appraiser PRC.

VALUATION SUMMARY

Group 1 — Property Interests Owned by the Group for Occupation in Singapore

No.	Property	Market Value in Existing State as at 31 August 2019 SGD	Interest Attributable to the Group	Market Value in
				Existing State as at 31 August 2019 Attributable to the Group SGD
1	28 Sin Ming Lane #04-136 Midview City Singapore 573972	659,000	100%	659,000
Sub-total:		659,000		659,000

Group 2 — Property Interests Owned by the Group for Investment in Singapore

No.	Property	Market Value in Existing State as at 31 August 2019 SGD	Interest Attributable to the Group	Market Value in
				Existing State as at 31 August 2019 Attributable to the Group SGD
2	81 Tagore Lane #02-22 Tag. A Singapore 787502	1,800,000	100%	1,800,000
Sub-total:		1,800,000		1,800,000
Grand Total:		2,459,000		2,459,000

VALUATION CERTIFICATE

Group 1 — Property Interests Owned by the Group for Occupation in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 August 2019 SGD
1	28 Sin Ming Lane #04-136 Midview City Singapore 573972 (The subsidiary proprietor's share in the common property is 101/100,000 shares)	The property comprises a flatted factory unit on 4th storey of an 8-storey industrial building located at Sin Ming Lane, off Sin Ming Road and Upper Thomson Road. The development was completed circa 2010. In accordance with the Strata Certificate of Title (SSCT Vol 1403 Fol 47), the strata lot has an area of 133.0 m ² and the tenure is leasehold 60 years commencing 23 January 2008.	As per our inspection, the property is currently owner-occupied.	SGD659,000 (Singapore Dollar Six Hundred and Fifty Nine Thousand) 100% interest to be attributable to the Group: SGD659,000 (Singapore Dollar Six Hundred and Fifty Nine Thousand)

Notes:

- The property was inspected by Kristy Chia *MSISV Licenced Appraiser, IRAS* on 28 September 2018.
- This certificate was prepared by Kristy Chia *MSISV Licenced Appraiser, IRAS* and Kit Cheung *MRICS MHKIS RPS(GP) MCIREA Registered Real Estate Appraiser PRC*.
- The details of the current strata title search records of the property dated 7 September 2018 are summarised below:

Item	Details
Registered Owner:	Artus Consultancy Services Pte. Ltd. registered vide Transfer Instrument No. IC/578316L on 23 February 2012.
Major Encumbrances:	<ul style="list-style-type: none"> Mortgaged to United Overseas Bank Limited dated 5 August 2015. Restrictive Covenants IC/578335K lodged on 21 February 2012.

As per the current strata title search records and the information available, we have not identified any material government notices, legal encumbrances and easements attached to the property.

- The property falls within an area zoned as "Business 1" under Singapore's Urban Redevelopment Authority Master Plan (2014 Edition).
- The general description and market information of the property are summarised as below:

Item	Details
Location:	The property is located at No. 28 Sin Ming Lane, off Sin Ming Road and Upper Thomson Road.
Transportation:	Changi Airport is located approximately 24.5 kilometres away from the property. The Marymount Mass Rapid Transit (MRT) line is also located approximately 1.9 kilometres away from the property.
Nature of Surrounding Area:	The subject area is a predominately industrial and residential area.

Group 2 — Property Interests Owned by the Group for Investment in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 August 2019 SGD
2	81 Tagore Lane #02-22 Tag. A Singapore 787502 (The subsidiary proprietor's share in the common property is 984/100,000 shares)	The property comprises a flatted factory unit on 2nd storey with a mezzanine level of a 4-storey industrial building located at Tagore Lane, off Upper Thomson Road. The development was completed circa 2015. In accordance with the Strata Certificate of Title (SSCT Vol 1855 Fol 177), the strata lot has an area of 248.0 m ² including strata void of 96 m ² and the tenure is Estate In Perpetuity.	As per our inspection, the property is currently vacant.	SGD1,800,000 (Singapore Dollar One Million and Eight Hundred Thousand) 100% interest to be attributable to the Group: SGD1,800,000 (Singapore Dollar One Million and Eight Hundred Thousand)

Notes:

- The property was inspected by Kristy Chia *MSISV Licenced Appraiser, IRAS* on 28 September 2018.
- This certificate was prepared by Kristy Chia *MSISV Licenced Appraiser, IRAS* and Kit Cheung *MRICS MHKIS RPS(GP) MCIREA Registered Real Estate Appraiser PRC*.
- The details of the current strata title search records of the property dated 28 December 2018 are summarised below:

Item	Details
Registered Owner:	Artus Consultancy Services Pte. Ltd. registered vide Transfer Instrument No. IE/510612E on 28 December 2018.
Major Encumbrances:	<ul style="list-style-type: none"> Caveats lodged by DBS Bank Ltd. on 21 December 2018.

As per the current strata title search records and the information available, we have not identified any material government notices, legal encumbrances and easements attached to the property.

- The property falls within an area zoned as "Business 1" under Singapore's Urban Redevelopment Authority Master Plan (2014 Edition).
- The general description and market information of the property are summarised as below:

Item	Details
Location:	The property is located at No. 81 Tagore Lane, off Tagore Drive and Upper Thomson Road.
Transportation:	Changi Airport is located approximately 26.7 kilometres away from the property. The Yio Chu Kang Mass Rapid Transit (MRT) line is also located approximately 4.1 kilometres away from the property.
Nature of Surrounding Area:	The subject area is a predominately industrial and residential area.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 6 July 2018 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Law**”). The Company’s constitutional documents consist of its Amended and Restated Memorandum of Association (the “**Memorandum**”) and its Amended and Restated Articles of Association (the “**Articles**”).

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, *inter alia*, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 6 November 2019 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares.

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting

two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept by recording the particulars

required by Section 40 of the Companies Law in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The board may accept the surrender for no consideration of any fully paid share.

