You should carefully consider all of the information in this document including the risks and uncertainties described below before making an investment in the ***[REDACTED]****. The business, financial condition or results of operations of our Group could be materially adversely affected by any of these risks. The trading price of our Shares could decline due to any of these risks, and you may lose all or part of your investment.*

Our Group considers that certain risks are involved in its business and operations as well as in connection with the **[REDACTED]**. Such risks can be categorised into: (i) risks relating to our business; (ii) risks relating to our industry; and (iii) risks relating to the **[REDACTED]**.

RISKS RELATING TO OUR BUSINESS

Our revenue was primarily generated from contracts awarded by our top five customers and any significant decrease in the number and/or the contract amount of projects with our major customers and any liquidity problems of our major customers may materially and adversely affect our financial condition and operating results

A significant portion of our revenue was derived from projects awarded by our top five customers during the Track Record Period. Our top five customers accounted for approximately 97.3%, 96.6% and 97.7% of our revenue for the two years ended 31 December 2016 and the four months ended 30 April 2017, respectively. For the same period, our largest customer accounted for approximately 44.4%, 42.3% and 62.5% of our revenue, respectively. In addition, the percentage of our Group's aggregate revenue attributable to our largest customer and its affiliates, in terms of revenue, was approximately 44.4%, 65.0% and 75.1%, respectively, for the two years ended 31 December 2016 and the four months ended 30 April 2017. For the same periods, the percentage of our Group's aggregate revenue attributable to our five largest customers and its affiliates, in terms of revenue, was approximately 99.1%, 96.6% and 97.7%, respectively.

There is no guarantee that our Group will be able to continually obtain contracts or secure contracts of considerable amounts from our major customers in the future. If there is a significant decrease in the number and/or the contract amount of projects with our major customers, and we are unable to secure projects of a comparable scale from new customers as a replacement, the business, financial condition and results of operations may be adversely affected.

In addition, in the event that our major customers, comprising mostly main contractors and some project developers, experience any liquidity problems, delays or defaults in making payments to us may be caused, which may materially and adversely affect the business, financial position and prospects of our Group. For details of our major customers, please refer to the section headed "Business — Customers" of this document.

Our revenue is mainly derived from projects which are non-recurring in nature and our Group may not be able to secure new customers or projects continuously

Our contracts are mainly project-based and the work projects are largely non-recurring in nature. Hence, it is crucial that our Group is able to secure new projects of similar or larger value or a similar number of projects on a continual basis. The duration of our work projects relating to steel reinforcement works, formwork erection and concrete works typically ranges from six to 48 months. As our revenue is mainly derived from projects which are non-recurring in nature, there is no assurance that we will be able to secure new customers or new projects from our existing customers. To secure new contracts, our Group has to go through a competitive tendering or quotation process. In the event that we are unable to maintain business relationships with our existing customers or secure contracts with new customers, our revenue will be adversely affected, which will adversely affect the financial performance of our Group.

In addition, we obtain a majority of our projects through tendering or quotation process whereby we submit a tender document specifying the general terms of a contract to be entered into between us and our potential customer or a quotation together with other submission requirements. Our Group's success rates of bidding for contracts as a subcontractor with sum exceeding S$1 million from invitations to quote were approximately 18.2% and 20.0% for the two years ended 31 December 2016, respectively. For subcontractor projects, our Group submitted two quotations for the four months ended 30 April 2017. The quotation amount of one of these two quotations is approximately S$26.1 million whereas we had only submitted unit rates for the other quotation and the total quotation amount can only be ascertained when further information is provided by our potential customer. The quotation amount of the four quotations we submitted during the period from 1 May 2017 up to the Latest Practicable Date are approximately S$35.3 million, S$26.8 million, S$41.2 million and S$25.5 million, respectively. The results of these submissions during these periods had not yet been released as at the Latest Practicable Date. There is no assurance that we may be able to successfully secure subcontractor projects through these quotation submissions or we will be awarded the contracts with the same quotation amounts. Our Group's success rates of bidding for main contractor projects through tendering with sum exceeding S$1 million from invited tenders were 33.3% and 50.0% for the year ended 31 December 2016 and for the four months ended 30 April 2017, respectively. Our Group did not receive any tender invitations for main contractor projects for the period from 1 May 2017 up to the Latest Practicable Date. There is, however, no assurance that we will succeed in the tender process or maintain comparable success rates in the tender process in the future. Our success rate for main contractor projects through quotations was nil for the year ended 31 December 2016. For the period ended 30 April 2017 and for the period from 1 May 2017 up to the Latest Practicable Date, we had not received any quotation invitations for main contractor projects.

So far as our Directors are aware, most of our customers maintain an evaluation system with respect to their tenders to ensure that their subcontractors meet certain standards of management, industrial expertise, financial capability, reputation and regulatory compliance, which may change from time to time. If a subcontractor receives a poor safety performance review or an accident due to the subcontractor's negligence, an unsatisfactory feedback in the evaluation may be resulted, which may affect the subcontractor's success rates of bidding for contracts from tenders. Further, in serious cases, the subcontractor's qualifications may be suspended and during the suspension period, the contractor may be prohibited from tendering for works requiring such qualifications. We cannot assure you that our overall score under the evaluation system maintained by our customers will not decrease. The decrease in such score may be due to fatal accidents in our projects or material breaches of any applicable law. In the event that these incidents happen, our Group may not be granted any tender, which will in turn materially and adversely affect our business operations, financial results, profitability and prospects.

