

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

### CONTROLLING SHAREHOLDERS

Immediately upon completion of the [REDACTED] and the [REDACTED], without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, Amber Capital will control [REDACTED] of our Company's Shares in issue. Amber Capital is an investment holding company held as to 96.77% by Mr. Goh and 3.23% by Ms. Tan, the spouse of Mr. Goh. They have also confirmed that during the Track Record Period, they have been acting in concert and voted in unanimous manner on any proposed resolution in respect of all material management matters, voting decision and business decision relating to our Group. As such, Amber Capital, Mr. Goh and Ms. Tan will be our Controlling Shareholders upon completion of the [REDACTED] and the [REDACTED].

During the Track Record Period, save as disclosed in this document, our Group did not have any business dealings with the companies associated with or controlled by our Controlling Shareholders and there was no overlapping of business between our Group and our Controlling Shareholders.

Our Directors, to the best of their knowledge, information and belief having made all reasonable enquiries, have confirmed that, none of our Controlling Shareholders, our Directors and their respective close associates is interested in any business which competes, or likely to compete, directly or indirectly, with the business of our Company. As part of the Reorganisation, PGSC was deregistered in January 2017 and IBCPL was struck off in May 2017.

### INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors believe that our Group is capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after [REDACTED].

#### Management independence

Our management and operational decisions are made by our Board and senior management. Our Board comprises three executive Directors and three independent non-executive Directors. Our executive Directors, namely, Mr. Goh and Ms. Tan, are also our Controlling Shareholders. Nevertheless, we consider that our Board and senior management will function independently from our Controlling Shareholders because:

- (a) each Director 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 associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions, and shall not be counted in forming quorum subject to the provision of the Articles of Association; and

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (c) other than Ms. Tan Soh Lay, our human resource and administrative director, all our senior management members are independent from our Controlling Shareholders. Our Group has established our own management, finance, human resources, administration, procurement, sales and marketing, quality control departments which are responsible for daily operations of our Group.

### Operational independence

We do not share operation team, facilities and equipment with our Controlling Shareholders and their close associates. Our Group has also established a set of internal control measures to facilitate the effective operations of our business. Our Group's customers and suppliers are all independent from our Controlling Shareholders. Despite that certain related parties, namely PGSC and IBCPL, had provided subcontracting services and accommodation for our foreign workers to our Group during the Track Record Period, details of which are set out in note 34 to the Accountants' Report in Appendix I to this document, such related party transactions (i) had been entered into by the parties on an arm's length basis with reference to the prevailing market price for provision of comparable subcontracting services and/or accommodation by Independent Third Parties; (ii) had discontinued as at the Latest Practicable Date as PGSC was deregistered in January 2017 and IBCPL was struck off in May 2017; and (iii) employment agreements of their employees have either been expired or transferred to our Group. Our Group also has independent access to our subcontractors. Our Group does not rely on our Controlling Shareholders or their respective close associates and has an independent management team to handle our day-to-day operations. We are also in possession of all relevant licences, permits and approvals necessary to carry on and operate our business and we have sufficient workforce to operate independently from our Controlling Shareholders and their close associates. Immediately after the [REDACTED], there are no related party transactions or continuing connected transactions between our Group and our Controlling Shareholders and/or their close associates. As such, our Directors are of the view that our Group can operate independently from our Controlling Shareholders and their respective close associates.

### Financial independence

We have an independent financial system and make financial decisions according to our own business needs.

As at the Latest Practicable Date, our Group had certain banking facilities and performance bonds that were guaranteed by Mr. Goh, details of which are set out in notes 29, 30 and 34 to the Accountants' Report in Appendix I to this document. Such guarantees will be released upon [REDACTED]. During the Track Record Period, our Group had certain amounts due from Mr. Goh, one of our Controlling Shareholders. Please refer to note 22 to the Accountants' Report in Appendix I to this document for further details. All amounts due from our Controlling Shareholders and/or companies controlled by our Controlling Shareholders, which are non-trade nature, have been fully settled by way of setting off against by a special dividend declared by IEPL on 13 October 2017.

Our Directors confirm that we will not rely on our Controlling Shareholders for financing after the [REDACTED] as we expect that our working capital will be funded by our operating income and bank borrowings. Our own accounting department is capable of discharging the treasury functions for cash receipts and payments, accounting, reporting and internal control independently of our Controlling Shareholders and its close associates.

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

### NON-COMPETITION UNDERTAKING

Mr. Goh, Ms. Tan and Amber Capital, our Controlling Shareholders (the “**Covenantors**”, and each of them, a “**Covenantor**”), entered into a Deed of Non-competition in favour of our Company (for itself and as trustee for our subsidiaries):