(vi) *Power of any subsidiary of the Company to own shares in the Company*

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) *Calls on shares and forfeiture of shares*

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 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 instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

(i) *Appointment, retirement and removal*

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an

annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he resigns by notice in writing delivered to the Company;
- (bb) he becomes of unsound mind or dies;
- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and

other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable or that based on legal opinions provided by legal advisers, the board considers it necessary or expedient not to offer the shares to such members on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide

in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company every year other than the year of the Company's 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 not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

Extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the board shall be reimbursed to the requisitionist(s) by the Company.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (cc) the election of directors in place of those retiring;
- (dd) the appointment of auditors and other officers; and
- (ee) the fixing of the remuneration of the directors and of the auditors.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting)

convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by special resolution remove the auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Law of the Cayman Islands, the Company has obtained an undertaking:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 10 January 2019.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from

time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) are made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by Section 40 of the Companies Law. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if

more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Law, 2018 of the Cayman Islands (“**ES Law**”) that came into force on 1 January 2019, a “relevant entity” is required to satisfy the economic substance test set out in the ES Law. A “relevant entity” includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Law.

4. GENERAL

Conyers Dill & Pearman, the Company’s special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed “Documents available for inspection” in Appendix VI to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 6 July 2018. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 18 January 2019 and our principal place of business in Hong Kong is at Unit 2504, 25th Floor, No. 69 Jervois Street, Hong Kong. Mr. Wong of 42 Lorong Ong Lye, #02-06, 536412 Singapore and Mr. Chan Kim Sun of Flat D, 24/F, Block 2, Lynwood Court, 3 Tin Kwai Road, Kingswood Villas, Tin Shui Wai, New Territories have been appointed as the authorised representatives of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company is incorporated in the Cayman Islands, our Company is subject to the relevant laws of the Cayman Islands and the constitution which comprises the Memorandum and the Articles. A summary of the relevant aspects of the Cayman Companies Law and certain provisions of the Articles is set out in Appendix IV to this prospectus.

2. Changes in share capital of our Company

- (a) Upon incorporation, our Company was authorised to issue a maximum of 50,000 shares with a par value of US\$1.00. On the date of incorporation, 1 share was allotted and issued to the initial subscriber of our Company. Such share was then transferred to Mr. Wong on the same date. On the same date, our Company issued and allotted an aggregate of 49,999 shares at par to Mr. Wong (as to 27,499 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares). After the said allotments and transfer, our Company is owned as to 55% by Mr. Wong, as to 20% by Ms. Leow, as to 17.5% by Mr. Lim and as to 7.5% by Mr. Heng. Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng have paid US\$5,500.00, US\$2,000.00, US\$1,750.00 and US\$750.00, respectively to the capital of our Company. The Shares were partly paid immediately after the said allotments and transfer.
 - (i) On 24 January 2019, the authorised share capital of our Company was increased (the “**Increase**”) by HK\$390,000 by the creation of 39,000,000 Shares with a par value of HK\$0.01 each. Following the Increase, our Company allotted and issued 39,000,000 fully paid Shares to Mr. Wong (as to 21,450,000 shares), Ms. Leow (as to 7,800,000 shares), Mr. Lim (as to 6,825,000 shares) and Mr. Heng (as to 2,925,000 shares) in subscription price of HK\$0.01 per Share (the “**Issue**”) which shall be the funding for the Repurchase (as defined in paragraph (iii) below).
 - (ii) Following the Issue, our Company repurchased the 50,000 existing issued shares of a par value of US\$1.00 each (the “**Existing Shares**”) in the share capital of our Company in issue immediately prior to the Increase at a price of US\$1.00 per Existing Share which shall be paid out of the proceeds of the Issue referred to in paragraph (ii) above (the “**Repurchase**”) and the Existing Shares be cancelled.

- (iii) Following the Repurchase, the authorised but unissued share capital of our Company be diminished by the cancellation of all the 50,000 unissued shares of a par value of US\$1.00 each in the share capital of our Company (the “**Diminution**”).
- (iv) Following the Diminution, our Company has an authorised and issued share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each.
- (b) Pursuant to the resolutions in writing of the sole Shareholder passed on 20 June 2019, the authorised share capital of our Company has been further increased from HK\$390,000 divided into 39,000,000 Shares to HK\$50,000,000 divided into 5,000,000,000 Shares by creation of an additional 4,961,000,000 Shares of a par value of HK\$0.01 each.
- (c) Immediately following completion of the Capitalisation Issue and the Share Offer (but without taking into account the Shares which may be allotted and issued pursuant to the exercise any of the Offer Size Adjustment Options or options which may be granted under the Share Option Scheme), the authorised share capital of our Company will be HK\$50,000,000 divided into 5,000,000,000 Shares and the issued share capital of our Company will be HK\$6,000,000 divided into 600,000,000 Shares fully paid or credited as fully paid, and 4,400,000,000 Shares will remain unissued.

3. Written resolutions of our sole Shareholder passed on 6 November 2019

By written resolutions of our sole Shareholder passed on 6 November 2019:

- (a) our Company approved and adopted the Memorandum and the Articles with effect from the Listing Date;
- (b) conditional on the Listing Division granting the listing of, and permission to deal in, our Shares in issue and Shares to be issued as mentioned in this prospectus, including any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or the options which may be granted under the Share Option Scheme, and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date falling 30 days after the date of this prospectus:
 - (i) the Share Offer and the Offer Size Adjustment Option were approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer and the Offer Size Adjustment Option to rank pari passu with the Shares then in issue in all respects;

- (ii) conditional further on the share premium account of our Company being credited as a result of the Share Offer or otherwise having sufficient balance, the Capitalisation Issue was approved, and our Directors were authorised to capitalise an amount of HK\$4,110,000 standing to the credit of the share premium account of our Company and to appropriate such amount as to capital to pay up in full at par 411,000,000 Shares for allotment and issue to the person(s) whose names appear on the register of members of our Company (or as they may direct) in proportion (as nearly as possible without involving fractions) to its/their then existing shareholdings in our Company, each ranking *pari passu* in all respects with the then existing issued Shares, and our Directors were authorised to give effect to such capitalisation and distributions; and
 - (iii) the rules of the Share Option Scheme (subject to such amendments as may be approved by our Directors or any committee thereof), the principal terms of which are set out in the paragraph headed “D. Share Option Scheme” in this appendix, were approved and adopted and our Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and in its absolute discretion, subject to the terms and conditions of the Share Option Scheme to grant options to subscribe for Shares thereunder and to allot, issue and deal with our Shares pursuant to the exercise of subscription rights attaching to any options which may be granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme;
- (c) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights or an issue of Shares pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme or any other share option scheme of our Company or any Shares allotted in lieu of the whole or part of a dividend on our Shares or similar arrangement in accordance with the Memorandum and the Articles or pursuant to a specific authority granted by our Shareholders in general meetings or pursuant to the Share Offer and the Capitalisation Issue, Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares, and to make or grant offers, agreements or options which might require the exercise of such power, not more than 20% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or the options which may be granted under the Share Option Scheme, and such mandate to remain in effect until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or