Our success depends on our key personnel and our ability to attract, motivate and retain a sufficient number of competent or qualified employees

Our Group is dependent on our executive Directors for various key aspects of our business, including but not limited to, project management and on-site supervision, maintenance of customer relationships as well as sales and marketing. Mr. Goh and Ms. Tan, both being our executive Directors, have been with our Group for over 20 years and they are supported by a team of senior management personnel equipped with ample practical experience ranging from 18 to 35 years and the requisite industry expertise in the construction industry. In addition to our senior management, our Group is equipped with a team of experienced and professional technical staff comprising the approved person, technical controllers, engineers and quantity surveyors, who all play an essential role in the operations of our construction work. As such, our Group's success and growth therefore depend to a large extent on our ability to hire and retain competent, skilled and qualified key personnel. If any of our executive Directors or any member of our key personnel ceases to be involved in our Group in the future and we are unable to locate a suitable replacement in a timely manner, our overall management and administration and implementation of our business development strategies may be negatively affected, thereby producing an adverse impact on the overall business, operations and financial performance of our Group.

Contract prices may not reflect the actual construction costs involved. The revenue and profitability of our Group are vulnerable to fluctuations in material costs and subcontracting costs

Most of the contracts with our customers have a pre-determined and fixed fee or fixed unit rates throughout the contract period and price adjustment is often not allowed. Accordingly, we generally have to bear the risk of cost fluctuations, which arises mainly due to the actual manpower required and, to a certain extent, the material construction costs incurred. The fixing of the contract fees for the purpose of submitting our tender or quotation is largely based on our estimation of project costs, which mainly comprise labour costs, material costs and subcontracting costs. After we enter into an agreement with a customer, we will then start to recruit enough manpower, in particular foreign workers procure the necessary materials and engage subcontractors, if necessary. There is normally a time lapse between the submission of the tender or quotation and the procurement of materials and the hiring of a subcontractor. For details of the operation of our projects, please refer to the section headed "Business — Operation Process" of this document. There is no assurance that the actual time and costs to be involved would be within our budget. Any inaccurate estimation of the amount of time and costs to be involved in completing a project may be affected by various factors, including unexpected significant increase in manpower and associated labour costs, material costs, unforeseen site conditions, accidents, departure of key management personnel, adverse weather conditions, labour strikes and non-performance by our subcontractors. Should there be any material inaccurate estimation of the amount of time, manpower and costs involved, delays in completing a project and/or cost overruns may be caused, thereby materially and adversely affecting the financial condition, profitability and liquidity of our Group.

Failure to provide timely and quality services could materially affect our financial performance as well as tarnish our reputation

Our Group's revenue is recognised on the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract and billing is based on monthly progress claims. Thus, a delay in completion of an entire project or a particular stage of a project will affect our billings, revenue, operational cash flows as well as financial performance. Delays may result from a number of factors, including but not limited to, a shortage of labour or machinery, major machinery downtime, late delivery of materials, delayed completion by our subcontractors, adverse weather conditions, or factors attributable to the main contractor of the construction projects. Despite the delays, we are still required to pay our workers, suppliers and subcontractors as long as they have fulfilled their contractual obligations. As such, our operational cash flows will be affected. Any of the above-mentioned factors may cause serious disruptions to our operations and delays in completing our work. In the event that our Group fails to complete our work on schedule as specified in the contracts or as required by our customers and the delay is caused by us, we are liable to pay our contracting parties for the liquidated damages stipulated in the contracts. The payment of damages would have an adverse impact on the business, financial condition and results of operations of our Group.

In addition, our Group has built up our reputation over the years, which we believe, play a crucial role in securing projects and attracting new customers. To maintain our reputation, we have to continue to provide quality services for our customers apart from on-time delivery of our works. Provision of such services relies upon a number of factors, including but not limited to, adequate manpower, efficient machinery operation, punctual delivery of materials and proper performance of our subcontractors. If we are not able to continue to provide quality services in the future or our customers are no longer satisfied with the quality of the services our Group provides, our reputation would be tarnished, which will in turn negatively impact our business, financial condition and results of operations of our Group.

Our revenue and profitability generated during the Track Record Period may not be indicative of the future results of the operations

Our Group's revenue from the ongoing projects may be recognised across financial years according to the percentage of progress of each project to be made in the particular financial year. There is a possibility that the progress payment of a project is remarkably higher for a certain financial year, reflecting a better result for that particular financial year. Hence, there is no assurance that the revenue and profitability we had generated during the Track Record Period will be indicative of the future results of our operations.

Our Group's business is dependent on the continuous provision of supplies and services by our suppliers

Our Group does not enter into any long-term contracts with our suppliers and therefore there is no assurance that they will be able to continue to provide us with materials, supplies and services at prices acceptable to our Group in the future. Despite the fact that certain construction materials are provided by our customers in most of our contracts, we are still required to supply materials in some of our projects, in particular those involving formwork erection. Moreover, our Group is highly dependent on the provision of accommodation for our foreign workers by dormitory providers. In the event that any of our major suppliers is unable to provide the required materials, supplies or services to our Group and we are not able to seek alternative providers on similar terms or terms more favourable to us, or the costs of supplies or services provided by our suppliers increase substantially, our business, results of operations, financial performance may be adversely affected.

During the Track Record Period, our five largest suppliers (excluding our subcontractors) accounted for approximately 44.7%, 80.5% and 85.1% of our total supplies for the two years ended 31 December 2016 and the four months ended 30 April 2017, respectively.

