THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SHIS LIMITED**, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Cleaning Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their 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 Composite Document and the Form of Acceptance.

MORGAN HILL HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

SHIS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1647)

COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY

KINGSTON SECURITIES

FOR AND ON BEHALF OF MORGAN HILL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN SHIS LIMITED (OTHER THAN THOSE ALREADY OWNED OR TO BE ACQUIRED BY MORGAN HILL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

Financial adviser to the Offeror

KINGSTON CORPORATE FINANCE

Independent Financial Adviser to the Independent Board Committee

VEDA | CAPITAL

智 略 資 本

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed ''Definitions'' in this Composite Document.

A letter from Kingston Securities containing, among other things, details of the terms of the Offer is set out on pages 8 to 15 of this Composite Document.

A letter from the Board is set out on pages 16 to 20 of this Composite Document. A letter from the Independent Board Committee is set out on pages 21 to 22 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee, is set out on pages 23 to 46 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar as soon as possible and in any event no later than 4:00 p.m. on Tuesday, 19 June 2018 (or such later time and/or date as the Offeror may decide and announce in accordance with the requirements under the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside of Hong Kong should read the details in this regard which are contained in the section entitled ''OVERSEAS SHAREHOLDERS'' in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange at http://www.hkexnews.hk and the Company at http://www.shilimited.com as long as the Offer remains open.

29 May 2018

CONTENTS

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

All time and date references contained in this Composite Document refer to Hong Kong time and dates.

Event	**Time & Date 2018**
Despatch date of this Composite Document and the Form of Acceptance *(Note 1)*	Tuesday, 29 May
Offer opens for acceptance *(Note 1)*	Tuesday, 29 May
Latest time and date for acceptance of the Offer *(Note 2)*	4:00 p.m. on Tuesday, 19 June
Closing Date *(Note 2)*	Tuesday, 19 June
Announcement of the results of the Offer (or its extension or revision, if any) on the website of the Stock Exchange *(Note 2)*	no later than 7:00 p.m. on Tuesday, 19 June
Latest date for posting of remittances in respect of valid acceptances received at or before the latest time for acceptance of the Offer *(Note 3)*	Thursday, 28 June

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed "6. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

2. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Tuesday, 19 June 2018 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be jointly issued by the Company and the Offeror on the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating the result of the Offer and whether the Offer has been revised or extended or has expired. In the event that the Offeror decides to revise the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document(s) are posted and shall not close earlier than the Closing Date.

If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force on the Closing Date and (i) not cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer will remain on the same day, i.e. 4:00 p.m. on the Closing Date.

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Shareholders any change to the expected timetable as soon as practicable by way of announcement(s).

NOTICE TO THE OVERSEAS SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions. The Offeror and parties acting in concert with it, the Company, Kingston Corporate Finance, Kingston Securities, Veda Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please refer to the paragraph headed "Overseas Shareholders" in the "Letter from Kingston Securities" and Appendix I to this Composite Document for further information.

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise:

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"associate(s)"	has the meaning ascribed thereto under the Takeovers Code
"Board"	the board of Directors
"Business Day(s)"	a day on which the Stock Exchange is open for the transaction of business
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Closing Date"	Tuesday, 19 June 2018, being the closing date of the Offer which is 21 days following the date on which this Composite Document is posted (or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code)
"Company"	SHIS Limited (stock code: 1647), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the Sale and Purchase Agreement, which took place on 7 May 2018
"Composite Document"	this composite offer and response document jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer
"Director(s)"	the director(s) of the Company
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Emperor Grand"	Emperor Grand International Limited, a company incorporated in the BVI with limited liability which is wholly and ultimately owned by Mr. Zhu

"Encumbrances"	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director, as defined in the Takeovers Code
"Form of Acceptance"	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
"Great Scenery"	Great Scenery Ventures Limited, a company incorporated in the BVI with limited liability which is wholly and ultimately owned by Mr. Yao
"Group"	the Company and its subsidiaries from time to time
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic China
"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer
"Independent Financial Adviser" or "Veda Capital"	Veda Capital Limited, a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer
"Independent Shareholders"	the Shareholders other than the Offeror and parties acting in concert with it (including Trinity Gate)
"Joint Announcement"	the announcement jointly published by the Offeror and the Company dated 8 May 2018 in relation to, among other things, the Offer pursuant to Rule 3.5 of the Takeovers Code

"Kingston Corporate Finance"	Kingston Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer
"Kingston Securities"	Kingston Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offer on behalf of the Offeror
"Last Trading Day"	27 April 2018, being the last trading day of the Shares on the Stock Exchange prior to the halt of trading in the Shares pending the release of the Joint Announcement
"Latest Practicable Date"	25 May 2018, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Metro Win"	Metro Win Investment Holdings Limited, a company incorporated in the BVI with limited liability which is wholly owned by Ms. Cheung Tsui Ling
"Mr. Teng"	Mr. Teng Rongsong (滕榮松), being the sole ultimate beneficial owner and director of Trinity Gate
"Mr. Yao"	Mr. Yao Yongjie (姚勇杰), being the sole ultimate beneficial owner and director of Great Scenery, and one of the directors of the Offeror
"Mr. Zhu"	Mr. Zhu Guangping (朱廣平), being the sole ultimate beneficial owner and director of Emperor Grand, and one of the directors of the Offeror
"Offer"	the mandatory unconditional cash offer being made by Kingston Securities on behalf of the Offeror to acquire the Offer Shares
"Offer Period"	has the meaning ascribed thereto under the Takeovers Code, which commenced on 8 May 2018, being the date of the Joint Announcement and ending on the Closing Date
"Offeror"	Morgan Hill Holdings Limited, a company incorporated in the BVI with limited liability, which is owned as to 51% by Great Scenery and as to 49% by Emperor Grand

"Offeror Facility"	a loan facility of up to approximately HK$593 million granted by Kingston Securities as lender to the Offeror as borrower in accordance with the terms of the Offeror Facility Agreement for financing the acquisition of 623,000,000 Sale Shares and the Offer Shares under the Offer
"Offeror Facility Agreement"	the loan facility agreement entered into between Kingston Securities as lender and the Offeror as borrower dated 27 April 2018 in relation to the Offeror Facility
"Offeror Share Charge(s)"	collectively, (i) the share charge entered into between Kingston Securities as chargee and the Offeror as chargor dated 27 April 2018 whereby the Offeror has agreed to charge to Kingston Securities as security for the Offeror Facility all of the Sale Shares owned by the Offeror upon Completion; and (ii) the share charge entered into between Kingston Securities as chargee and the Offeror as chargor dated 27 April 2018 whereby the Offeror has agreed to charge to Kingston Securities as security for the Offeror Facility the Shares to be acquired by the Offeror
"Offer Price"	HK$0.87 per Offer Share
"Offer Share(s)"	all the issued Share(s) (other than those already owned or to be acquired by the Offeror and parties acting in concert with it (including Trinity Gate))
"Overseas Shareholder(s)"	Independent Shareholder(s) whose address(es) as shown on the register of members of the Company is/are outside of Hong Kong
"Registrar"	Boardroom Share Registrars (HK) Limited, the Company's branch share registrar and transfer office at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong
"Relevant Period"	the period from 8 November 2017, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
"Ruiheng Global"	Ruiheng Global Investments Limited, a company incorporated in the BVI with limited liability which is owned as to 90% by Mr. Chua Seng Hai (an executive Director) and as to 10% by Ms. Bek Poi Kiang

"Sale and Purchase Agreement"	the sale and purchase agreement dated 27 April 2018 entered into, amongst other things, the Offeror and Trinity Gate (as purchasers) and the Vendors in relation to the sale and purchase of the Sale Shares
"Sale Share(s)"	an aggregate of 750,000,000 Shares acquired by the Offeror and Trinity Gate from the Vendors pursuant to the terms of the Sale and Purchase Agreement
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Singapore"	the Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Timeness Vision"	Timeness Vision Limited a company incorporated in the BVI with limited liability, which is wholly and ultimately owned by Mr. Teng
"Trinity Gate"	Trinity Gate Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Timeness Vision
"Trinity Gate Facility"	a loan facility granted by Kingston Securities as lender to Trinity Gate as borrower in accordance with the terms of the Trinity Gate Facility Agreement for financing the acquisition of 127,000,000 Sale Shares
"Trinity Gate Facility Agreement"	the loan facility agreement entered into between Kingston Securities as lender and Trinity Gate as borrower dated 27 April 2018 in relation to the Trinity Gate Facility
"Trinity Gate Share Charge"	the share charge entered into between Kingston Securities as chargee and Trinity Gate as chargor dated 27 April 2018 whereby Trinity Gate has agreed to charge to Kingston Securities as security for the Trinity Gate Facility all of the Sale Shares owned by Trinity Gate upon Completion

"Vendors"	collectively, Ruiheng Global and Metro Win, being the vendors of the Sale Shares under the Sale and Purchase Agreement
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"S$"	Singapore dollars, the lawful currency of Singapore
"%"	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of S$ into HK$ in this Composite Document is based on the exchange rate of S$1 to HK$5.96. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at these rates or any other rates.