- (iii) the time when such mandate is revoked or varied by an ordinary resolution of our sole Shareholder in general meeting;
- (d) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or the options which may be granted under the Share Option Scheme, and such mandate to remain in effect until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting; and
- (e) the general unconditional mandate mentioned in sub-paragraph (c) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (c) above, provided that such extended amount shall not exceed 10% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or the options which may be granted under the Share Option Scheme.

4. Reorganisation

The companies comprising our Group underwent the Reorganisation to rationalise our Group's structure in preparation for the Listing of our Shares on GEM, pursuant to which our Company became the holding company of our Group. The key steps of the Reorganisation are set out in the section headed "History, reorganisation and corporate structure — Reorganisation" in this prospectus.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountants' Report, we do not have any other subsidiaries. Save as disclosed in the section headed "History,

reorganisation and corporate structure” in this prospectus, no change in the share capital or registered capital of the subsidiaries of our Company took place within the two years immediately preceding the date of this prospectus.

6. Repurchase of our Shares by our Company

This section includes information required by the Stock Exchange to be included in the prospectus concerning the repurchase of our Shares by our Company.

(a) Provisions of the GEM Listing Rules

The GEM Listing Rules permit companies listed on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The GEM Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to the written resolutions of our sole Shareholder passed on 6 November 2019, a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors authorising our Directors to exercise all powers of our Company to purchase on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares representing up to 10% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Share which may fall to be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or the options which may be granted under the Share Option Scheme, and the Repurchase Mandate shall remain in effect until the earliest of the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held, or the time when the Repurchase Mandate is revoked or varied by an ordinary resolution of our sole Shareholder in general meeting.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of the Cayman Islands. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Any repurchases by our Company may be made out of profits or share premium account of our Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account or, if authorised by the Articles and subject to the Companies Law, out of capital.

(iii) Connected parties

The GEM Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a “connected person”, which includes a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or a close associate of any of them and a connected person shall not knowingly sell Shares to our Company.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have a general mandate from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements in time, lead to an enhancement of our Company’s net asset value and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 600,000,000 Shares in issue after completion of the Share Offer and the Capitalisation Issue, could accordingly result in up to 60,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(d) Funding of repurchase

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands. Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) General

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention if the Repurchase Mandate is exercised to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on our level of increase of our Shareholders’ interest, could obtain or consolidate control of our

Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

No connected person of our Company has notified our Company that he/she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) an equity transfer agreement dated 29 March 2018 between Blue Synergy (as transferee) and Mr. Wong (as transferor) pursuant to which Blue Synergy agreed to acquire equity interest of VND4,450,680,286, representing 60% of the charter capital of Tham & Wong (Vietnam) Co. Ltd. (now known as TW-Asia Consultants Company Limited), from Mr. Wong at a consideration of VND4,450,680,286;
- (b) an equity transfer agreement dated 29 March 2018 between Blue Synergy (as transferee) and Ms. Leow (as transferor) pursuant to which Blue Synergy agreed to acquire equity interest of VND1,483,560,095, representing 20% of the charter capital of Tham & Wong (Vietnam) Co. Ltd. (now known as TW-Asia Consultants Company Limited), from Ms. Leow at a consideration of VND1,483,560,095;
- (c) an equity transfer agreement dated 29 March 2018 between Blue Synergy (as transferee) and Mr. Lim (as transferor) pursuant to which Blue Synergy agreed to acquire equity interest of VND1,483,560,095, representing 20% of the charter capital of Tham & Wong (Vietnam) Co. Ltd. (now known as TW-Asia Consultants Company Limited), from Mr. Lim at a consideration of VND1,483,560,095;
- (d) an instrument of transfer dated 14 January 2019 entered into between Green Spring (as transferee) and Mr. Wong (as transferor) for the transfer of 250,000 ordinary shares of TW-Asia from Mr. Wong to Green Spring, at a consideration of USD19,800, which was set off against the unpaid capital of USD19,800 owed by Mr. Wong to Green Spring in respect of the 19,800 ordinary shares held by Mr. Wong in the capital of Green Spring;

- (e) an instrument of transfer dated 14 January 2019 entered into between Green Spring (as transferee) and Ms. Leow (as transferor) for the transfer of 100,000 ordinary shares of TW-Asia from Ms. Leow to Green Spring, at a consideration of USD7,200, which was set off against the unpaid capital of USD7,200 owed by Ms. Leow to Green Spring in respect of the 7,200 ordinary shares held by Ms. Leow in the capital of Green Spring;
- (f) an instrument of transfer dated 14 January 2019 entered into between Green Spring (as transferee) and Mr. Lim (as transferor) for the transfer of 75,000 ordinary shares of TW-Asia from Mr. Lim to Green Spring, at a consideration of USD6,300, which was set off against the unpaid capital of USD6,300 owed by Mr. Lim to Green Spring in respect of the 6,300 ordinary shares held by Mr. Lim in the capital of Green Spring;
- (g) an instrument of transfer dated 14 January 2019 entered into between Green Spring (as transferee) and Mr. Heng (as transferor) for the transfer of 75,000 ordinary shares of TW-Asia from Mr. Heng to Green Spring, at a consideration of USD3,000, which was set off against the unpaid capital of USD3,000 owed by Mr. Heng to Green Spring in respect of the 3,000 ordinary shares held by Mr. Heng in the capital of Green Spring;
- (h) an instrument of transfer dated 14 January 2019 entered into between Green Spring (as transferee) and Mr. Wong (as transferor) for the transfer of 35,000 ordinary shares of Artus from Mr. Wong to Green Spring, at a consideration of USD2,200, which was set off against the unpaid capital of USD2,200 owed by Mr. Wong to Green Spring in respect of the 2,200 ordinary shares held by Mr. Wong in the capital of Green Spring;
- (i) an instrument of transfer dated 14 January 2019 entered into between Green Spring (as transferee) and Ms. Leow (as transferor) for the transfer of 7,500 ordinary shares of Artus from Ms. Leow to Green Spring, at a consideration of USD800, which was set off against the unpaid capital of USD800 owed by Ms. Leow to Green Spring in respect of the 800 ordinary shares held by Ms. Leow in the capital of Green Spring;
- (j) an instrument of transfer dated 14 January 2019 entered into between Green Spring (as transferee) and Mr. Lim (as transferor) for the transfer of 7,500 ordinary shares of Artus from Mr. Lim to Green Spring, at a consideration of USD700, which was set off against the unpaid capital of USD700 owed by Mr. Lim to Green Spring in respect of the 700 ordinary shares held by Mr. Lim in the capital of Green Spring;
- (k) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Mr. Wong (as transferor) for the transfer of 27,500 ordinary shares of Green Spring from Mr. Wong to Lion City, in consideration of crediting as full paid the 11,000 nil-paid shares held by Mr. Wong in Lion City;
- (l) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Ms. Leow (as transferor) for the transfer of 10,000 ordinary shares of Green Spring from Ms. Leow to Lion City, in consideration of crediting as full paid the 4,000 nil-paid shares held by Ms. Leow in Lion City;