Our plan of setting up regarding our cut and bend factory and dormitory may not be successfully implemented

As part of our expansion plan, our Group intends to set up our own cut and bend factory and dormitory. For details of our plan to set up our own cut and bend factory and dormitory, please refer to the section headed "Business — Our Business Strategies — Set up our dormitory and cut and bend factory" of this document. As at the Latest Practicable Date, we had not yet identified any site for our own cut and bend factory and dormitory. We may not be able to identify a suitable location to set up our cut and bend factory and dormitory as scheduled or at all. Any delay in putting through our plan or failure to do so will affect our business operations, financial position as well as our prospects.

Particularly, to run our own cut and bend factory, we generally incur operating costs and expenses, which comprise fixed costs and variable costs. The breakeven service volume of our steel reinforcing bars in relation to our cut and bend services is currently estimated to be around 14,000 tonnes per annum, taking into account the expected income and costs of our cut and bend factory. However, there is no assurance that we will reach our breakeven service volume per annum, in particular, after the expiration of the framework agreements we entered into with our existing customers. If any material adverse change in our operating environment arises, for example, a downturn in the construction industry in Singapore and a decrease in the demand for our cut and bend services, we may not be able to achieve breakeven. Moreover, we will not be able to recoup our investment costs and will have to bear certain fixed costs for the operation of our cut and bend factory such as depreciation cost, staff salaries and interest expenses in relation to the borrowings to be raised for funding the acquisition of property. Further, we cannot guarantee that we will be able to operate our cut and bend factory in a profitable way. Our inability to achieve profitability for its operation may adversely affect our financial position and prospects.

We could be negatively affected by the performance by our subcontractors

Our Group engages subcontractors from time to time to provide various services for our construction projects. During the Track Record Period, the subcontracting charges accounted for approximately 23.9%, 22.8% and 10.2% of our total direct costs for the two years ended 31 December 2016 and the four months ended 30 April 2017, respectively. There is no assurance that we are able to keep track of the performance of our subcontractors as directly and efficiently as with our own staff. Nor can we ensure that they will be able to complete their scope of work pursuant to the contract on schedule. Moreover, as our subcontractors do not have any direct contractual relationships with our customers, we, being a contractual party in the contracts with our customers, are obliged to bear the risks of any non-performance, late performance or delivery of poor quality works from our subcontractors. Should a subcontractor fail to provide services as contractually required by our customers, we may need to source for these services on a delayed basis or at a higher price than estimated. As a result, if the performance of our subcontractors does not meet the standard or contractual requirements, we may experience deterioration in the quality of our services, incur additional costs, and/or be exposed to liability in relation to their performance, which may have a negative impact on our profitability, financial performance and reputation, or even result in litigation or damages claims.

In addition, our Group is also subject to claims arising from the defective work performed by our subcontractors. In the event that the works performed by our subcontractors are not to the satisfaction of our customers, we may be required to compensate them. In return, we will claim our subcontractors for compensation. However, if no corresponding claim can be asserted against our subcontractors, or the amounts we compensate for our customers cannot be recovered in full or at all from our subcontractors, we may be required to bear some or all the costs of the claims despite the fact that the defective work is caused by our subcontractors. This could adversely affect the business, financial position, results of operations and prospects of our Group.

Our role as a main contractor may expose us to risk of prosecution and additional financial burden

As a main contractor, while we subcontract the construction work to our subcontractors, we are principally responsible for the execution of the entire project. In the event that our customer suffers any damage or loss by reason of any breach of contract, repudiation, default or failure on the part of our subcontractors, we may need to indemnify our customer against any damage, liability, claim or loss that arises, which may affect our operations and financial condition. Besides, there is no guarantee that we will be able to stop any acts of our subcontractors relating to violation of safety, environment and/or employment laws and regulations in time or at all. Should any of such acts of violation happen in the course of our projects, the relevant licences of our subcontractors may be revoked or their renewal may be affected. As such, we may have to seek replacement subcontractors, which will incur additional costs or cause delay in the progress of our projects.

Further, should our subcontractors violate any laws, rules and regulations in relation to immigration matters, we may be subject to prosecution as primary obligor by the relevant authorities in Singapore. For instance, if an illegal immigrant employed by a subcontractor is found at a construction site where we are the main contractor, a statutory presumption under the Immigration Act (Chapter 133 of the laws of Singapore) may operate to presume that we have employed the foreign worker knowing that he is an immigration offender. If the statutory presumption is triggered, we will be required to rebut the presumption. Hence, our operations, financial performance and reputation may be at risk if any of our subcontractors violates any immigration laws or regulations. For further details of relevant laws in relation to our Group, please refer to the section headed "Regulatory Overview" of this document.

Our role as a main contractor may expose us to liquidity risks

It is our Group's strategy to expand our business by playing the role of a main contractor. We commenced undertaking main contractor projects in 2016 when we participated in Project SICC. To initiate a construction project as a main contractor, we normally need to incur net cash outflows at the early stage of our construction works for certain set-up expenses such as costs of construction materials, rental of equipment, direct labour and provision of performance bonds. Further, during the course of a construction project for which we act as a main contractor, we may need to pay certain expenses on behalf of our subcontractors, including labour costs and rental of site equipment. In the event that we undertake a few main contractor projects with similar commencement dates and these projects require substantial initial cash outflows, our liqulidity could be under great pressure for a period of time prior to receiving any payments from our customers. If we fail to properly manage our liquidity position in view of such working capital requirements, our cash flows and financial position as well as business operation could be materially and adversely affected.

Our role as a main contractor may increase our subcontracting charges

It is our Group's strategy to expand our business by playing the role of a main contractor. We commenced undertaking main contractor projects in 2016 when we participated in Project SICC. We incurred subcontracting charges of approximately S$1.1 million, or approximately 68.8%, of the total construction costs for Project SICC. As a main contractor, instead of relying on our own direct labour, we intend to subcontract the construction works under main contracts to subcontractors. As such, our subcontracting charges may increase in the future as we may take up more main contractor projects. In the event that we carry out several main contractor projects simultaneously and we are required to settle the subcontracting charges at about the same time, our liquidity position, cash flows and financial position may be adversely affected.