Kingston Securities Limited
Suite 2801
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

29 May 2018

To the Independent Shareholders

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY

KINGSTON SECURITIES

FOR AND ON BEHALF OF MORGAN HILL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN SHIS LIMITED (OTHER THAN THOSE ALREADY OWNED OR TO BE ACQUIRED BY MORGAN HILL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the Joint Announcement, whereby the Offeror and the Company jointly announced that Kingston Securities will, for and on behalf of the Offeror, make a mandatory unconditional general cash offer to acquire all the Offer Shares. As at the Latest Practicable Date, the Offeror and the parties acting in concert with it (including Trinity Gate) are interested in an aggregate of 750,000,000 Shares, representing approximately 72.29% of the entire issued share capital of the Company.

This letter forms part of this Composite Document which set out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. Further terms and procedures of acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" as set out in this Composite Document, the appendices as set out in this Composite Document and the Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

PRINCIPAL TERMS OF THE OFFER

Kingston Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out on the following basis:

The Offer

For each Offer Share .... HK$0.87 in cash

The Offer Price of HK$0.87 per Offer Share is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the Latest Practicable Date, the Company had 1,037,500,000 Shares in issue. Save as aforesaid, the Company did not have any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The Offer is unconditional in all aspects when it is made and is not conditional upon acceptances being received in respect of a minimum number of Shares.

Comparison of value

The Offer Price of HK$0.87 per Offer Share represents:

(i) a discount of approximately 53.23% to the closing price of HK$1.86 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 12.12% to the closing price of HK$0.99 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 4.19% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK$0.908 per Share;

(iv) a premium of approximately 222.22% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK$0.27 per Share (based on a total of 1,037,500,000 Shares in issue as at the Latest Practicable Date and the consolidated net asset value of the Group of S$46,873,579 (equivalent to approximately HK$279 million) as at 30 September 2017, being the date to which the latest unaudited financial statements of the Company were made up); and

(v) a premium of approximately 278.26% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK$0.23 per Share (based on a total of 1,037,500,000 Shares in issue as at the Latest Practicable Date and the consolidated net asset value of the Group of S$40,444,122 (equivalent to approximately HK$241 million) as at 31 March 2017, being the date to which the latest audited financial statements of the Company were made up).

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK$3.22 per Share (on 10 May 2018) and HK$0.35 per Share (on 16 November 2017), respectively.

Total consideration of the Offer

Base on the Offer Price of HK$0.87 per Offer Share and the 1,037,500,000 Shares in issue as at the Latest Practicable Date, of which 750,000,000 Shares are already owned by the Offeror and parties acting in concert with it (including Trinity Gate) as at the Latest Practicable Date, 287,500,000 Shares will be subject to the Offer (assuming there is no change to the issued share capital of the Company from the Latest Practicable Date up to the Closing Date), and based on the Offer Price per Offer Share and on the basis of full acceptance of the Offer, the cash consideration payable by the Offeror under the Offer will amount to approximately HK$250 million.

Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer through the Offeror Facility provided by Kingston Securities.

Kingston Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

On the date of the Sale and Purchase Agreement, the Offeror entered into the Offeror Facility Agreement in connection with the Offeror Facility, and the Offeror entered into the Offeror Share Charges in favour of Kingston Securities. The payment of interest on, repayment of or security for any existing liability (contingent or otherwise) in relation to the Offeror Facility, will not depend on the business of the Company to any significant extent. The voting rights of the Shares subject to the Offeror Share Charges would not be transferred to Kingston Securities unless and until the security under the Offeror Share Charge(s) shall have become enforceable, and Kingston Securities has elected to enforce the security thereunder, pursuant to the terms and conditions thereof.

Effects of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person to the Offeror that all Offer Shares to be sold by such person under the Offer are fully paid and free from all liens, charges, options, claims, Encumbrances, adverse interests, pre-emptive rights and all third party rights of any nature, and will be sold together with all rights attached thereto as at the date on which the Offer is made and any rights subsequently attaching thereto, including the right to receive any and all dividends and other distributions recommended or declared, paid or made on or after the date on which the Offer is made, being the date of this Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code as set out in subparagraph (b) under the paragraph headed "6. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Settlement

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Shares in respect of such acceptance are received by or for the Offeror (or its agent acting on behalf of it) to render each such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

Overseas Shareholders

The availability of the Offer to persons who are not Hong Kong residents or who have registered addresses outside Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdiction. Overseas Shareholders and Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the Offer (including the obtaining of any governmental, exchange control or other consent which may be required or compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Overseas Shareholders in respect of such jurisdiction).

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that all the laws and requirements of the relevant jurisdictions have been complied with. The Overseas Shareholders should consult their professional advisers in case of any doubt.

Taxation advice

None of the Offeror, parties acting in concert with the Offeror (including Trinity Gate), the Company, Kingston Securities, Kingston Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer is in a position to advise the Independent Shareholders on their individual tax implications. Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror (including Trinity Gate), the Company, Kingston Securities, Kingston Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability which is owned as to 51% by Great Scenery and 49% by Emperor Grand.

Mr. Yao is the sole ultimate beneficial owner and director of Great Scenery as at Latest Practicable Date. Mr. Zhu is the sole ultimate beneficial owner and director of Emperor Grand as at Latest Practicable Date.

The directors of the Offeror are Mr. Yao and Mr. Zhu.

Mr. Yao, aged 47, graduated from Hunan University with a degree in architecture and was involved in a number of real estate projects. Mr. Yao is currently the chairman of a private equity investment company, Hangzhou Tunlan Investment Management Co., Ltd (杭州暾瀾投資管理有限公司), and the chairman of an investment holding company, Hangzhou Grand Shores Investment Management Co., Ltd (杭州雄岸投資管理有限公司), which will focus in blockchain and artificial intelligence related investments. Mr. Yao was an angel investor of Hangzhou Canaan Creative Information Technology Limited (杭州嘉楠耘智信息科技有限公司) ("**Hangzhou Canaan**"), which is principally engaged in research and development of integrated circuits. He is also the president of the Zhejiang Grand Shores Blockchain Industrial Development Institute. Mr. Yao is a famous investor in the blockchain industry and has successfully invested in a few world-leading blockchain companies, such as Hangzhou Canaan and has broad influence and appeal in the industry. In 2018, Mr. Yao is one of the founders of Grand Shores Global Blockchain Ten-Billion Innovation Fund. Mr. Yao is also an independent non-executive director of Han Tang International Holdings Limited (stock code: 1187), a company that is listed on the Main Board of the Stock Exchange.

Mr. Zhu, aged 52, is the chairman of CDFG (Shenzhen) Duty Free Merchandise Co., Ltd, and CDFG (Zhuhai) Duty Free Merchandise Co., Ltd which are retailers of duty free consumer products.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the paragraph headed "INFORMATION ON THE GROUP" in the "Letter from the Board" in this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services with a focus on maintenance and/or installations of mechanical and electrical systems including minor repairs and improvement works, and also undertaking building and construction works in Singapore.

The Offeror recognises the potential merits of combining, on the one hand, the civil, mechanical and electrical engineering expertise of the Group with, on the other hand, Mr. Yao's experience in blockchain technologies.

Upon completion of the Offer, while continuing the principal business of the Group, the Offeror will assist the Group in reviewing its existing capabilities and resources for the purpose of developing detailed business plans and strategies or to tap into new business opportunities. Subject to the results of the review, the Offeror intends to leverage on Mr. Yao's experience and knowledge to extend the Group's civil, mechanical and electrical engineering capabilities towards high-end specialist services, such as design and construction, operation and maintenance and management of data centres and other high performance data processing facilities and equipment in relation to blockchain technologies, with the goal of generating synergistic effects with the existing business of the Group. As at the Latest Practicable Date, no definitive business plan or strategy for the Group has been developed.

Save for the proposed change to the Board composition of the Company (details of which are disclosed in the paragraph headed "Proposed change to the Board composition of the Company" below), the Offeror has no intention to terminate the employment of any employees of the Group or to make material changes to the employment of the employees of the Group, nor to cease any existing businesses of the Group or to dispose or redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) as at the Latest Practicable Date.

Proposed change to the Board composition of the Company

The Board currently consists of five Directors, comprising two executive Directors, being Mr. Chua Seng Hai and Mr. Lim Kai Hwee, and three independent non-executive Directors, being Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong (Shen Junfeng).

The Offeror intends to nominate two new Directors, namely Mr. Yao, as the new executive Director and Mr. Teng as the new non-executive Directors. The proposed appointments will take effect from a date which is no earlier than the date of this Composite Document in accordance with Rule 26.4 of the Takeovers Code.

The biographical details of Mr. Yao is set out in the paragraph headed "INFORMATION OF THE OFFEROR" above and the biographical details of Mr. Teng is set out below:

Mr. Teng, aged 44, graduated from Peking University with a degree in science. Mr. Teng is the chairman of Fission Digital Asset Management Advisory Ltd.. Mr. Teng had been the chairman, the chief executive officer and the executive director of China Development Bank International Investment Limited ("**China Development Bank**") (stock code: 1062), a company that is listed on the Main Board of the Stock Exchange. Mr. Teng was responsible for the overseas investments and merger and acquisition business of the China Development Bank.

Save as disclosed above, each of the new Directors has not held any other directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save for the Sale Shares and as at the Latest Practicable Date, each of the new Directors did not have any interest in the Shares (within the meaning of Part XV of the SFO).

Any appointment as disclosed above will be made in compliance with the Takeovers Code and the Listing Rules. Further announcement(s) will be made upon any resignation and appointment of the Directors becoming effective.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

(i) a false market exists or may exist in the trading of the Shares; or

(ii) there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. The directors of the Offeror and new directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after closing of the Offer.