- (m) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Mr. Lim (as transferor) for the transfer of 8,750 ordinary shares of Green Spring from Mr. Lim to Lion City, in consideration of crediting as full paid the 3,500 nil-paid shares held by Mr. Lim in Lion City;
- (n) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Mr. Heng (as transferor) for the transfer of 3,750 ordinary shares of Green Spring from Mr. Heng to Lion City, in consideration of crediting as full paid the 1,500 nil-paid shares held by Mr. Heng in Lion City;
- (o) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Mr. Wong (as transferor) for the transfer of 5,500 ordinary shares of Blue Synergy from Mr. Wong to Lion City, in consideration of crediting as full paid the 11,000 nil-paid shares held by Mr. Wong in Lion City;
- (p) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Ms. Leow (as transferor) for the transfer of 2,000 ordinary shares of Blue Synergy from Ms. Leow to Lion City, in consideration of crediting as full paid the 4,000 nil-paid shares held by Ms. Leow in Lion City;
- (q) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Mr. Lim (as transferor) for the transfer of 1,750 ordinary shares of Blue Synergy from Mr. Lim to Lion City, in consideration of crediting as full paid the 3,500 nil-paid shares held by Mr. Lim in Lion City;
- (r) an instrument of transfer dated 15 January 2019 entered into between Lion City (as transferee) and Mr. Heng (as transferor) for the transfer of 750 ordinary shares of Blue Synergy from Mr. Heng to Lion City, in consideration of crediting as full paid the 1,500 nil-paid shares held by Mr. Heng in Lion City;
- (s) a sale and purchase agreement dated 16 January 2019 between our Company as buyer and Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng as sellers pursuant to which our Company agreed to acquire an aggregate of 50,000 ordinary shares in Lion City from Mr. Wong (as to 27,500 shares), Ms. Leow (as to 10,000 shares), Mr. Lim (as to 8,750 shares) and Mr. Heng (as to 3,750 shares) respectively, and in consideration of such share transfers, the nil-paid Shares held by Mr. Wong (as to 22,000 Shares), Ms. Leow (as to 8,000 Shares), Mr. Lim (as to 7,000 Shares) and Mr. Heng (as to 3,000 Shares) in our Company were all credited as fully paid at par;
- (t) an instrument of transfer dated 25 January 2019 entered into between WMCH Global Holdings (as transferee) and Mr. Wong (as transferor) for the transfer of 21,450,000 Shares from Mr. Wong to WMCH Global Holdings, in consideration of WMCH Global Holdings issuing and allotting 550 shares with a par value of USD1.0 each in the share capital of WMCH Global Holdings, credited as fully paid at par, to Mr. Wong;

- (u) an instrument of transfer dated 25 January 2019 entered into between WMCH Global Holdings (as transferee) and Ms. Leow (as transferor) for the transfer of 7,800,000 Shares from Ms. Leow to WMCH Global Holdings, in consideration of WMCH Global Holdings issuing and allotting 200 shares with a par value of USD1.0 each in the share capital of WMCH Global Holdings, credited as fully paid at par, to Ms. Leow;
- (v) an instrument of transfer dated 25 January 2019 entered into between WMCH Global Holdings (as transferee) and Mr. Lim (as transferor) for the transfer of 6,825,000 Shares from Mr. Lim to WMCH Global Holdings, in consideration of WMCH Global Holdings issuing and allotting 175 shares with a par value of USD1.0 each in the share capital of WMCH Global Holdings, credited as fully paid at par, to Mr. Lim;
- (w) an instrument of transfer dated 25 January 2019 entered into between WMCH Global Holdings (as transferee) and Mr. Heng (as transferor) for the transfer of 2,925,000 Shares from Mr. Heng to WMCH Global Holdings, in consideration of WMCH Global Holdings issuing and allotting 75 shares with a par value of USD1.0 each in the share capital of WMCH Global Holdings, credited as fully paid at par, to Mr. Heng;
- (x) the Deed of Indemnity; and
- (y) the Public Offer Underwriting Agreement.