Failure to collect our receivables or receive the retention monies on time and in full may affect our liquidity position

Our Group prepares and submits monthly progress claims to our customers in respect of the value of the work we have performed for the preceding month. Subject to our customers' confirmation, we will then issue the invoices with the credit term stipulated in the respective contracts. Our normal practice is that 5% or 10% of each of the certified amounts (but subject to a maximum of 5% or 10% of the initial contract value) is withheld by our customers as retention monies, of which half will be released upon agreement of the final accounts between our customer and us and the remaining half will be released upon completion of our past of works, upon completion of the works under the main contract or upon expiration of the defects liability period as stipulated in our contract with our customer or in the main contract of the relevant project. Generally, the defects liability period lasts for up to 18 months from the date of completion for our projects as subcontractor. As for the projects in which we act as a main contractor, the defects liability period lasts for 12 months from the date of completion.

As at 31 December 2015, 31 December 2016 and 30 April 2017, our Group's retention sum receivables were approximately S$3.8 million, S$5.6 million and S$6.5 million, respectively, accounting for approximately 29.5%, 82.4% and 54.6% of our trade and retention sum receivables for the corresponding periods. Should any of our customers delay the payment of, or fail to release our retention monies as agreed, our cash flow and working capital positions may be materially and adversely affected even though we are able to recover the amount accrued at a later stage, which has to undergo a time-consuming recovery process. Besides, if any disputes over retention monies arise, additional financial and other resources may be incurred.

During the Track Record Period, except for the provision of impairment losses of S$300,000 and S$225,000 for our trade receivables and retention sum receivables recognised for the year ended 31 December 2015, respectively, our Group had not encountered any material delay or default in progress payment and retention monies by our customers. However, there can be no assurance that we will suffer no such delay or default in the future. Besides, the risk in relation to the collectability of our trade and retention sum receivables is either uninsurable or not cost-justifiable, which could affect the financial position of our Group.

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

Our construction projects normally incur net cash outflows in the initial stage of carrying out our works when we are required to pay for the setting up, wages for workers, accommodation costs, purchase of construction materials and consumables, hiring of subcontractors, and commencement of works. As the works proceed, our customers settle the progress payments at various stages, which will move gradually from net cash outflows at the early stage to accumulative net cash inflows. Our Group undertakes a number of projects at any given period and therefore we could offset the cash inflow of certain projects against the cash outflow of other ones. However, should the mix of our projects be such that more upfront for the abovementioned expenses are in the initial stage, our Group's corresponding cash flow position may be adversely affected.

We may experience weak liquidity in the future as we had recorded net cash outflow from our operating activities in the past.

For the four months ended 30 April 2017, we recorded net cash outflow from our operating activities of approximately S$2.7 million, which was mainly due to the increase in our trade and retention sum receivables of approximately S$5.0 million offset by the decrease in amounts due from customers for contract works of approximately S$1.0 million and the increase in amounts due to customers for contract works of approximately S$0.9 million. Please refer to the section headed "Financial Information — Liquidity and capital resources" for a more detailed discussion. We cannot assure you that we will be able to record net cash inflow from our operating activities in the future. Our liquidity and financial condition may be materially and adversely affected if we experience prolonged net cash outflow from our operating activities in the future, and we cannot assure you that we will have sufficient cash from other sources to fund our operations.

Our operations may subject us to claims or we are exposed to litigation or dispute

Our Group primarily engages in the provision of services in relation to steel reinforcement works, formwork erection and concrete works. Claims may be made against us by various parties, including our customers, suppliers, subcontractors or other third parties. Claims against us by our customers may involve substandard works, unfinished work or delay in completion of contracts, casualties, property damages or breach of warranties which may result in us incurring liquidated damages under the terms of the contracts with our customers. Claims may also arise after disputes with our suppliers and subcontractors due to factors such as delay in making payments and provision of substandard products or services. These claims could result in time-consuming and costly litigation, arbitration, administrative proceedings or other legal procedures, which could have a material and adverse effect on the business, financial condition, results of operations and prospects of our Group. There is, however, no assurance that any outcome will be in our favour or that any dispute will be resolved in a timely manner. In addition, should any legal proceedings finally result in an unfavourable judgment or findings, our reputation would be undermined, which may cause instant financial losses to our Group and ruin our prospects of winning contracts in the future. Failure to secure adequate payments in time or manage past due debts effectively could materially and adversely impact the business, financial condition and liquidity position of our Group.

As at the Latest Practicable Date, we had two common law claims, which had not been brought before the relevant courts in Singapore, in relation to work-related accidents involving foot fracture and hand injury. The claim amount of these two work-related common law claims had not been finalised.

For details of our employees' compensation claims since the Track Record Period, please refer to the section headed "Business — Occupational Health and Safety — Employees' compensation claims" of this document.

The insurance coverage of policies maintained by our customers, acting as main contractors, and us may be insufficient to cover all losses or potential claims arising in the course of operations

Any of our employees who has suffered an injury arising out of and in the course of employment has two options to make a claim. He can choose to either submit a claim under the Work Injury Compensation Act for compensation through MOM without having to prove negligence or fault of anyone's part or commence legal proceedings to claim damages under common law against his employer or a third party for breach of duty or negligence. Pursuant to the Work Injury Compensation Act, an injured employee (or the deceased's family/dependant in the case of death) is entitled to claim medical leave wages, medical expenses and lump sum compensation for permanent incapacity or death, subject to certain stipulated limits. Damages under a common law claim are usually more than an award claimed under the Work Injury Compensation Act and may include compensation for pain and suffering, loss of wages, medical expenses and any future loss of earnings. We may be liable for the injuries sustained by the employees of our subcontractors during the course of the work we are engaged as a main contractor. Furthermore, we may face claims from third parties from time to time, including those who suffer personal injuries at the sites where we provide services.