Compulsory acquisition

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

GENERAL

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Shareholders, to such Shareholder whose name appears first in the register of members of the Company. The Company, the Offeror and parties acting in concert with it (including Trinity Gate), Kingston Securities, Kingston Corporate Finance, Veda Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Independent Financial Adviser" and other information about the Group, which are set out in this Composite Document, before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Kingston Securities Limited
Chu, Nicholas Yuk-yui
Director

SHIS Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1647)

Executive Directors:
Mr. Chua Seng Hai *(Chairman)*
Mr. Lim Kai Hwee

Independent non-executive Directors:
Ms. Ng Peck Hoon
Mr. Toh Soo Bock, Bob
Mr. Sim Choon Hong (Shen Junfeng)

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
19th Floor, Prosperity Tower
39 Queen's Road Central
Central
Hong Kong

29 May 2018

To the Independent Shareholders

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF MORGAN HILL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN SHIS LIMITED (OTHER THAN THOSE ALREADY OWNED OR TO BE ACQUIRED BY MORGAN HILL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the Joint Announcement.

The Company was informed by the Vendors that on 27 April 2018, the Offeror and Trinity Gate (as purchasers) and the Vendors (as vendors) entered into the Sale and Purchase Agreement in relation to the sale and purchase of an aggregate of 750,000,000 Sale Shares (representing approximately 72.29% of the entire issued share capital of the Company as at the Latest Practicable Date) for the total consideration of HK$652.5 million (equivalent to HK$0.87 per Sale Share). Under the Sale and Purchase Agreement, (i) the Offeror has agreed to acquire 623,000,000 Shares, representing approximately 60.05% of the entire issued share capital of the Company as at the Latest Practicable Date; and (ii) Trinity Gate has agreed to acquire 127,000,000 Shares, representing approximately 12.24% of the entire issued share capital of the Company as at the Latest Practicable Date.

Immediately prior to Completion, the Offeror and the parties acting in concert with it (including Trinity Gate) did not hold, own, control or have direction over any voting rights or rights over Shares, convertible securities, warrants, options or derivatives of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror and the parties acting in concert with it (including Trinity Gate) are interested in an aggregate of 750,000,000 Shares, representing approximately 72.29% of the entire issued share capital of the Company as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or to be acquired by the Offeror and the parties acting in concert with it (including Trinity Gate)).

The purpose of this Composite Document is to provide you with, among other things, (i) information relating to the Offeror, the Offer and the Group; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer.

Securities of the Company

As at the Latest Practicable Date, the Company has 1,037,500,000 Shares in issue. Save as aforesaid, the Company does not have any outstanding options, derivatives, warrants, relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Company has established the Independent Board Committee comprising the all the independent non-executive Directors who have no direct or indirect interest in the Offer namely, Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong, to advise the Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

Pursuant to Rule 2.1 of the Takeovers Code, Veda Capital has been appointed as the Independent Financial Adviser by the Company after approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is, or is not, fair and reasonable so far as the Independent Shareholder are concerned and as to the acceptance of the Offer.

The purpose of this Composite Document is to provide you with, amongst others, information relating to the Group, the Offeror and the Offer as well as setting out the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the terms of the Offer and as to acceptance and the letter from the Independent Financial Adviser containing their advice to the Independent Board Committee in respect of the terms of the Offer and as to acceptance.

THE OFFER

As mentioned in the "LETTER FROM KINGSTON SECURITIES" on pages 8 to 15 of this Composite Document, Kingston Securities is, on behalf of the Offeror, making the Offer in accordance with the Takeovers Code on the following basis:

For each Offer Share .... HK$0.87 in cash

The Offer Price of HK$0.87 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Offer will be unconditional in all aspects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares.

Further details of the Offer, including terms and procedures for acceptance of the Offer, are contained in the "LETTER FROM KINGSTON SECURITIES" as set out on pages 8 to 15 and Appendix I to this Composite Document and the accompanying Form of Acceptance.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately prior to and upon Completion:

Shareholders	**Immediately prior to Completion**		**Immediately upon Completion and as at the Latest Practicable Date**	
	Number of Shares	*% approximately*	*Number of Shares*	*% approximately*
Ruiheng Global	520,000,000	50.12	—	—
Metro Win	230,000,000	22.16	—	—
The Offeror and parties acting in concert with it (excluding Trinity Gate)	—	—	623,000,000	60.05
Trinity Gate	—	—	127,000,000	12.24
Other Shareholders	287,500,000	27.71	287,500,000	27.71
Total	1,037,500,000	100.00	1,037,500,000	100.00

INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1647). The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services with a focus on maintenance and/or installations of mechanical and electrical systems including minor repairs and improvement works, and undertaking building and construction works in Singapore.

Your attention is drawn to Appendices II and IV of this Composite Document which contain further financial and general information of the Group.

INFORMATION OF THE OFFEROR

Your attention is drawn to the section headed "INFORMATION OF THE OFFEROR" in the "LETTER FROM KINGSTON SECURITIES" as set out on pages 12 to 13 of this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

Your attention is drawn to the sections headed "INFORMATION OF THE OFFEROR" and "INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY" in the "LETTER FROM KINGSTON SECURITIES" as set out on pages 12 to 14 of this Composite Document.

The Board is aware of the intention of the Offeror in respect of the Company and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Shareholders as a whole. The Board is aware that the Offeror intends to continue the principal business of the Group, and the Offeror will assist the Group in reviewing its existing capabilities and resources for the purpose of developing detailed business plans and strategies or to tap into new business opportunities. The Offeror has no intention to terminate the employment of any employees of the Group or to make material changes to the employment of the employees of the Group (other than the proposed change to the Board composition of the Company as detailed in the section headed "INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY — Proposed change to the Board composition of the Company" in the "LETTER FROM KINGSTON SECURITIES" as set out on pages 13 to 14 of this Composite Document), nor to cease any existing businesses of the Group or to dispose or redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) as at the Latest Practicable Date.

MAINTAINING THE LISTING STATUS OF THE COMPANY

As stated in the "LETTER FROM KINGSTON SECURITIES", the Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange following the close of the Offer.

As stated in the "LETTER FROM KINGSTON SECURITIES", the directors of the Offeror and new directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after closing of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

(i) a false market exists or may exist in the trading of the Shares; or

(ii) there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend trading in the Shares.

RECOMMENDATION

Your attention is drawn to (i) the "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" on pages 21 to 22 of this Composite Document, which sets out its advice and recommendations to the Independent Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof; and (ii) the "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" on pages 23 to 46 of this Composite Document, which sets out its advice and recommendation to the Independent Board Committee as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof, and the principal factors considered by it before arriving at its advice and recommendation.

ADDITIONAL INFORMATION

You are advised to read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is drawn to the additional information contained in the appendices to this Composite Document.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of doubt, consult your professional advisers.

Yours faithfully,
By order of the Board
SHIS Limited
Chua Seng Hai
Chairman and Executive Director

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offer which has been prepared for the purpose of inclusion in this Composite Document.

SHIS Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1647)

29 May 2018

To the Independent Shareholders

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF MORGAN HILL HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN SHIS LIMITED (OTHER THAN THOSE ALREADY OWNED OR TO BE ACQUIRED BY MORGAN HILL HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to the Composite Document dated 29 May 2018 issued jointly by the Offeror and the Company of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined elsewhere in the Composite Document unless the context requires otherwise.

We have been appointed to form the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are, or are not, fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptances thereof and to made recommendations to the Independent Shareholders.

Veda Capital has been appointed as the independent financial adviser to advise us in respect of the terms of the Offer and as to acceptance thereof. Details of its advice and the principal factors and reasons taken into account by it in arriving at its advice and recommendation are set out in the "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" on pages 23 to 46 of the Composite Document.

We also wish to draw your attention to the "LETTER FROM THE BOARD", the "LETTER FROM KINGSTON SECURITIES" and the additional information set out in the appendices to the Composite Document.

RECOMMENDATION

Having considered the terms of the Offer and the letter of advice and recommendations from Veda Capital, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and therefore we recommend the Independent Shareholders to accept the Offer. The Independent Shareholders are recommended to read the full text of the "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" set out in the Composite Document.

However, for those Independent Shareholders who are considering to realise all or part of their holdings in the Shares, they should monitor the Share price movement until near the end of the Offer Period. If the net proceeds from the sale of the Shares in the open market after deducting all transaction cost would exceed the net amount receivable under the Offer, the Independent Shareholders should consider selling their Shares in the market, rather than accepting the Offer.

Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms and conditions of the Offer. In any case, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Ms. Ng Peck Hoon *Independent non-executive Director*	**Mr. Toh Soo Bock, Bob** *Independent non-executive Director*	**Mr. Sim Choon Hong (Shen Junfeng)** *Independent non-executive Director*

The following is the full text of a letter of advice from Veda Capital to the Independent Board Committee in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Document.

VEDA | CAPITAL
智 略 資 本

Veda Capital Limited
Room 1106, 11/F
Wing On Centre
111 Connaught Road Central
Hong Kong

29 May 2018

To the Independent Board Committee of SHIS Limited

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES IN SHIS LIMITED (OTHER THAN THOSE ALREADY OWNED OR TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the mandatory unconditional cash offer by Kingston Securities for and on behalf of the Offeror for all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Details of the Offer is set out in the Composite Document to the Independent Shareholders dated 29 May 2018, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

As set out in the Joint Announcement, the Company was informed by the Vendors that on 27 April 2018 (after trading hours of the Stock Exchange), the Offeror and Trinity Gate (as purchasers) and the Vendors (as vendors) entered into the Sale and Purchase Agreement in relation to the sale and purchase of an aggregate of 750,000,000 Sale Shares (representing approximately 72.29% of the entire issued share capital of the Company as at the date of the Joint Announcement and the Latest Practicable Date) for the total consideration of HK$652.5 million (equivalent to HK$0.87 per Sale Share). Further details of the Sale and Purchase Agreement are set out in the Joint Announcement. Completion of the Sale and Purchase Agreement took place on 7 May 2018. Immediately after Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it own 750,000,000 Shares, representing approximately 72.29% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it (including Trinity Gate)).