2. Intellectual Property Rights

(a) Trademarks

As at the Latest Practicable Date, our Group was the registered owner of the following trademarks in Hong Kong and Singapore:

Trademark	Class	Registration number	Place of registration	Name of registrant	Date of registration	Date of expiry
	37	304755655	Hong Kong	TW-Asia Consultants Pte Ltd	11 June 2019	2 December 2028
	37	40201825760S	Singapore	TW-Asia Consultants Pte Ltd	12 December 2018	12 December 2028

As at the Latest Practicable Date, our Group had made application for registration of the following trademark in Vietnam:

Trademark	Class	Application number	Place of application	Date of application	Applicant
	37	4-2018-46308	Vietnam	28 December 2018	TW-Asia Consultants Pte Ltd

(b) Patent

As at the Latest Practicable Date, Mr. Wong, Ms. Leow and Mr. Heng had registered the following patent for and on behalf of our Group in Singapore:

Patent Number	Type	Place of registration	Date of grant	Date of expiry
10201703972W	Method of constructing composite structural wall	Singapore	26 September 2019	15 May 2021

As at the Latest Practicable Date, Mr. Wong, Ms. Leow and Mr. Heng had made applications for and on behalf of our Group for registration of the following patents in Hong Kong, China, Malaysia, India and Europe:

Application Number	Type	Place of Application	Date of Application	Applicants
18104092.9	Method of constructing composite structural wall	Hong Kong	23 March 2018	Mr. Wong, Ms. Leow and Mr. Heng
18104091.0	Method of constructing composite structural wall	Hong Kong	23 March 2018	Mr. Wong, Ms. Leow and Mr. Heng
201710511556.0	Method of constructing composite structural wall	China	28 June 2017	Mr. Wong, Ms. Leow and Mr. Heng
PI2017702193	Method of constructing composite structural wall	Malaysia	14 June 2017	Mr. Wong, Ms. Leow and Mr. Heng
201714021458 A	Method of constructing composite structural wall	India	19 June 2017	Mr. Wong and Ms. Leow
EP17175623.2 (Note)	Method of constructing composite structural wall	Europe	13 June 2017	Mr. Wong, Ms. Leow and Mr. Heng

Note: The patent registration in Europe has been granted by the European Patent office on 15 May 2019 (subject to any notice of opposition filed by any person within nine months from such date).

(c) Domain names

As at the Latest Practicable Date, our Group has registered the following domain name:

Domain Name	Effective Date	Expiry Date
www.tw-asia.com	14 August 2009	14 August 2028

C. FURTHER INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND EXPERTS

1. Disclosure of interests

- (a) Immediately following completion of the Share Offer and the Capitalisation Issue but taking no account of any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme, the interests and short positions of our Directors or chief executive of our Company in the Shares, underlying Shares and debentures of our Company or any of the associated corporations (within the meaning of Part XV of the SFO) which, once our Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the GEM Listing Rules, to be notified to our Company and the Stock Exchange, in each case once our Shares are listed on the Stock Exchange, will be as follows:

(i) *Long position in our Shares*

Name of Directors	Capacity/Nature	Number of Shares	Percentage of interest
Mr. Wong	Interest of controlled corporation	450,000,000	75%

(ii) *Long position in the shares of associated corporation*

Name of Directors	Name of associated corporation	Capacity/Nature	Number of shares	Percentage of interest
Mr. Wong (Note)	WMCH Global Holdings	Beneficial owner	1,100	55%
Ms. Leow (Note)	WMCH Global Holdings	Beneficial owner	400	20%
Mr. Lim (Note)	WMCH Global Holdings	Beneficial owner	350	17.5%
Mr. Heng (Note)	WMCH Global Holdings	Beneficial owner	150	7.5%

Note: WMCH Global Holdings, which holds 75% of the issued share capital of our Company, is an investment holding company owned as to 55% by Mr. Wong, 20% by Ms. Leow, 17.5% by Mr. Lim and 7.5% by Mr. Heng. As such, WMCH Global Holdings, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng are considered as a group of Controlling Shareholders and Substantial Shareholders for the purpose of the GEM Listing Rules.

- (b) So far as is known to our Directors and taking no account of any Shares which may be taken up under the Share Offer, and Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme, the following persons (not being a Director or chief executive of our Company) will, immediately following the completion of the Share Offer and the Capitalisation Issue, have interests or short positions in Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name of Directors	Capacity/Nature	Number and class of Shares	Percentage of interest
WMCH Global Holding Limited	Beneficial owner	450,000,000	75%
Ms. Tan Seow Hong (Note)	Interest of spouse	450,000,000	75%

Note: Ms. Tan Seow Hong is the spouse of Mr. Wong. Accordingly, Ms. Tan Seow Hong is deemed to be interested in all the Shares held by Mr. Wong under SFO.

WMCH Global Holdings, which holds 75% of the issued share capital of our Company, is an investment holding company which is owned as to 55% by Mr. Wong, 20% by Ms. Leow, 17.5% by Mr. Lim and 7.5% by Mr. Heng. As such, WMCH Global Holdings, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng are considered as a group of Controlling Shareholders and Substantial Shareholders for the purpose of the GEM Listing Rules.

2. Particulars of service agreements

No Director has entered into any service agreement with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Directors' remuneration

- (a) The total remuneration paid to our Directors for the year ended 31 December 2017 and the year ended 31 December 2018 and the six months ended 30 June 2019 were approximately SGD0.9 million, SGD1.0 million and SGD0.4 million respectively.
- (b) Under the arrangement currently in force, the estimated aggregate amount of our Directors' fees and other emoluments for the year ending 31 December 2019 will be approximately SGD1.0 million.

- (c) Under the arrangements currently proposed, conditional upon the Listing, the basic annual remuneration (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of our Directors will be as follows:

Executive Directors	<i>SGD</i>
Wong Seng	351,000
Leow Geok Mui	247,000
Lim Chin Keong	224,000
Heng Kim Huat	224,000
Independent non-executive Directors	
Tan Teng Hooi	31,690
Ng Shing Kin	31,690
Leong Jay	31,690

- (d) Each of our Directors has entered into a service contract (in the case of executive Directors) or a letter of appointment (in the case of independent non-executive Directors) with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles.

4. Fees or commission received

Save as disclosed in the section headed "Underwriting" in this prospectus, none of our Directors or the experts named in the paragraph headed "E. Other information — 9. Consents of experts" in this appendix had received any agency fee or commissions from our Group within the two years preceding the date of this prospectus.

5. Related party transactions

Details of the related party transactions are set out under note 29 to the Accountants' Report set out in Appendix I to this prospectus.

6. Disclaimers

Save as disclosed in this prospectus:

- (a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;
- (b) none of our Directors or the experts named in the paragraph headed “E. Other information — 9. Consents of experts” in this appendix 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;
- (c) none of our Directors or the experts named in the paragraph headed “E. Other information — 9. Consents of experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) taking no account of Shares which may be taken up under the Share Offer, and Shares to be issued pursuant to options which may be granted under the Share Option Scheme, none of our Directors knows of any person (not being a Director or chief executive of the Company) who will, immediately following completion of the Share Offer and the Capitalisation Issue, have any interest 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 be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (e) none of our Directors or chief executive of our Company has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of the associated corporations (within the meaning of the SFO) which, once our Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the GEM Listing Rules, to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules; and
- (f) so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the GEM Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the major clients or the five largest subcontractors of our Group.