Our Group has maintained the requisite insurance policies pursuant to Singapore laws and regulations. For details of the insurance policies taken out by our Group, please refer to the section headed "Business — Insurance" of this document. We may become subject to liabilities against losses which we are not insured (either under the insurance policies maintained by us or our main contractor customers) adequately or at all or liabilities against losses which cannot be insured. In the event that any significant property damage or personal injury occurs in our facilities or to our employees due to accidents, natural disasters or other similar events which are not covered or adequately covered by our insurance, our business may be adversely affected, potentially leading to a loss of assets, lawsuits, employees' compensation obligations or other forms of economic loss. Besides, our Group has not taken out insurance policies against losses arising from our environmental liabilities, work stoppages, civil unrest or other activities. Such insurance is not compulsory pursuant to Singapore laws and regulations. Should we purchase such additional insurance, our Group would incur additional costs for our business operations.

During the Track Record Period, our Group had paid medical expenses and/or employees' compensation for work-related accidents with an aggregate settlement amount of approximately S$164,000. Our compensation to a work injury which took place in May 2015 has already exceeded the claimable limit under the relevant insurance policies by approximately S$28,000, which was borne by our Group. Another work injury took place in April 2017, which has resulted in a claim of approximately S$52,000 and we are in the process of applying for insurance reimbursement.

Our Group does not maintain insurance policies against all risks associated with our business, either because our Directors have deemed it commercially unfeasible to do so, or the risk is minimal. Our Group believes that insurance coverage of policies maintained by our customers, acting as main contractors, and us is generally sufficient to meet the needs of our operations and appropriate for our risk profile as well. However, we cannot guarantee that our current levels of insurance are sufficient to cover all potential risks and losses. If we face any operating risks arising from the above-mentioned events in relation to either the inadequate insurance coverage or the failure to take out a relevant insurance policy, we may bear a substantial cost, which could have a material adverse effect on our business. There is no assurance that we can renew our policies or renew them on similar or other acceptable terms in the future. Should we suffer unexpected substantial losses or losses that far exceed the policy limits or that are not insured, our business, financial condition and results of operations may be materially and adversely affected.

Our workforce is largely made up of foreign workers and any adverse change in the government policies in relation to foreign workers could materially affect our operations and financial performance

Given that the local construction workforce is limited in supply and hence more costly, our business is highly dependent on foreign workers. Any shortage in the supply of foreign workers, any increase in the FWL for foreign workers or any restrictions on the number of foreign workers we can employ for our construction works (including those imposed by MOM for regulatory non-compliances and disputes in salary claims) will adversely affect our business operations as well as our financial performance.

The supply of foreign workers in Singapore is subject to the policies and regulations imposed by the MOM. In respect of each construction project, the MOM imposes a quota, in terms of MYE, on the number of foreign workers which the main contractor (or via its subcontractors) can employ for the entire project. Being a subcontractor, we negotiate with our main contractor and make a request before the commencement of the construction work for the MYE to be needed to complete our works. Furthermore, dependency ceilings are also applied to limit the number of foreign workers that a construction company can hire based on its pool of local workers. For details of MYE and dependency ceilings, please refer to the section headed "Regulatory Overview" of this document. Any tightening of such quota (either under MYE or dependency ceilings) could affect our operations and hence our financial performance. In addition, any changes in the policies regarding the countries of origin of foreign workers may also affect the supply of foreign workers, which may force us to employ local workers at higher costs or cause disruptions to our operations or delays in the completion of our projects.

Further, the MOM imposes the FWL for foreign workers, which is subject to changes as and when announced by the government of Singapore. For example, the FWL for basic skilled workers under the construction sector who are on MYE has increased from S$650 to S$700 since 1 July 2017. Any increase in the FWL in the future will increase our operating expenses, thereby affecting the financial performance of our Group.

Our Group's business operations involve inherent industrial risks and occupational hazards and the materialisation of such risks may tarnish our reputation as well as affect our financial results

We are faced with certain inherent industrial risks and occupational hazards, which may not be eliminated through the implementation of safety measures. Our construction workers participate in activities which may present risks of bodily harm and dangers, which include dismantling of formwork, lifting, cutting and bending of steel reinforcement, working with sharp and/or heavy equipments, and working at height. They may have to work at height or at the construction sites. Hence, they are exposed to risks related to these activities such as machinery and equipment failures, industrial accidents and fire. These risks may have a material and adverse impact on us in the future. The materialisation of any of these risks in the worst case scenario may disrupt our business operations as well as tarnish our reputation. Furthermore, the validity of our relevant qualifications and results of operations may also be affected.

Cancellation or suspension of or failure to renew our current licences and workheads registration may affect our operations and financial performance

Our Group's business and construction activities are regulated by BCA, which sets out the criteria to be eligible for the granting, renewal and/or maintenance of our licence i.e. our GB1 Licence as well as registration of our workheads i.e. CW01 and CW02 workheads under the CRS. The maintenance and renewal of our licence and our workheads registration are subject to compliance with the relevant regulations of BCA, which may change from time to time, in particular, (i) minimum paid-up capital and net worth; (ii) qualified personnel with the necessary professional qualifications and practical experience; (iii) the necessary performance track records; (iv) contract profile; and (v) certification obtained. Failure to maintain or renew our current licence and CW workheads could result in restriction or prohibition of the business activities of our construction projects where we act as a main contractor, which will have a material and adverse effect on the business, financial position, results of operations and prospects of our Group.