As at the Latest Practicable Date, there were 1,037,500,000 Shares in issue and there were no outstanding share options, convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent board committee to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer. Therefore, the Independent Board Committee comprising all independent non-executive Directors, namely Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

We are independent from and not connected with the Company, the Offeror, any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Offer. Apart from the normal advisory fee payable to us in connection with our appointment as the independent financial adviser to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror and the Company or any of its substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Apart from normal professional fees for our services to the Company in connection with this appointment, no arrangement exists whereby Veda Capital will receive any benefits from the Company or any of its associates. In the last two years, we have not acted as the financial adviser nor the independent financial adviser to the Company, the Independent Board Committee and the Independent Shareholders. Given our independence role and normal professional fees received from the Company under the past engagement, we consider it would not affect our independence to form our opinion in this letter.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations as provided to us by the Directors and the management of the Company which we have assumed to be true, accurate, complete and not misleading in all material aspects as at the Latest Practicable Date and the Shareholders and will be notified of any material changes to such representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have sought and received confirmation from the Directors and the management of the Group that no material facts have been omitted from the information provided and opinions expressed by them to us. We consider that the information which we have received is sufficient for us to reach our opinion and recommendation as set out in this letter and to justify our reliance on such information.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors and the management of the Company, which have been provided to us.

We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our recommendation. All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group or the Offeror or associates of any of them.

We have not considered the tax consequences on the Independent Shareholders in respect of their acceptance or non-acceptance of the Offer since they vary depending on respective individual circumstances. The Independent Shareholder who are overseas residents or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

As set out in the Composite Document, immediately following Completion, the Offeror and parties acting in concert with it were interested in a total of 750,000,000 Shares, representing approximately 72.29% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror and the parties acting in concert with it, is required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

In formulating our opinion and recommendations with regard to the Offer, we have taken into account the following principal factors and reasons:

1. Principal businesses

The Company is a company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1647). The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services, with a focus on maintenance and/or installations of mechanical and electrical systems and including minor repairs and improvement works, and undertaking building and construction works in Singapore.

2. Historical financial information of the Group

Set out below is a summary of the audited financial information of the Group for the years ended 31 March 2016 and 2017 as extracted from the Company's annual report for the year ended 31 March 2017 (the "**Annual Report**") and the unaudited financial information of the Group for the six months ended 30 September 2016 and 2017 as extracted from the Company's interim report for the six months ended 30 September 2017 (the "**Interim Report**").

	For the six months ended 30 September		**For the year ended 31 March**	
	2017	**2016**	**2017**	**2016**
	S$	*S$*	*S$*	*S$*
	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	**25,212,890**	**18,822,449**	**46,822,435**	**40,504,968**
Costs of services	(17,936,568)	(11,497,306)	(28,830,613)	(26,753,387)
Gross profit	**7,276,322**	**7,325,143**	**17,991,822**	**13,751,581**
Profit before taxation	2,279,131	2,905,514	5,885,382	6,887,783
Income tax expense	(427,498)	(639,424)	(1,196,812)	(1,269,668)
Profit and other comprehensive income for the period	1,851,633	2,266,090	4,688,570	5,618,115

	As at 30 September	**As at 31 March**	
	2017	**2017**	**2016**
	S$	*S$*	*S$*
	(Unaudited)	(Audited)	(Audited)
Non-current asset	9,228,206	9,302,653	8,846,862
Current assets	48,712,878	54,693,969	23,804,246
Non-current liabilities	3,224,225	3,343,391	3,521,738
Current liabilities	7,843,280	20,209,109	12,531,562
Equity attributable to owners of the Company	46,873,579	40,444,122	16,597,808

For the financial year ended 31 March 2017

As set out in the Annual Report, for the year ended 31 March 2017, the Group recorded revenue of approximately S$46.8 million, representing an increase of approximately 15.6% as compared to approximately S$40.5 million as recorded in the previous year. We understand from the Annual Report that the increase in revenue was mainly attributable to 13 new integrated building services contracts which were awarded to the Group and the increase in the amount of the integrated building services works performed by the Group during the year ended 31 March 2017 as compared to 2016.

The Group's cost of services increased from approximately S$26.8 million for the year ended 31 March 2016 to approximately S$28.8 million for the year ended 31 March 2017, representing an increase of approximately 7.8%, which was smaller than the increase in the Group's revenue of approximately 15.6% and thus resulted in the Group's higher gross profit margin. Such increase was mainly attributable to the decrease in the use of subcontractor along with the decrease in revenue derived from building and construction works during the year ended 31 March 2017, and the relative increase in the use of own labour resources for provision of integrated building services during the year ended 31 March 2017.

The Group's gross profit increased from approximately S$13.8 million for the year ended 31 March 2016 to approximately S$18.0 million for the year ended 31 March 2017, representing an increase of approximately 30.4%. The Group's gross profit margin increased from 34.0% for the year ended 31 March 2016 to 38.4% for the year ended 31 March 2017. Such increase was mainly due to the less-than-proportionate increase in costs of service discussed above as compared with the increase in revenue.

For the year ended 31 March 2017, the Group recorded a profit of approximately S$4.7 million, which represents a decrease in profit of the Group of approximately 16.1% when comparing to the profit of approximately S$5.6 million recorded in the previous year. Based on the Annual Report, despite the increase in the Group's revenue and gross profit, the decrease in profit was attributable to the recognition of listing expenses and the tax effect of the non-deductible listing expenses. The listing expenses was approximately S$2.9 million for the year ended 31 March 2017.

For the six months ended 30 September 2017

As set out in the Interim Report, the Group's revenue of approximately S$25.2 million for the six months ended 30 September 2017 has increased by approximately 34.0% as compared to the revenue of approximately S$18.8 million for the six months ended 30 September 2016. Such increase was mainly due to higher contribution by approximately S$4.6 million from the building construction works, which was approximately S$5.0 million for the six months ended 30 September 2017 (30 September 2016: approximately S$0.4 million). According to the Interim Report, the increase in revenue from the building construction works was mainly due to increase in works performed for a building and construction project, amounting to approximately S$3.4 million for the six months ended 30 September 2017 (30 September 2016: approximately S$0.1 million).

As further stated in the Interim Report, the Group's cost of services was approximately S$17.9 million for the six months ended 30 September 2017, representing an increase of approximately S$6.4 million or 56.0% as compared to that of approximately S$11.5 million for the six months ended 30 September 2016, which is higher than the increase in the Group's revenue of approximately 34.0%. As stated in the Interim Report, the increase in the Group's cost of services was due to the rise in subcontractor costs of approximately S$10.8 million for the six months ended 30 September 2017 from S$5.4 million for the six months ended 30 September 2016, representing an increase of approximately 100%.

The Group's gross profit remained relatively stable at approximately S$7.3 million for the six months ended 30 September 2017 and 2016. However, the Group's gross profit margin decreased to approximately 28.9% for the six months ended 30 September 2017 while the Group's gross profit margin was approximately 38.9% for the six months ended 30 September 2016. Such decrease was mainly due to the higher than proportionate increase in costs of services for building and construction works discussed above as compared with the increase in revenue. Gross profit margin for building and construction works is relatively lower than the gross profit margin for integrated building services, resulted in the Group's lower gross profit margin.

The profit attributable to equity shareholders of the Company for the six months ended 30 September 2017 amounted to approximately S$1.9 million, representing a decrease of approximately 17.4% as compared to the profit attributable to equity shareholders of the Company for the six months ended 30 September 2016 of approximately S$2.3 million. As illustrated in the Interim Report, the decrease in profit was due to, despite the increase in the Group's revenue, the lower gross profit margin contributed by building and construction works, the foreign exchange loss and the increase in administrative expenses.

As at 30 September 2017, the Group's total assets amounted to approximately S$57.9 million, representing a decrease of approximately 9.5% as compared to the total assets of the Group of approximately S$64.0 million as at 31 March 2017. As at 30 September 2017, the total assets mainly comprised of (i) the non-current asset of property, plant and equipment of approximately S$9.2 million; (ii) the current assets of bank balances and cash of approximately S$36.1 million and the trade receivables of approximately S$9.1 million. As at 30 September 2017, total liabilities of the Group amounted to approximately S$11.1 million, representing a decrease of approximately 53.0% as compared to the total liabilities of the Group of approximately S$23.6 million as at 31 March 2017.

Conclusion

Despite the annual results announcement of the Company for the financial year ended 31 March 2018 (the "**2018 Results Announcement**") has yet to be released, in order to access the fairness and reasonableness of the terms of the Offer, we have discussed with the management of the Company and was confirmed that (i) there is no material change in the financial or trading position or outlook of the Group since the latest audited consolidated financial statements were published (i.e. 31 March 2017) up to and including the Latest Practicable Date; and (ii) the Company has not and will not issue any announcements in relation to profit alert or profit warning before the publication of the 2018 Results Announcement. Therefore, given the financial or trading position or outlook of the Group has no material change since 31 March 2017 up to the Latest Practicable Date, we believe that the historical financial information of the Group is fair and reasonable to assess the terms of the Offer.