D. SHARE OPTION SCHEME**1. Definitions**

For the purpose of this section, the following expressions have the meanings set out below unless the context requires otherwise:

“Adoption Date”	6 November 2019, the date on which the Share Option Scheme is conditionally adopted by the Shareholders by way of written resolution
“Board”	the board of Directors or a duly authorised committee of the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealings in securities
“Group”	our Company and any entity in which our Company, directly or indirectly, holds any equity interest
“Scheme Period”	the period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof

2. Summary of terms

The following is a summary of the principal terms of the rules of the Share Option Scheme conditionally adopted by the written resolutions of our sole Shareholder passed on 6 November 2019:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, subcontractors, agents, clients, business partners or service providers of our Group and to promote the success of the business of our Group.

(b) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of our Group, or any substantial shareholder of our Group, or any distributor, contractor, subcontractor, agent, client, business partner or service provider of our Group, options to subscribe at a price calculated in accordance with paragraph (c) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, our independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

(c) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by our Board and notified to a participant and shall be at least the higher of: (i) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a Business Day; (ii) the average of the closing prices of our Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option. For the purpose of calculating the subscription price, where our Company has been listed on the Stock Exchange for less than five Business Days, the issue price of the Shares on the Stock Exchange shall be used as the closing price for any Business Day fall within the period before listing.

(d) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.00.

(e) Maximum number of Shares

- (i) Subject to sub-paragraphs (ii) and (iii) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all our Shares in issue (i.e. 60,000,000 Shares) as at the Listing Date.
- (ii) The 10% limit as mentioned above may be refreshed at any time by approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company must not exceed 10% of our Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to our Shareholders containing the information as required under the GEM Listing Rules in this regard.

- (iii) Our Company may seek separate approval from our Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose and all other information required under the GEM Listing Rules.
- (iv) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not exceed 30% of our Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Company if this will result in such 30% limit being exceeded.

(f) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of our Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his close associates abstaining from voting. In such event, our Company must send a circular to our Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of our Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(g) Grant of options to certain connected persons

- (i) Any grant of an option to a Director, chief executive or substantial shareholder of our Company (or any of their respective close associates) must be approved by our independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).
- (ii) Where any grant of options to a substantial Shareholder or an independent non-executive Director (or any of their respective close associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
 - (a) representing in aggregate over 0.1% of our Shares in issue; and

- (b) having an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options is required to be approved by our Shareholders at a general meeting of our Company, with voting to be taken by way of poll. Our Company shall send a circular to our Shareholders containing all information as required under the GEM Listing Rules in this regard. All core connected persons of our Company shall abstain from voting (except where any core connected person intends to vote against the proposed grant). Any change in the terms of an option granted to a substantial Shareholder or an independent non-executive Director or any of their respective close associates is also required to be approved by our Shareholders in the aforesaid manner.

(h) Restrictions on the times of grant of options

- (i) Our Company may not grant any options after inside information has come to its knowledge until such inside information has been announced. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:
 - (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for our Company to publish an announcement of the results for any year, or half-year under the GEM Listing Rules, or quarterly or other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement.
- (ii) Further to the restrictions in paragraph (i) above, no option may be granted to a Director on any day on which financial results of our Company are published:
 - (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(j) *Performance targets*

Save as determined by our Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

(k) *Ranking of Shares*

Our Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with our fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that our Shares allotted upon the exercise of any option shall not carry any voting rights until the name of the grantee has been duly entered on the register of members of our Company as the holder thereof.

(l) *Rights are personal to grantee*

An option shall not be transferable or assignable and shall be personal to the grantee of the option.

(m) *Rights on cessation of employment by death*

In the event of the death of the grantee (provided that none of the events which would be a ground for termination of employment referred to in (u), (n) below arises within a period of three years prior to the death, in the case the grantee is an employee at the date of grant), the legal personal representative(s) of the grantee may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his death provided that where any of the events referred to in (q), (r) and (s) occurs prior to his death or within such period of 12 months following his death, then his legal personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

(n) *Rights on cessation of employment by dismissal*

In the event that the grantee is an employee of our Group at the date of grant and he/she subsequently ceases to be an employee of our Group on any one or more of the grounds that he/she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, his/her option shall lapse automatically (to the extent not already exercised) on the date of cessation of his/her employment with our Group.

(o) Rights on cessation of employment for other reasons

In the event that the grantee is an employee, a consultant or an adviser (as the case may be) of a member of our Group at the date of grant and he subsequently ceases to be an employee, a consultant or an adviser (as the case may be) of our Group for any reason other than his/her death or the termination of his employment of an employee or engagement of a consultant or an adviser (as the case may be) on one or more of the grounds specified in (u)(n) above, the option (to the extent not already lapsed or exercised) shall lapse on the expiry of three months after the date of cessation of such employment of an employee or engagement of a consultant or an adviser (as the case may be) (which date will be in the case of an employee the last actual working day, on which the grantee was physically at work with our Company or the relevant member of our Group whether salary is paid in lieu of notice or not, and in the case of a consultant or an adviser (as the case may be), the last actual day of providing consultancy or advisory services to the relevant member of our Group).

(p) Effects of alterations to share capital

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which any member of our Group is a party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the option so far as unexercised; and/or the subscription prices, as the auditors of or independent financial adviser to our Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable in compliance with the relevant provisions of the GEM Listing Rules, or any guideline or supplemental guideline issued by the Stock Exchange from time to time, provided that any alteration shall give a grantee, as near as possible, the same proportion of the issued share capital of our Company as that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value.