Should we fail to comply with the applicable requirements or any required conditions to maintain our licence and workheads registration, they may be downgraded, suspended or even cancelled. When we renew such licence and registrations upon expiry, delays or refusal may occur. In cases where our Group tenders for projects in the public sector, we have to meet the minimum BCA grading level stipulated. In cases where we give quotes for projects in the private sector, our BCA gradings may be taken into consideration. As such, failure to renew or maintain our BCA gradings may reduce the number of project opportunities for our Group, which will materially and adversely impact our operations and thus our financial performance. For details, please refer to the section headed ''Business — Main qualifications, licences and certifications'' of this document.

The requirement to take out performance bonds to secure our due performance of construction contracts will affect our cash flows and financial position

There exists a common practice in the construction industry in Singapore that contractors often have to take out performance bonds or performance guarantees furnished by a bank or an insurance company either at a fixed sum or at a percentage of the initial contract value. This arrangement is to protect customers of a construction project such that the contractual performance of the contractor can be secured. Under this performance bond arrangement, should the contractor fail to perform in accordance with the requirements as agreed in the contract, the customer is guaranteed a compensation for monetary loss up to the amount of the performance bond taken out.

When we act as a subcontractor, we are required to take out performance bonds for some of our projects. On the other hand, when we play the role of a main contractor in a project, we are obliged to take out performance bonds. During the Track Record Period, three of our contracts as a subcontractor and one main contract obliged us to take out performance bonds for the two years ended 31 December 2016 and the four months ended 30 April 2017. Subsequent to the Track Record Period and up to the Latest Practicable Date, one main contract required us to take out a performance bond. As our Group plans to expand our business and decides to adopt a business strategy of taking on more projects in general or more projects as a main contractor, it is believed that the number of performance bonds we are required to take out for our construction contracts will be increasing in the future. As such, our ability to secure performance bonds is crucial to the expansion of our business. In the event that we are unable to take out the performance bonds as required in our contracts for any reason, our award of these contracts will be revoked owing to our failure to fulfil the conditions therein. Such revocation may materially and adversely affect our business, financial condition, results of operations and prospects. When we take out a performance bond for a particular project, the amount paid up for the performance bond may be locked up for a prolonged period of time, depending on the relevant contract period. We cannot guarantee that we will not undertake several projects requiring us to take out performance bonds at the same time, locking up a certain amount for a prolonged period of time, which may affect the liquidity position of our Group.

Further, in the event that we fail to satisfactorily complete our works as required by our customers to whom performance bonds have been given, these customers may demand that the bank or the insurance company compensate them for their losses arising from our works. Thus, our Group becomes liable to compensate the bank or the insurance company accordingly, which may adversely affect our cash flows and financial position.

Increase in the depreciation charge due to the additional capital expenditure may affect our financial performance

The capital expenditures which our Group had incurred amounted to approximately S$0.8 million, S$0.2 million and S$32,000 for the two years ended 31 December 2016 and the four months ended 30 April 2017, respectively. Our Group intends to expand our operations by acquiring a property for setting up our dormitory and cut and bend factory. We will also purchase machinery and equipment for operating our cut and bend factory. We expect to incur capital expenditures of nil and approximately S$12.6 million for the two years ending 31 December 2018 due to the aforesaid plan. The expected capital expenditures of approximately S$12.6 million for the year ending 31 December 2018, of which approximately **[REDACTED]**, or **[REDACTED]** of the total capital expenditure, is expected to be financed by approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]** (based on the **[REDACTED]** **[REDACTED]** per **[REDACTED]**, being the mid-point of the **[REDACTED]** range) and the remaining balance of **[REDACTED]** is expected to be financed by bank borrowings. Accordingly, to our Directors' best estimation, additional depreciation is expected to be nil and S$0.1 million for the two years ending 31 December 2018, respectively. Such additional depreciation is expected to have an adverse impact on our financial performance.

RISKS RELATING TO OUR INDUSTRY

The performance of our Group may be affected by the cyclical fluctuation in the Singapore market, in particular, the construction industry

Our Group's revenue is primarily derived from our operations in Singapore. Any unforeseen circumstances such as economic downturns or recession, natural disasters, outbreak of an epidemic and any other incidents happening in Singapore may have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, the performance of our Group, which is heavily dependent on the construction industry in Singapore, is exposed to cyclical fluctuations. A downswing in the construction industry in Singapore may cause postponement or cancellation of our construction projects or even delays or defaults in payment of our contract fees by our customers.

The current business profile of our Group consists of a certain portion of public sector projects and it is likely that we will continue to participate in the public sector. According to the Euromonitor Report, despite an increase in the forecasted construction demand for public sector of between S$20 billion and S$24 billion in terms of value of contracts awarded in 2017 compared with that of approximately S$15.8 billion in 2016, the construction demand is estimated to have a decrease to between S$18 billion and S$23 billion during the years 2018 to 2021. Such a decrease in the overall construction demand for public sector projects in Singapore may affect our Group's business, results of operations and prospects.

On the other hand, our Group is also involved in projects in the private sector. In case there is any economic downturn in Singapore, the overall construction demand for private sector projects may be affected, which may affect our Group's business, results of operations and prospects.