Furthermore, despite the Company is profitable for both of the years ended 31 March 2016 and 2017, it is experiencing a decline in gross profit as well as the gross profit margin. We noted from the Interim Report that the decrease in gross profit and gross profit margin were mainly due to an unproportionate increase in costs of services for building and construction works as compared with the increase in revenue. In addition, according to the Interim Report, we also understood that the Group's other gains and losses have experienced a significantly change, from gains of approximately S$1,000 for the six months ended 30 September 2016 to losses of approximately S$826,000 for the six months ended 30 September 2017, which is mainly due to the recognition of unrealised foreign exchange loss of approximately S$875,000 for the cash and cash equivalents, arising from the net proceeds for the public listing, denominated in Hong Kong dollars as Hong Kong dollars has depreciated against Singapore dollars.

Therefore, given the Company is profitable for the years ended 31 March 2016 and 2017, it is experiencing continuous decline in profit due to including but not limited to, higher costs of services for building and construction works, and the fluctuation of exchange rate of Hong Kong dollars to Singapore dollars.

Prospects and outlook of the Group

As stated in the paragraph sub-headed "Intention of the Offeror in relation to the Company" as set out in the "Letter from Kingston Securities" in the Composite Document, we noted that the Offeror intends to continue with the Group's existing principal business following the close of the Offer.

Industry overview

According to the latest statistics released by the Department of Statistics Singapore ("**DSS**") (source: www.singstat.gov.sg), which is a national statistical coordinator collecting, compiling and disseminating economic and socio-demographic statistics, the contracts awarded in both public and private sectors in the building and construction industry fluctuated from approximately S$35,803.6 million in 2013 to approximately S$38,757.1 million in 2014, then to approximately S$27,034.0 million in 2015 and to approximately S$24,798.5 million in 2017. With the above being the case, we noted that there has been no material expansion in the relevant market demand of the construction sector which the compound annual growth rate is approximately -8.77% per year. As the Group will be focusing on public sector infrastructure and construction projects in Singapore as stated in the Annual Report, we further analyzed on the growth in the variable of contracts awarded in the public sector in the building and construction industry however, the contracts awarded in private sector in the building and construction industry also had a big fluctuation from approximately S$14,888.4 million in 2013 to approximately S$19,219.8 million in 2014, then to approximately S$13,252.9 million in 2015 and to approximately S$15,835.0 million in 2017, resulting in the compound annual growth rate approximately 1.7% per year that there has also been no material expansion in the relevant market demand of the construction sector in the public sector.

On the other hand, in accordance with the "Basic Wage Change by Industry, 2000–2016" published by Ministry of Manpower (Singapore) ("**MOM**") on 31 May 2017, which is a ministry of the Government of Singapore and responsible for the formulation and implementation of labour policies related to the workforce in Singapore, we noted that the basic wage in the construction industry has been increasing since 2012 that the annual change of the basic wage change in the construction industry has been above 3.0% per year from 2012 to 2015 and the increment from 2012 to 2013 reached even 5.2% in 2013. The annual change on the basic wage recorded in 2016 is 2.3%. Moreover, as shown in "Unit Labour Cost Index (Base Year 2010 = 100), Quarterly" in 2018 in MOM, the unit labour cost of construction has also been increasing since 2010 that the unit labour cost of construction in the fourth quarter in 2017 (taking the fourth quarter as the reference point) reached 142.6, representing an increase of approximately 37.1% as compared to the unit labour cost of construction in the fourth quarter in 2010 of 104. The compound annual growth rate is approximately 4.6% per year. The aforesaid forecasted increase in labour wages under the increasing trend of the average workers' wages may create challenges for the construction industry.

We have also reviewed "Market Monitor — Focus on construction sector performance and outlook" (the "**Research Report**"), a report published in February 2018 by Atradius Credit Insurance and Collections ("**Atradius**") which is a professional services company provides trade credit insurance, surety and collections services worldwide in more than 50 countries around the globe (source: https://atradius.sg/). As confirmed by the Company, Atradius is independent to the Company which the Company does not have any business relationship with Atradius as at the Latest Practicable Date. Singapore's construction sector value added shrunk in 2017 due to a subdued performance in private construction, stemming from continued lower demand, less favourable economic conditions and bigger supply of already completed private housing projects and offices. SME contractors continue to suffer from tight cash flow and deteriorating margins due to a lack of projects, increasing competition, and higher labour and rental costs. Public construction accounted for about 70% of building activities in 2017, following the government's higher spending on infrastructure and civil engineering contracts. Therefore, it is uncertain for the outlook of the construction industry, in particular the public sector, if there is in a lack of support from the Government of Singapore on the construction industry.

According to the "Singapore: Market Profile" released in September 2017, source: Hong Kong Trade Development Council, (http://research.hktdc.com/) state that in 2016, Singapore's goods producing sector (comprising manufacturing, construction, utilities and other industries) accounted for about 24.0% of Singapore's gross domestic product. It expanded by 2.8% in 2016 driven by a 3.6% increase in manufacturing output. The service sector grew marginally by 1.0% in the same period. In Budget 2016 that was themed on "Partnering for the Future, Singapore" by the Government of Singapore reiterated the importance of economic transformation through enterprise and innovation, while rolling out a new industry transformation programme. In recent years, Singapore has been keen to develop its MICE industry (i.e. Meetings, Incentives, Conventions and Exhibitions) as a growth engine for the country. With a view to achieving quality economic growth, Singapore has lowered the foreign worker dependency ratio by raising foreign worker levies on low-skilled labour across different sectors over the years. However, the city-state is facing difficulties in sustaining such policy as Singapore needs immigrants to maintain economic growth.

Based on the above results of our independent research, we are of the view that while the Group's financial performance has been satisfactory in recent years, however there has been no material expansion in the relevant market demand of the construction sector, and there are certain factors affecting the construction industry in Singapore, such as (i) the continuously rising construction costs; and (ii) the majority of the revenue comes from the public sector in the construction industry which highly relies on the support from the Government of Singapore, which would create uncertainties on the future prospects of the Group.

3. Information on the Offeror

As referred to the information on the Offeror in the "Letter from Kingston Securities" of the Composite Document, the Offeror is an investment holding company incorporated in the BVI with limited liability which is owned as to 51.0% by Great Scenery and 49.0% by Emperor Grand. Mr. Yao is the sole ultimate beneficial owner and director of Great Scenery as at Latest Practicable Date. Mr. Zhu is the sole ultimate beneficial owner and director of Emperor Grand as at Latest Practicable Date. The directors of the Offeror are Mr. Yao and Mr. Zhu.

Mr. Yao, aged 47, graduated from Hunan University with a degree in architecture and was involved in a number of real estate projects. Mr. Yao is currently the chairman of a private equity investment company, Hangzhou Tunlan Investment Management Co., Ltd (杭州暾瀾投資管理有限公司), and the chairman of an investment holding company, Hangzhou Grand Shores Investment Management Co., Ltd (杭州雄岸投資管理有限公司), which will focus in blockchain and artificial intelligence related investments. Mr. Yao was an angel investor of Hangzhou Canaan Creative Information Technology Limited (杭州嘉楠耘智信息科技有限公司) ("**Hangzhou Canaan**"), which is principally engaged in research and development of integrated circuits. He is also the president of the Zhejiang Grand Shores Blockchain Industrial Development Institute. Mr. Yao is a famous investor in the blockchain industry and has successfully invested in a few world-leading blockchain companies, such as Hangzhou Canaan and has broad influence and appeal in the industry. In 2018, Mr. Yao is one of the founders of Grand Shores Global Blockchain Ten-Billion Innovation Fund. Mr. Yao is also an independent non-executive director of Han Tang International Holdings Limited (stock code: 1187), a company that is listed on the Main Board of the Stock Exchange.

Mr. Zhu, aged 52, is the chairman of CDFG (Shenzhen) Duty Free Merchandise Co., Ltd, and CDFG (Zhuhai) Duty Free Merchandise Co., Ltd which are retailers of duty free consumer products.

Intention of the Offeror in relation to the Group

As stated in the ''Letter from Kingston Securities'' of the Composite Document, the Offeror recognises the potential merits of combining, on the one hand, the civil, mechanical and electrical engineering expertise of the Group with, on the other hand, Mr. Yao's experience in blockchain technologies.

Upon completion of the Offer, while continuing the principal business of the Group, the Offeror will assist the Group in reviewing its existing capabilities and resources for the purpose of developing detailed business plans and strategies or to tap into new business opportunities. Subject to the results of the review, the Offeror intends to leverage on Mr. Yao's experience and knowledge to extend the Group's civil, mechanical and electrical engineering capabilities towards high-end specialist services, such as design and construction, operation and maintenance and management of data centres and other high performance data processing facilities and equipment in relation to blockchain technologies with the goal of generating synergistic effects with the existing business of the Group. As at the Latest Practicable Date, no definitive business plan or strategy for the Group has been developed.

Although the Offeror intends to leverage on Mr. Yao's educational background in architecture and working experience in several real estate projects and blockchain industry, to extend the Group's core business to new businesses in relation to blockchain technologies, which might create the synergistic effects by broadening sources of income of the Group so as to provide better returns to the Shareholders, however, we noted the blockchain technologies' industry from the Blockchain Report (defined as below) that there are uncertainties and risks in the prospects of this industry in the future (detail of which are set out below). We believe that the prospects of the Group are still unknown given that the Offeror intends to broaden the Group's core businesses to blockchain technologies.