(q) Rights on a general offer

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all our Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise the option in full (to the extent not already lapsed or exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

(r) Rights on winding-up

In the event a notice is given by our Company to our members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Group give notice thereof to all grantees and

thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his/her options at any time not later than two Business Days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

(s) Rights on compromise or arrangement

In the event of a compromise or arrangement between our Company and our Shareholders or the creditors of our Company being proposed in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies pursuant to the Companies Law, our Company shall give notice thereof to all the grantees (or, as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to our Shareholders or the creditors to consider such a compromise or arrangement and the options (to the extent not already lapsed or exercised) shall become exercisable in whole or in part on such date not later than two Business Days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (“**Suspension Date**”), by giving notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given whereupon our Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the grantee credited as fully paid. With effect from the Suspension Date, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that our Shares issued as a result of the exercise of options hereunder shall for the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of its officers for any loss or damage sustained by any grantee as a result of such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of our Company or any of our officers.

(t) *Lapse of options*

An option shall lapse automatically on the earliest of:

- (i) the expiry of the period referred to in paragraph (i) above;
- (ii) the date on which the Board exercises our Company's right to cancel, revoke or terminate the option on the ground that the grantee commits a breach of paragraph (l);
- (iii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (m), (o), (q), (r) or (s) above;
- (iv) subject to paragraph (r) above, the date of the commencement of the winding-up of our Company;
- (v) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty;
- (vi) where the grantee is only a substantial shareholder of any member of our Group, the date on which the grantee ceases to be a substantial shareholder of such member of our Group; or
- (vii) subject to the compromise or arrangement as referred to in paragraph (s) become effective, the date on which such compromise or arrangement becomes effective.

(u) *Cancellation of option granted but not yet exercised*

Any cancellation of options granted but not exercised may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

(v) *Period of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of ten years commencing on the date on the Adoption Date and shall expire at the close of business on the Business Day immediately preceding the tenth anniversary thereof unless terminated earlier by our Shareholders in general meeting.

(w) *Alternation to the Share Option Scheme*

- (i) The Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme which alters to the advantage of the grantees of the options relating to matters governed by Rule 23.03 of the GEM Listing Rules shall not be made except with the prior approval of the Shareholders in general meeting.
- (ii) Any amendment to any terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted, or any change to the authority of the Board in respect of alteration of the Share Option Scheme must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (iii) Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

(x) *Termination to the Share Option Scheme*

Our Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

(y) *Conditions of the Share Option Scheme*

The Share Option Scheme is conditional upon the Listing Department granting the listing of, and permission to deal in, our Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be granted under the Share Option Scheme.

3. Present status of the Share Option Scheme

Application has been made to the Listing Department for the listing of and permission to deal in 60,000,000 Shares which fall to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme.

As at the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme.

E. OTHER INFORMATION**1. Tax and other indemnities**

Each of our Controlling Shareholders (collectively the “**Indemnifiers**”) has, under the Deed of Indemnity referred to in paragraph (x) of the sub-section headed “B. Further information about our business — 1. Summary of material contracts” in this appendix, given joint and several indemnities to our Company for itself and as trustee for its subsidiaries in connection with, among other things, (a) any taxation which might be payable by any member of our Group (i) in respect of any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the date on which Share Offer becomes unconditional; or (ii) in respect of or in consequence of any act, omission or event occurring or deemed to occur on or before the date on which the Share Offer becomes unconditional; (b) any claims, actions, demands, proceedings, suits, judgments, losses, payments, liabilities, damages, settlement payments, costs, charges, fees, expenses and fines of whatever nature suffered or incurred by any member of our Group as a result of or in connection with any litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings whether criminal, administrative, contractual, tortious or otherwise, instituted by or against any member of our Group in relation to any act, non-performance, omission, events or otherwise occurred on or before the date on which the Share Offer becomes unconditional; and (c) any losses, liabilities, damages, costs, claims and expenses of whatever nature suffered or incurred by any member of our Group in relation to any non-compliance (if any) with the applicable laws, rules or regulations by any member of our Group on or before the date on which the Share Offer becomes unconditional except that provisions, reserve or allowance has been made for such liabilities in the audited consolidated financial statements of our Company or any other member of our Group for the Track Record Period (if any). The Indemnifiers will, however, not be liable under the deed of indemnity for taxation to the extent that, among others:

- (a) specific provision, reserve or allowance has been made for such taxation liability or taxation claim in the audited consolidated financial statements of any member of our Group for the Track Record Period; or
- (b) the taxation liability arises or is incurred as a result of a retrospective change in law or a retrospective increase in tax rates coming into force after the date on which the Share Offer becomes unconditional; or
- (c) the taxation liability arises in the ordinary course of business of our Group after the date on which the Share Offer becomes unconditional.

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong, pursuant to which estate duty ceased to be chargeable in Hong Kong in respect of the estates of persons dying on or after that date. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application for a grant of representation in respect of holders of Shares whose death occur on or after 11 February 2006. Further, our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands is likely to fall on our Group.

2. Litigation

Neither our Company nor any of its subsidiaries are involved in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group.

3. Preliminary Expenses

The preliminary expenses of our Company are approximately SGD6,000 and are paid by our Company.

4. Promoter

Our Company has no promoter for the purpose of the GEM Listing Rules.

5. Sponsor's fee or commissions received

Our Company has entered into an agreement with the Sole Sponsor, pursuant to which our Company agreed to pay HK\$4.5 million to the Sole Sponsor to act as the sponsor to our Company for purposes of the Share Offer.

Save as disclosed in the section headed "Underwriting" in this prospectus, no commissions, discounts, brokerages and other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries within the two years preceding the date of this prospectus.

6. Application for listing of Shares

The Sole Sponsor has made an application on behalf of our Company to the Listing Department for the listing of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned herein including any Shares falling to be issued pursuant to the exercise of the Offer Size Adjustment Option or any options which may be under the Share Option Scheme.

7. Independence of the Sole Sponsor

Neither the Sole Sponsor nor any of its close associates have accrued any material benefit as a result of the successful outcome of the Share Offer, other than the following:

- (a) by way of sponsorship, financial advisory and documentation fee paid and to be paid to the Sole Sponsor for acting as the sole sponsor of the Listing;
- (b) certain close associates of the Sole Sponsor whose usual and ordinary courses of business involve trading of and dealing in securities may derive commissions from the trading of and dealing in securities of our Company or provide margin financing in connection thereto or purchase or sell securities of our Company or hold securities of our Company for investment purposes after its Listing on GEM; and

- (c) by way of compliance advisory fee to be paid to Titan Financial Services Limited as our Company's compliance adviser pursuant to the requirements under Rule 6A.19 of the GEM Listing Rules.