The construction industry is highly competitive

Our Group engages in the construction industry and we face intense competition, with some competitors having strong manpower, adequate resources and sufficient licences and qualifications. The large number of competitors may subject us to severe downward pricing pressure, which will reduce our profit margins. Should we fail to adapt to market conditions and customer preferences effectively or offer a relatively competitive bid or quote, we may not be able to secure our existing customers or attract new customers. Further, if our competitors adopt an aggressive pricing policy or endeavour to establish relationships with our existing customers, we may not be able to secure contracts with our existing customers in the future. Our Group may also compete in other areas, including the hiring of subcontractors and qualified employees. If we fail to compete in these areas, our business, financial condition, results of operations and prospects will be materially and adversely affected.

Our inability to recruit, retain or replace skilled foreign workers may affect our business and our labour costs may increase accordingly

In accordance with the Euromonitor Report, material shortage of skilled foreign workers is one of the key risk factors in the construction industry in Singapore. Such shortage arises from a number of factors, including the tightening measures taken by the Singapore government with respect to the hiring of foreign workers and shrinking local labour force development practices. Our industry is a labour intensive one and we generally have to compete for skilled foreign workers with similar business operators whether the shortage exists or not. If we are unable to retain or replace such skilled foreign workers, we may need to increase our reliance on our subcontractors or offer a wage increase. To ensure that we can secure sufficient skilled foreign workers for our construction projects, we encourage our basic-skilled foreign workers to get upgraded to higher-skilled foreign workers to enjoy lower FWL and we can even hire them without the need to use MYE. However, despite our efforts, we cannot guarantee that we will be able to maintain sufficient skilled foreign workers necessary for the execution of our operations, nor can we guarantee that our staff costs will not increase. If either of these occurs, our business, financial condition and results of operations may be materially and adversely affected.

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

As with other similar operations, the operations of our Group are required to comply with various safety, employee protection and environmental protection laws, regulations and requirements in Singapore, among which certain material ones are summarised in the section headed "Regulatory Overview" of this document. In the event that our operations fail to meet these requirements, we may be subject to fines or other remedial measures. Further, our ability to obtain new projects in the future will be affected by any of our non-compliance with the applicable laws, regulations and requirements. Besides, our Group may incur additional costs to ensure compliance if there are any changes in the relevant requirements in the future.

During the Track Record Period and up to the Latest Practicable Date, in the ordinary course of our business, we were involved in a number of non-compliance incidents, including failure to submit accounts and tax computation, failure to timely repatriate foreign ex-employees, failure to ensure health and safety of a worker, failure to submit incident reports of work injury in a timely manner, late payment of CPF contribution, not holding annual general meetings within the stipulated time, failure to pay salary to workers in a timely manner and failure to obtain a clearance certificate from PUB before commencement of work. For further details of non-compliance of our Group, please refer to the section headed "Business — Regulatory Non-compliance" of this document.

RISKS RELATING TO THE [REDACTED]

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

No public market for our Shares existed prior to the **[REDACTED]**. Following completion of the **[REDACTED]**, the Stock Exchange will be the only market on which our Shares are publicly traded. We cannot assure you that an active trading market for our Shares will develop or be sustained after the **[REDACTED]**. Moreover, we cannot assure you that our Shares will trade in the public market subsequent to the **[REDACTED]** at or above the **[REDACTED]**. The **[REDACTED]** is expected to be fixed by agreement among the **[REDACTED]** (for themselves and on behalf of the other **[REDACTED]**) and our Company, and may not be indicative of the market price of our Shares following the completion of the **[REDACTED]**. If an active trading market for our Shares does not develop or is not sustained after the **[REDACTED]**, the market price and liquidity of our Shares could be materially and adversely affected.

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

The trading prices of our Shares may be volatile and could fluctuate to a large extent in response to factors which are beyond our control, including but not limited to, variations in the level of liquidity of our Shares, changes in the estimates of our financial performance of securities analysts (if any), investors' perceptions of our Group, changes in laws, regulations and taxation systems which affect our operations, the general market conditions in the securities market in Hong Kong and the general investment environment. In particular, the trading price performance of our competitors of which securities are listed on the Stock Exchange may affect the trading prices of our Shares. These broad market and industry factors may significantly affect the market prices and volatility of our Shares, regardless of our actual operating performance.

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

The [REDACTED] is entitled to terminate the [REDACTED]

Prospective investors should note that the **[REDACTED]** (for themselves and on behalf of other **[REDACTED]**) is entitled to terminate its obligations under the **[REDACTED]** by giving notice in writing to us upon the occurrence of any of the events sets out in the section headed "**[REDACTED]** — **[REDACTED]** arrangements and expenses — The **[REDACTED]** — Grounds for termination" of this document at any time prior to 8:00 a.m. (Hong Kong time) on the **[REDACTED]**. Such events may include, without limitation, any acts of God, wars, riots, public disorder, civil commotion, economic sanction, epidemic, pandemic, fire, floods, tsunami, explosions, acts of terrorism, earthquakes, strikes or lock-outs. Should the **[REDACTED]** (for themselves and on behalf of the other **[REDACTED]**) exercise its rights and terminate the **[REDACTED]**, the **[REDACTED]** will not proceed and will lapse.

Future sale of substantial amounts of our Shares in the public market may adversely affect the prevailing market price of our Shares

Sale of substantial amounts of our Shares in the public market after completion of the **[REDACTED]**, or the perception that such sale could occur, may adversely affect the prevailing market price of our Shares and materially impair our future ability to raise capital through offerings of our Shares. We cannot assure you that our major Shareholders would not reduce their shareholding by disposing of our Shares. Any significant disposal of our Shares by any of our major Shareholders may materially affect the prevailing market price of our Shares. In addition, these disposals may impose greater difficulty for us to issue new Shares in the future at a time and price our Group deems appropriate, thereby limiting our liability to raise further capital.