According to a report namely ''Blockchain risk management'' (the ''**Blockchain Report**'') published in September 2017 by Deloitte Touche Tohmatsu Limited, which is an international accounting organisations and the largest professional services network providing audit, tax, consulting, enterprise risk and financial advisory services in the world, (source: https://www2.deloitte.com/), as the blockchain is relatively new technology, the application and usage of the blockchain might expose the institutions to new risks, including but not limited to strategic risk, information security risk, business continuity risk, supplier risk and regulatory risk, which the institutions have not encountered before.

As the blockchain technologies are yet to be mature, the institutions need to consider whether they shall adopt the blockchain technologies before these technologies become mature. Such decision could not only affect their business strategies but also pose limitations in their services or products that can be delivered. Blockchain technologies are generally resilient due to the redundancy resulting from the peer to peer nature of these technologies. Since the business processes built on blockchain technologies might be vulnerable to technology and operational failures as well as cyberattacks, the application and usage of blockchain technologies could pose business continuity risks to the institutions. Furthermore, while blockchain technologies provide transaction security, these technologies do not provide account or wallet security, and the cyber security risks to the blockchain network will be even raised if a malicious actor takes over 51% of the network nodes for a duration of time. A significant third-party risk could be also posed to the institutions since most of blockchain technologies might be sources from external vendors.

Save for abovementioned, we also noted that the regulatory risks will be imposed to the institutions due to the uncertainties around the regulatory requirements related to blockchain application across the globe. Additionally, there may be regulatory risks associated with each use case, the type of participants in the network and whether the framework allows domestic or cross-border transactions. Therefore, we believe that there are many risks that may be imposed by blockchain technologies to the institutions, and the industry's prospects of the blockchain is still unknown.

Save for the proposed change in Board composition of the Company (details of which are disclosed in the paragraph headed "Proposed change of Board composition of the Company" below), the Offeror has no intention to terminate the employment of any employees of the Group or to make material changes to the employment of the employees of the Group, nor to cease any existing businesses of the Group or to dispose or redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) as at the Latest Practicable Date.

Proposed change to the Board composition

The Board currently consists of five Directors, comprising two executive Directors, being Mr. Chua Seng Hai and Mr. Lim Kai Hwee, and three independent non-executive Directors, being Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong.

The Offeror intends to nominate two new Directors, namely Mr. Yao, as the new executive Director and Mr. Teng as the new non-executive Director. The proposed appointments will take effect from a date which is no earlier than the date of this Composite Document in accordance with Rule 26.4 of the Takeovers Code.

As (i) the Offeror intends to continue with the existing business of the Group while may also extend the Group's business into high-end specialist services, such as design and construction, operation and maintenance and management of data centres and other high performance data processing facilities and equipment in relation to blockchain technologies which is regarded as a completely new business sector to the Group and neither the Group nor the Offeror have further concrete development plan on this sector as at the Latest Practicable Date; (ii) the blockchain technologies are relatively new business sector where there are risks and uncertainties; and (iii) as set out in the sub-section headed ''Proposed change to the Board composition of the Company'' in the ''Letter from Kingston Securities'' of the Composite Document, the Offeror intends to appoint Mr. Yao as the new executive Director and Mr. Teng as the new non-executive Director. Further details on Mr. Yao and Mr. Teng's background are set out in the ''Letter from Kingston Securities'' of the Composite Document. Save for such proposed changes to the members of the Board, the Offeror has no intention to make material changes to the employment of the employees of the Group, nor to cease any existing businesses of the Group or to dispose any material assets of the Group as at the Latest Practicable Date, we are therefore of the view that the overall financial performance of the Group in the near future is unknown.

Maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

(i) a false market exists or may exist in the trading of the Shares; or

(ii) there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. The directors of the Offeror and new directors to be appointed to the Board have jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

4. Principal terms of the Offer

Kingston Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out on the following basis:

The Offer

For each Offer Share . . . . HK$0.87 in cash

The Offer Price of HK$0.87 per Offer Share is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the Latest Practicable Date, the Company has 1,037,500,000 Shares in issue. Save as aforesaid, the Company does not have any outstanding options, derivatives, warrants, relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The Offer is unconditional in all aspects when it is made and is not conditional upon acceptances being received in respect of a minimum number of Shares.

Comparison of value

The Offer Price of HK$0.87 per Offer Share represents:

(i) a discount of approximately 53.23% to the closing price of HK$1.86 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 12.12% to the closing price of HK$0.99 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 4.19% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK$0.908 per Share;

(iv) a premium of approximately 222.22% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK$0.27 per Share (based on a total of 1,037,500,000 Shares in issue as at the Latest Practicable Date and the consolidated net asset value of the Group of S$46,873,579 (equivalent to approximately HK$279 million) as at 30 September 2017, being the date to which the latest unaudited financial statements of the Company were made up); and

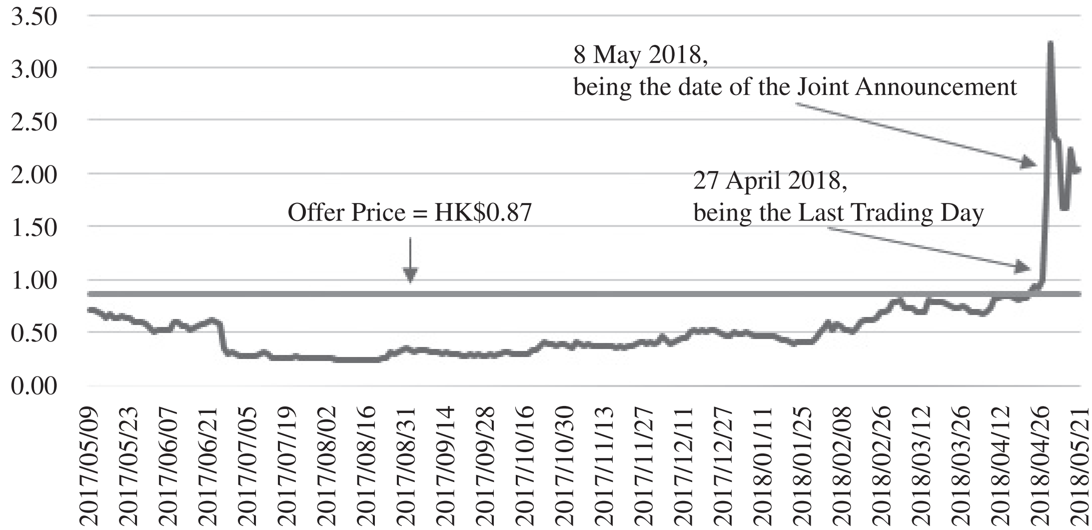
(v) a premium of approximately 278.26% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK$0.23 per Share (based on a total of 1,037,500,000 Shares in issue as at the Latest Practicable Date and the consolidated net asset value of the Group of S$40,444,122 (equivalent to approximately HK$241 million) as at 31 March 2017, being the date to which the latest audited financial statements of the Company were made up).

Further terms and conditions of the Offer, including the procedures for acceptance, are set out in Appendix I of the Composite Document.

Historical price performance of the Shares

Set out below is a chart showing share price performance of the Shares over the 12 months period prior to the Joint Announcement dated 8 May 2018. Such review period commenced on 9 May 2017 and ended on the Latest Practicable Date (the "**Review Period**"). The Review Period is selected on the basis that it is a reasonable timeframe given that it covers a period encompassing one full calendar year prior to the Joint Announcement and the subsequent period thereafter up to the Latest Practicable Date, which is also a substantial portion of the entire trading record of the Company since its listing on the Stock Exchange on 30 March 2017. Such period is sufficient for us to carry out our analysis on the historical share price performance of the Company and the trading liquidity of the Shares as we consider that such timeframe is long enough to avoid any short-term fluctuation which may distort our analysis and that it also reflects the recent share price performance of the Company as well as its recent trading volume of the Shares.

Share price performance during the Review Period



Source: the website of Stock Exchange (www.hkex.com.hk)

As illustrated in the chart above, the closing prices of the Shares was trading in the range of HK$0.23 to HK$0.99 per Share prior to the release of the Joint Announcement during the Review Period (the "**Pre-Announcement Period**"), representing a discount of approximately 73.6% and a premium of approximately 13.8% respectively to/over the Offer Price of HK$0.87. In particular, it is noted that out of the 242 trading days in the Pre-Announcement Period, the closing prices of the Shares have been below the Offer Price except for 4 trading days and the average closing price of the Shares during the Pre-Announcement Period was approximately HK$0.47, representing a discount of approximately 46.0% to the Offer Price.

During the Pre-Announcement Period, we noted that the closing prices of the Shares dropped from HK$0.58 per Share on 26 June 2017 to HK$ 0.27 per Share on 7 July 2017, representing a decrease of approximately 53.5%. We have discussed with the management of the Company regarding the aforesaid downward movement and were advised that, save for the publication of annual results announcement for the year ended 31 March 2017 on 23 June 2017, they are not aware of other particular reason that led to the decreasing trend of the closing prices of the Shares.

Save for abovementioned, we noted that there was another fluctuation in the closing prices of the Shares during the Pre-Announcement Period. From 1 February 2018 to 5 March 2018, the closing prices of the Shares increased from HK$0.51 per Share to HK$0.81 per Share, representing an increase of approximately 58.8%. As advised by the management of the Company, they are not aware of any specific reason for the aforesaid price surge in the closing prices of the Shares.