No director or employee of the Sole Sponsor who is involved in providing advice to our Company has or may have, as a result of the Listing, any interest in any class of securities of our Company or any of its subsidiaries. None of the directors and employees of the Sole Sponsor has any directorship in our Company or any other companies comprising our Group. The Sole Sponsor is therefore independent from our Group under Rule 6A.07 of the GEM Listing Rules.

8. Qualifications of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
Titan Financial Services Limited	A licenced corporation carrying on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
HLB Hodgson Impey Cheng Limited	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Rajah & Tann Singapore LLP	Legal advisers as to Singapore laws
Rajah & Tann LCT Lawyers	Legal advisers as to Vietnam laws
Hogan Lovells	Legal advisers as to International Sanctions law
A & C Auditing and Consulting Company Limited	Vietnam tax adviser
Assentsure Advisory Private Limited	Singapore tax adviser
HLB Hodgson Impey Cheng Risk Advisory Services Limited	Internal control adviser
Unicorn Consulting and Appraisal Limited	Property valuer
Frost & Sullivan International Limited	Industry Consultant

None of the experts has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Consents of experts

Each of Titan Financial Services Limited, HLB Hodgson Impey Cheng Limited, Conyers Dill & Pearman, Rajah & Tann Singapore LLP, Rajah & Tann LCT Lawyers, Hogan Lovells, A & C Auditing and Consulting Company Limited, Assentsure Advisory Private Limited, HLB Hodgson Impey Cheng Risk Advisory Services Limited, Unicorn Consulting and Appraisal Limited and Frost & Sullivan International Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports and/or letter and/or opinion and/or summary thereof (as the case may be) and/or reference to its name included herein in the form and context in which it is respectively included.

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 penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Taxation of holders of Shares*(a) Hong Kong*

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

(b) 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.

(c) Consultation with professional advisers

Intending holders of our 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 our Shares. It is emphasised that none of our Company, our Directors or 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.

12. No material adverse change

Our Directors confirm that there has not been any material adverse change in the financial or trading position or prospects of our Group since 30 June 2019 (being the date to which the latest audited consolidated financial statements of our Group were made up).

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 the subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration than cash;
 - (ii) no commissions, 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 the subsidiaries and no commission has been paid or is payable in connection with the issue or sale of any capital of our Company or any of the subsidiaries;
 - (iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares or debenture of any of our Company or its subsidiaries; and
 - (iv) no share or loan capital of our Company or any of the subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (b) Neither our Company nor any of the subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures.
- (c) Save as disclosed in the section headed “Underwriting” in this prospectus, none of the parties listed in the paragraph headed “E. Other information — 9. Consents of experts” in this appendix is interested legally or beneficially in any securities of our Company or any of its subsidiaries; or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of its subsidiaries.
- (d) The branch register of members of our Company will be maintained in Hong Kong by our Hong Kong Branch Share Registrar. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Hong Kong Branch Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to ensure our Shares to be admitted into CCASS for clearing and settlement.
- (e) There is no arrangement under which future dividends are waived or agreed to be waived.
- (f) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 24 months immediately preceding the date of this prospectus.
- (g) No company within our Group is presently listed on any stock exchange or traded on any trading system.

- (h) We have no outstanding convertible debt securities.
- (i) Our Directors have been advised that, under Cayman Islands law, the use of a Chinese name (which is adopted by our Company for identification purpose only) by our Company in conjunction with the English name does not contravene Cayman Islands law.
- (j) The English text of this prospectus shall prevail over the Chinese text.

14. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus 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 “Statutory and general information — E. Other information — 9. Consents of experts” in Appendix V to this prospectus; and
- (c) a copy of each of the material contracts referred to in the section headed “Statutory and general information — B. Further information about our business — 1. Summary of material contracts” in Appendix V to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of D. S. Cheung & Co. at 29/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the amended and restated Memorandum and Articles;
- (b) the Cayman Companies Law;
- (c) the Accountants’ Report of our Group dated the date of this prospectus prepared by HLB Hodgson Impey Cheng Limited, the texts of which are set out in Appendix I to this prospectus;
- (d) the report from HLB Hodgson Impey Cheng Limited in respect of the unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;
- (e) the audited consolidated financial statements of our Group for the year ended 31 December 2017 and the year ended 31 December 2018 and the six months ended 30 June 2019;
- (f) the legal opinion issued by Rajah & Tann Singapore LLP, legal advisers to our Company as to Singapore laws;
- (g) the letter of advice from Conyers Dill & Pearman, our Cayman Islands legal advisers, summarising the constitution of our Company and certain aspects of Cayman company law referred to in the section headed “Summary of the constitution of the Company and Cayman Islands company law” in Appendix IV to this prospectus;
- (h) the legal opinion issued by Rajah & Tann LCT Lawyers, legal advisers to our Company as to Vietnam laws;
- (i) the memorandum of advice issued by Hogan Lovells, legal advisers to our Company as to International Sanctions law;

- (j) the letter, valuation summary and valuation certificates relating to our Group's real property interest prepared by Unicorn Consulting and Appraisal Limited, the text of which is set out in Appendix III to this prospectus;
- (k) the tax opinion letter issued by Assentsure Advisory Private Limited, tax adviser to our Group's Singapore subsidiaries;
- (l) the tax opinion letter issued by A & C Auditing and Consulting Company Limited, tax adviser to our Group's Vietnam subsidiary;
- (m) the report on internal control review prepared by HLB Hodgson Impey Cheng Risk Advisory Services Limited;
- (n) the material contracts referred to in the section headed "Statutory and general information — B. Further information about our business — 1. Summary of material contracts" in Appendix V to this prospectus;
- (o) the Industry Consultant's Report;
- (p) the service contracts and letters of appointment with each of our Directors referred to in the section headed "Statutory and general information — C. Further information about Substantial Shareholders, Directors and Experts — 3. Directors' remuneration" in Appendix V to this prospectus;
- (q) the written consents referred to in the section headed "Statutory and general information — E. Other information — 9. Consents of experts" in Appendix V to this prospectus; and
- (r) the rules of the Share Option Scheme.

WMCH Global Investment Limited