We cannot predict what effect, if any, significant future sale will have on the market price of our Shares.

Historical dividends are not indicative of our Group's future dividends

IEPL declared and paid dividends of approximately S$1.1 million and S$2.5 million during the two years ended 31 December 2016, respectively to the then shareholders. During the four months ended 30 April 2017, IEPL proposed a special dividend of approximately S$4.5 million prior to the **[REDACTED]**, which was settled on 13 October 2017 by setting off against the amount due from Mr. Goh. The value of dividends declared and paid in previous years should not be relied upon by potential investors as a guide to the future dividend policy of our Group or as a reference or basis to determine the amount of dividends payable in the future. There is no assurance that dividends will be declared or paid in the future at a similar level or at all. The amount of any dividends in the future will be subject to, among other factors, our Directors' discretion, having taken into account the substantial capital requirements of our Group in the foreseeable future, the availability of distributable profits, our Group's earnings, working capital, financial position, capital and funding requirements, the applicable laws and other relevant factors.

In any event, we cannot guarantee that our Company will receive sufficient distribution from our subsidiaries to support any future profit distribution to our Shareholders, or that the amounts of any dividends declared by our Company in the future, if any, will be of a level comparable to dividends declared and paid by us in the past, or by other listed companies in the same industry as our Group.

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

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

The [REDACTED] of our Shares is higher than our net tangible book value per Share and your Shares may be diluted

Should you invest in our Shares at the **[REDACTED]**, you will pay more for the **[REDACTED]** than our net book value on a per Share basis. As a result, you will experience an immediate dilution in the net tangible asset value and our existing Shareholders will receive an increment in the pro forma adjusted consolidated net tangible asset value per Share of their Shares.

We may issue additional Shares in the future in which your Shares may be diluted

We may be required to issue up to an additional **[REDACTED]** Shares at the **[REDACTED]** (representing 15% of the number of the **[REDACTED]** under the **[REDACTED]** should the **[REDACTED]** exercise the **[REDACTED]**). We may also consider issuing and offering additional Shares in the future to raise additional funds, finance acquisitions or for other purposes. In the event that we issue additional Shares in the future, the percentage ownership of our existing Shareholders and the earnings per Share may be diluted. Moreover, such new Shares may have preferred rights, options or pre-emptive rights that make them more valuable than our Shares.

Remedies available to our Shareholders may be different from those under the laws of Hong Kong or other jurisdictions

We are incorporated under Cayman Islands law and Cayman Islands law may provide different remedies to shareholders when compared with the laws of Hong Kong and other jurisdictions.

Our Company is governed by the Memorandum, the Articles, the Cayman Companies Law and the common law of the Cayman Islands. The laws of the Cayman Islands in relation the protection of the interests of minority shareholders could differ in some respects from those established under the laws of

Hong Kong and other jurisdictions. As a result, the remedies available to our Shareholders may be different from those they would otherwise have under the laws of Hong Kong or other jurisdictions. For further details of the Memorandum of Association and the related Cayman Companies Laws, please refer to Appendix III to this document.

There are risks associated with the granting of options under the Share Option Scheme

Our Company has conditionally adopted the Share Option Scheme and may grant share options thereunder in the future. 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 a dilution in the percentage of ownership of the Shareholders and the net asset value per Share. As at the Latest Practicable Date, no option had been granted under the Share Option Scheme.

Under the IFRS, the costs of the options to be granted to staff under the Share Option Scheme will be charged to statements of comprehensive income over the vesting period by reference to the fair value at the date on which the options are granted under the Share Option Scheme. As a result, our profitability and financial results may be adversely affected.

The industry statistics and forward-looking information contained in this document may not be accurate, reliable and fair

Statistics and other information in relation to our industry particularly contained in the section headed "Industry Overview" of this document have been compiled partly from various public available publications as well as the industry report we commissioned from an independent industry consultant. We believe that the sources of such information are appropriate sources and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot assure you of the quality of such source materials. None of our Company, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]** or any other persons or their respective directors, advisers or affiliates involved in the **[REDACTED]** has independently verified such information, and makes no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside Hong Kong. Such information may not be complete or latest. As the ways of collecting the information may contain faults or may not be effective, or there may exist variations and other problems between the information published and market practices, the industry information and statistics contained of this document may not be accurate and should not be unduly relied upon when making decisions on your investment in our Company or otherwise.

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

This document contains certain statements and information which are "forward-looking" and uses forward-looking terminology such as "anticipate", "believe", "could", "estimate", "expect", "may", "ought to", "should", "will" or similar terms. These statements and information, which relate to us and the subsidiaries comprising our Group, are based on the beliefs of our management as well as the assumptions made by and information currently available to our management. They reflect the current views of our Company's management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. However, these statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Investors of our Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect.

The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Group's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligations to update publicly or release any revision of any forward-looking statements, whether as a result of new information, future events or otherwise. For further details, please refer to the section headed ''Forward-looking Statements'' of this document.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or media regarding our Group or the [REDACTED]

Prior to the publication of this document, there may be press and media coverage regarding our Group or the **[REDACTED]**, which may include certain financial information, financial projections and other information about our Group which do not appear in this document. We have not authorised the disclosure of such information in the press or the media. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness or reliability of any such information. To the extent that any such information appearing in publications other than this document is inconsistent or conflicts with the information contained in this document, we expressly disclaim it. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this document but note that undue reliance should not be placed on any forward-looking statements in this document, which may not materialise or may change.