- (a) Subject to the terms and conditions of the Deed of Non-competition, each of the Covenantors irrevocably and unconditionally undertakes to and covenants with our Company (for itself and as trustee for our subsidiaries) that, during the period in which the Covenantors are subject to the provisions of the deed:
  - (i) he/she/it will not, and will procure his/her/its close associates and/or the companies controlled by him/her/it (other than members of our Group) not to, directly or indirectly, either on his/her/its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be engaged in, invest in, acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise and whether for interest, return or otherwise) any business which is or may be similar to or in competition with the business carried on or contemplated to be carried on by any member of our Group from time to time, including but not limited to reinforced concrete works (the “**Restricted Business**”);
  - (ii) if he/she/it and/or any of his/her/its close associates has received, is offered or has identified any business investment or other business opportunity that competes or may compete, directly or indirectly, with the Restricted Business (the “**New Business Opportunity**”), he/she/it and/or any of his/her/its close associates shall (i) immediately give a notice in writing to our Company in respect of such New Business Opportunity, setting out all reasonably necessary information for our Group to make an informed assessment; and (ii) use his/her/its/their best efforts to assist our Company in acquiring such New Business Opportunity at terms and conditions no less favourable than those available to him/her/it and/or his/her/its close associates;
  - (iii) neither he/she/it nor any of his/her/its close associates, directly or indirectly, carries out, participates or is engaged in, invests in, acquires or holds (in each case whether as a shareholder, director, partner, agent, employee or otherwise and whether for interest, return or otherwise) or is otherwise involved (other than through our Group) in the Restricted Business;
  - (iv) he/she/it will provide all necessary information for the Directors (including our independent non-executive Directors) to review his/her/its compliance with and implementation of the Deed of Non-competition on an annual basis and, if necessary, make annual statements in respect of his/her/its compliance with and implementation of the Deed of Non-competition in the annual reports of our Company;
  - (v) he/she/it will allow our Directors, their respective representatives and auditors to have full access to his/her/its records and/or will procure his/her/its close associates to use their best efforts to allow the Directors, their respective representatives and auditors to have full access to their records, in order for him/her/it to meet the terms and conditions of the Deed of Non-competition; and

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (vi) for so long as he/she/it or any of his/her/its close associates, either alone or as a whole, remains the Controlling Shareholder of our Company (within the meaning of the GEM Listing Rules) or a Director:
- (1) he/she/it will not participate in, carry on or invest in any project or business opportunity that competes or may compete, directly or indirectly, with the business conducted by our Group from time to time;
  - (2) he/she/it will, in accordance with the Articles of Association and the GEM Listing Rules, declare his/her/its interests and, where required, abstain from voting at any board meeting and/or general meeting of our Company and not be counted as quorum where required, if there is any actual or potential conflict of interests;
  - (3) he/she/it and his/her/its close associates (other than our Group) will not solicit any existing or then existing employee of our Group;
  - (4) without the consent of our Company, he/she/it will not use any information pertaining to the business of our Group which may have come to his/her/its knowledge in his/her/its capacity as the Controlling Shareholder of our Company and/or a Director for any purposes; and
  - (5) he/she/it will procure his/her/its close associates (other than our Group) not to participate in, carry on or invest in any project or business opportunity mentioned above (except pursuant to paragraph (a) below).

The non-competition undertakings made by the Covenantors do not apply in the following circumstances:

- (a) if the information on the principal terms of the Restricted Business, project or New Business Opportunity has been made available to our Group and our Directors, and our Company has confirmed that it, after review by our Directors (including our independent non-executive Directors, provided that the resolution shall be approved by the majority of our independent non-executive Directors at a meeting in the absence of Directors who have beneficial interest in the project or business relating to such project or business), will refuse to operate, participate in or carry on such Restricted Business relating to such New Business Opportunity, then any close associate of the Covenantors (other than our Group) has the right to participate in, carry on or invest in any Restricted Business relating to such New Business Opportunity that has previously been offered to our Group, irrespective of the value of such business. Subject to the foregoing, if the Covenantors or any of his/her/its close associates has decided to directly or indirectly participate in, carry on or invest in any Restricted Business relating to such New Business Opportunity, they shall be subject to any conditions imposed by our independent non-executive Directors and shall disclose to our Company the terms under which they operate, participate or carry on such Restricted Business as soon as practicable; and
- (b) without prejudice to the principle of (a) above, the undertakings made by the Covenantors do not apply to any of the following:
  - (i) holding of shares or other securities issued by our Company or our subsidiaries; and

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (ii) where a company is a company listed on any stock exchange recognised by national laws and holds the shares or securities in any company participating in any Restricted Business, the total interest (within the meaning of Part XV of the SFO) held by each of the Covenantors and his/her/its close associates is less than 5% of the share capital of such company.

The non-competition undertakings given by our Controlling Shareholders of our Company will take effect from the date on which dealings in our Shares first commence on the Stock Exchange and will cease to have any effect upon the earlier of the date on which:

- (a) our Controlling Shareholders and his/her/its close associates and/or successor, individually and/or collectively, cease to own 30% (or such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the then issued share capital of our Company directly or indirectly or cease to be deemed as Controlling Shareholder of our Company; or
- (b) our Shares cease to be listed on the Stock Exchange (except for temporary suspension of our Shares due to any reason).

## CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to strengthen its corporate governance practice and to safeguard the interests of the Shareholders:

- (1) the Articles provide that a Director shall absent himself/herself from participating in Board meetings (nor shall he/she be counted in the quorum) and voting on any resolution of our Board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested;
- (2) our independent non-executive Directors will review and will disclose decisions with basis, on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders;
- (3) our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (4) our Company will disclose decisions with basis on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the Deed of Non-competition of our Controlling Shareholders in the annual reports of our Company;
- (5) our Controlling Shareholders will make an annual declaration on compliance with their Deed of Non-competition in the annual report of our Company;
- (6) our independent non-executive Directors will be responsible for deciding whether or not to allow our Controlling Shareholders and/or their respective close associates to involve or participate in a Restricted Business and if so, any condition to be imposed; and

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (7) our independent non-executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to the Deed of Non-competition or connected transaction(s) at the cost of our Company.

Further, any transaction that is proposed between our Group and our Controlling Shareholders and their respective close associates will be required to comply with the requirements of the GEM Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent shareholders’ approval requirements.

With the corporate governance measures including the measures set out above, our Directors believe that the interest of the Shareholders will be protected.