Since the publication of the Joint Announcement and up to the trading day immediately preceding the Latest Practicable Date (the "**Post-Announcement Period**"), we observed that the closing prices of the Shares have increased and the closing prices of the Shares ranged from HK$1.67 to HK$3.22 per share, representing a premium of approximately 92.0% and 270.1% respectively over the Offer Price. After having enquired with the Company, it was unaware of any reasons for the surge in the prices of the Shares during the Post-Announcement Period. Given the closing prices of the Shares experienced such upward movement during the Post-Announcement Period, we have accordingly reviewed and compared the Hang Seng Index (the "**HSI**") movement with the closing prices of the Shares for the Post-Announcement Period. We noted that the HSI had also demonstrated an upward trend during the Post-Announcement Period, which recorded approximately 30,588 points as at the Latest Practicable Date, representing an increase of 186 points or approximately 0.6% as compared to approximately 30,402 points on 8 May 2018, (being the date of the Joint Announcement).

Having conserved that: (i) the surge in the prices of the Share happened during the Post-Announcement Period after the publication of the Joint Announcement; (ii) there was an upward trend in the movement of the HSI during the Post-Announcement Period; and (iii) the Company also did not announce any other significant news during the Post-Announcement Period, we are of the view that the surge in the closing prices of the Shares during the Post-Announcement Period was highly likely due to the news and market reaction of the Offer as disclosed in the Joint Announcement. In this connection, we consider that in the absence of any significant positive events and the Offer, there is no assurance that the closing prices of the Shares will continue to rise or maintain at a level equal to or above the Offer Price after the Latest Practicable Date or after closing of the Offer. Accordingly, we also consider the price trend prior to the publication of the Joint Announcement in the Pre-Announcement Period more appropriately reflects the general price trend of the Company.

Historical trading liquidity of the Shares

The table below sets out during the Review Period, the average daily trading volume number of the Shares traded per month (the "**Average Volume**") and the respective percentages of the Average Volume as compared to (i) the total number of Shares as at the Latest Practicable Date; and (ii) the total number of issued Shares held by the public Shareholders as at the Latest Practicable Date.

Month	No. of trading days in each month	The Average Volume	Percentage of the Average Volume to the total number of issued Shares as at the Latest Practicable Date *(Note 2)*	Percentage of the Average Volume to the total number of issued Shares held by the public Shareholders as at the Latest Practicable Date *(Note 3)*
		Number of Shares	*%*	*%*
2017				
May (from 9 May)	16	3,744,375	0.4	1.3
June	22	6,181,818	0.6	2.2
July	21	3,284,524	0.3	1.1
August	22	9,867,045	1.0	3.4
September	21	3,194,286	0.3	1.1
October	20	9,769,750	0.9	3.4
November	22	3,452,727	0.3	1.2
December	19	11,216,316	1.1	3.9
2018				
January	22	1,995,000	0.2	0.7
February	18	3,303,611	0.3	1.1
March	21	4,195,952	0.4	1.5
April	18	1,173,056	0.1	0.4
May (up to and including the Latest Practicable Date)	12	33,871,533	3.3	11.8

Source: the website of Stock Exchange (www.hkex.com.hk)

Notes:

1. Trading in the Shares was halted from 30 April 2018 to 8 May 2018 (both dates inclusive) pending the release of the Joint Announcement.

2. Based on 1,037,500,000 Shares in issue as at the Latest Practicable Date.

3. Based on 287,500,000 Shares held by the public Shareholders as at the Latest Practicable Date.

We noted from the above table that the average daily trading volume of the Shares during the Review Period ranged from approximately 1,173,056 Shares to approximately 33,871,533 Shares, representing approximately 0.1% to approximately 3.3% of total number of the Shares in issue as at the Latest Practicable Date, respectively. When compared to the total number of Shares held by public Shareholders, the percentage ranged from approximately 0.4% to approximately 11.8% over the Review Period.

Therefore, we considered that the trading volume of the Shares were considered thin during the Review Period. Given the Shares are highly illiquid, the disposal of a significant number of Shares held by the Shareholders in the open market would likely to trigger price slump of the Shares.

For the above reason, there is no guarantee that the surge in Share price after the publication of the Joint Announcement as highlighted under the sub-section headed "Historical price performance of the Shares" of this letter of advice will sustain and the Independent Shareholders will be able to realise their investments in the Shares (especially those with relatively sizeable shareholdings) at a price higher than the Offer Price. We, therefore, consider that the Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares.

Nonetheless, if any Independent Shareholders who would like to realise their investments in the Shares are able to identify potential purchaser(s) to acquire for their Shares at a price higher than the Offer Price, those Independent Shareholders may consider not accepting the Offer but selling their Shares to such potential purchaser(s), as they wish to do so and as they think fit having regard to their own circumstances, in case the net proceeds from the sale of their Shares to such potential purchaser(s) would exceed the net amount receivable under the Offer.

Comparison with other comparable companies

To further assess the fairness and reasonableness of the Offer Price, we have considered using price-to-earnings ratio (the "**P/E Ratio**") analysis and price-to-book ratio (the "**P/B Ratio**") analysis, the most commonly used benchmarks for valuation of companies, to compare the Offer Price against the market valuation of other comparable companies.

Given that the Company is a Main Board listed company and its revenue is principally attributable to integrated building services with a focus on maintenance and/or installations of mechanical and electrical systems including minor repairs and improvement works in Singapore, we have set forth the following criteria for the purpose of identifying comparable companies, (i) the shares of which are listed on the Main Board; (ii) revenues generated from similar business (i.e. engaged in building services, with a focus on maintenance and/or installations of mechanical and electrical systems) of the Group represent over 90% of their total revenue in Singapore for the latest completed financial year, the financial results of which have been published. As at the Latest Practicable Date, we identified only 2 listed companies (the "**1st Batch Market Comparables**"). The following table sets out (a) the P/E Ratios and the P/B Ratios of the 1st Batch Market Comparables based on their closing price as at the Last Trading Day and their latest published financial information; and (b) the implied P/B Ratio and P/E Ratio of the Company based on the Offer Price and its latest published financial information:

Company name	**Principal activities**	**Market capitalisation as at the Last Trading Date** *(HK$'000)* *(Note 1)*	**P/E** *(times)* *(Note 2)*	**P/B** *(times)* *(Note 3)*
Solis Holdings Limited (stock code: 2227)	Provision of installations of mechanical and electrical systems.	789,600	24.6	2.5
HKE Holdings Limited (stock code: 1726)	Providing design and building services for hospitals and clinics.	448,000	14.6	9.8
		Maximum	24.6	9.8
		Minimum	14.6	2.5
		Average	19.6	6.2
			Implied P/E Ratio	**Implied P/B Ratio**
the Company	Principally engaged in the provision of building services with a focus on maintenance and/or installations of mechanical and electrical systems including repairs and renovation services and the provision of construction works.	902,625	32.3	3.23

Source: the website of Stock Exchange web-site (www.hkex.com.hk)

Notes:

1. Market capitalisation is based on the number of shares in issued and the closing share price as at the Last Trading Day.

2. The P/E Ratios were obtained by dividing the market capitalisations of the 1st Batch Market Comparables as at the Last Trading Day by their respective profit attributable to owners of the 1st Batch Market Comparables as extracted from their latest published annual reports.

3. The P/B Ratios were obtained by dividing the market capitalisations of the 1st Batch Market Comparables as at the Last Trading Day by their respective equity attributable to owners of the 1st Batch Market Comparables as extracted from their latest published financial reports.

We have compared the P/E Ratio of the Company as implied by the Offer Price, being the market capitalisation of the Company as at the Last Trading Day based on the Offer Price of approximately HK$902.6 million divided by the profit attributable to the owners of the Company as disclosed in its latest audited financial statements of S$4,688,570 (equivalent to approximately HK$27.9 million) (the "**Implied P/E Ratio**"), with those of the 1st Batch Market Comparables. The Implied P/E Ratio is approximately 32.3 times. As such, the Implied P/E Ratio is even much higher than the maximum range of the P/E Ratio of the 1st Batch Market Comparables which implied that the valuation of the Offer Price in terms of the P/E Ratio is more favourable than the valuation of the 1st Batch Market Comparables.

In addition, we have also compared the P/B Ratio of the Company as implied by the Offer Price, being the market capitalisation of the Company based on the Offer Price of approximately HK$902.6 million divided by the equity attributable to the owners of the Company as disclosed in its latest audited financial statements of S$46,873,579 (equivalent to approximately HK$279.4 million) (the "**Implied P/B Ratio**"), with those of the 1st Batch Market Comparables. As shown in the table above, the P/B Ratio of the 1st Batch Market Comparables is in the range of approximately 2.5 times to approximately 9.8 times with an average P/B Ratio of approximately 6.2 times whilst the Implied P/B Ratio is approximately 3.23 times. As such, the Implied P/B Ratio is within the range of the P/B Ratio of the 1st Batch Market Comparables. Although the Implied P/B Ratio is lower than the average of the P/B Ratio of the 1st Batch Market Comparables, we consider that there are only 2 listed companies in the 1st Batch Market Comparables which the average of the 1st Batch Market Comparables might be highly affected by the limitation of the samples.

Considering the limited choices of comparable companies, we further extended the geographical spread of activities with the same business of building services, with a focus on maintenance and/or installations of mechanical and electrical systems to Hong Kong and Macau for illustrative purposes. Although it may not be entirely comparable to the Company in terms of geographical spread of activities, we have considered the results of the above comparison together with all other factors stated in this letter as a whole in forming our opinion. Based on the aforesaid criteria, we have accordingly identified eight comparable companies, being an exhaustive list (the "**2nd Batch Market Comparables**").

The following table sets out (a) the P/E Ratios and the P/B Ratios of the 2nd Batch Market Comparables based on their closing price as at the Last Trading Day and their latest published financial information; and (b) the implied P/B Ratio and P/E Ratio of the Company based on the Offer Price and its latest published financial information:

Company name	**Principal activities**	**Market capitalisation as at the Last Trading Date** *(HK$'000)* *(Note 1)*	**P/E** *(times)* *(Note 2)*	**P/B** *(times)* *(Note 3)*
FSE Services Group Limited (stock code: 331)	The company operates through two segments. Electricity and machine engineering segment is engaged in the provision of engineering services and the trading of buildings materials. Environmental management segment is engaged in the trading of environmental products and the provision of related engineering and consultancy services. The company mainly operates businesses in Hong Kong, Macau and China.	1,084,500	6.2	1.1
Gold-Finance Holdings Limited (stock code: 1462)	Provision of investment and asset management services; property investment and development in the China; and provision of building services.	12,000,000	32,520.3 *(Note 5)*	40.4 *(Note 5)*
SH Group (Holdings) Limited (stock code: 1637)	Providing electrical and mechanical engineering services in Hong Kong.	328,000	32.6	1.5
Lap Kei Engineering (Holdings) Limited (stock code: 1690)	Provision of engineering services for building services systems in Hong Kong, which are mainly related to the supply, installation and maintenance of (i) mechanical ventilation and air-conditioning system; (ii) electrical system; (iii) plumbing and drainage system; and (iv) fire services system.	448,000	16.4	3.4
Kin Pang Holdings Limited (stock code 1722)	Providing building and ancillary services and emergency repair services.	470,000	79.1	2.5

Company name	Principal activities	Market capitalisation as at the Last Trading Date	P/E	P/B
		(HK$'000)	*(times)*	*(times)*
		(Note 1)	*(Note 2)*	*(Note 3)*
HKE Holdings Limited (stock code: 1726)	Providing design and building services for hospitals and clinics.	448,000	14.6	9.8
Solis Holdings Limited (stock code: 2227)	Provision of installations of mechanical and electrical systems.	789,600	24.6	2.5
Golden Faith Group Holdings Limited (stock code: 2863)	Principally engaged in providing electrical and mechanical engineering services in Hong Kong.	399,600	17.9	2.5
		Maximum	79.1	9.8
		Minimum	6.2	1.1
		Average	27.3	3.3
			Implied P/E Ratio	**Implied P/B Ratio**
the Company	Principally engaged in the provision of building services with a focus on maintenance and/or installations of mechanical and electrical systems including repairs and renovation services and the provision of construction works.	902,625	32.3	3.23

Source: the website of Stock Exchange web-site (www.hkex.com.hk)

Note:

1. Market capitalisation is based on the number of shares in issued and the closing share price as at the Last Trading Day.

2. The P/E Ratios of the 2nd Batch Market Comparables were obtained by dividing the market capitalisations of the 2nd Batch Market Comparables as at the Last Trading Day by their respective profit attributable to owners of the 2nd Batch Market Comparables as extracted from their latest published annual reports.

3. The P/B Ratios of the 2nd Batch Market Comparables were obtained by dividing the market capitalisations of the 2nd Batch Market Comparables as at the Last Trading Day by their respective equity attributable to owners of the 2nd Batch Market Comparables as extracted from their latest published financial reports.

4. Vision Fame International Holding Limited recorded a loss of HK$145,000 for the financial year ended 31 March 2017 as referred to its latest published annual report.

5. Given that the P/E Ratio and the P/B Ratio of Gold-Finance Holdings Limited are abnormal with a P/E Ratio of 32,520.3 time and a P/B Ratio of 40.4 which will skew the calculation of the P/E Ratio and the P/B Ratio of the 2nd Batch Market Comparables significantly, we therefore have excluded it from the calculation of the average, maximum and minimum of the P/E Ratio and the P/B Ratio of the 2nd Batch Market Comparables.

We have further compared the Implied P/E Ratio and the Implied P/B Ratio of the Company with those of the 2nd Batch Market Comparables. As shown in the table above, the P/E Ratio of the 2nd Batch Market Comparables is in the range of approximately 6.2 times to approximately 79.1 times with an average P/E Ratio of approximately 27.3 times whilst the Implied P/E Ratio is approximately 32.3 times. As such, the Implied P/E Ratio is within the range of the P/E Ratio of the 2nd Batch Market Comparables and even lies above the average of the P/E Ratio of the 2nd Batch Market Comparables which implied that the valuation of the Offer Price in terms of the P/E Ratio is more favourable than the valuation of the 2nd Batch Market Comparables.

In addition, as compared the Implied P/B Ratio with those of the 2nd Batch Market Comparables. As shown in the table above, the P/B Ratio of the 2nd Batch Market Comparables is in the range of approximately 1.1 times to approximately 9.8 times with an average P/B Ratio of approximately 3.3 times whilst the Implied P/B Ratio is approximately 3.23 times. As such, the Implied P/B Ratio is within the range of the P/B Ratio of the 2nd Batch Market Comparables and is also close to the average P/B Ratio of the 2nd Batch Market Comparables which implied that the valuation of the Offer Price in terms of the P/B Ratio is similar to the valuation of the 2nd Batch Market Comparables.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, in particular:

(i) despite the Company is profitable, it is experiencing decline in gross profit and gross profit margin mainly due to the higher than proportionate increase in costs of services for building and construction works as compared with the increase in revenue, and gross profit margin for building and construction works is relatively lower than the gross profit margin for integrated building service and the fluctuation of exchange rate of Hong Kong dollars to Singapore dollars;

(ii) as confirmed by the management of the Company, there is no material change in the financial or trading position or outlook of the Group since the latest audited consolidated financial statements were published (i.e. 31 March 2017) up to and including the Latest Practicable Date;

(iii) the future business development of the Group is still unknown given that the shareholders of the Offeror do not have direct experience in the current principal businesses of the Company, the Offeror has not laid down detailed concrete business plan and there are uncertainties to the new business which the Group may explore into;

(iv) the shareholders of the Offeror have no intention to terminate the employment of any employees of the Group or to make material changes to the employment of the employees of the Group, so as to maintain the continuity of the operations of the Company;

(v) the Offer Price is at a premium over the average closing price of the Shares in the Pre-Announcement Period;

(vi) the increase in the closing prices of the Shares in the Post-Announcement Period may be due to the news of the Offer and therefore the current price level of the Shares might not sustain after the close of the Offer;

(vii) the thin trading volume of the Shares during the Review Period and the uncertainty as to whether the Independent Shareholders will be able to realise their investments in the Shares (especially those with relatively sizeable shareholdings) at a price higher than the Offer Price;

(viii) the Implied P/E Ratio of 32.3 times is well above (a) the average and the range of the 1st Batch Market Comparables and (b) the average of the 2nd Batch Market Comparables (details of which are set out in the sub-section headed "Comparison with other comparable companies" in this letter), hence is better than the normal market practice in relation to the price to earnings valuation; and

(ix) the Implied P/B Ratio of 3.23 times is (a) within the range of both the 1st Batch Market Comparables and the 2nd Batch Market Comparables and (b) is also close to the average of the P/B Ratio of the 2nd Batch Market Comparables (details of which are set out in the sub-section headed "Comparison with other comparable companies" in this letter), hence follows the market practice in relation to the price to book valuation,

we consider that the terms of the Offer (including the Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

However, as set out above, the Independent Shareholders should note that the closing prices of the Shares have been above the Offer Price during the Post-Announcement Period. As such, we would like to remind the Independent Shareholders to closely monitor the market price and liquidity of the Shares during the Offer Period, and consider selling their Shares in the open market, if the net proceeds from the sale of such Shares in the market would exceed the net proceeds receivable under the Offer. Nevertheless, given that the trading volume of the Shares has been thin during the Review Period, Independent Shareholders should be mindful as to whether there will be sufficient liquidity in the

Shares for the Independent Shareholders who wish to realise part or all of their investment in the Company at the prevailing market price of the Shares and whether their disposal of the Shares will exert a downward pressure on the market price of the Shares.

For those Independent Shareholders who wish to retain their holdings and participate in the future prospect of the Group in view of the optimistic outlook of the Group, they may elect to not accept the Offer in respect of part or all of their shareholding in the Company.

Independent Shareholders are also reminded that their decisions to dispose or hold their investments or exercise their rights in the Shares are subject to their individual circumstances and investment objectives and they are reminded to carefully (i) monitor the stock market and the trading price and liquidity of the Shares before the end of the Offer and consider selling their Shares in the open market, where possible, rather than accepting the Offer if the net proceeds from the market sale of their Shares after deducting all transaction costs are more than the net amount to be received under the Offer; and (ii) evaluate the future prospects of the Group.

Yours faithfully,
For and on behalf of
Veda Capital Limited

Hans Wong	**Julisa Fong**
Chairman	*Managing Director*

Notes:

Mr. Hans Wong is a responsible officer under the SFO to engage in Type 6 (advising on corporate finance) regulated activity and has over 23 years of experience in investment banking and corporate finance.

Ms. Julisa Fong is a responsible officer under the SFO to engage in Type 6 (advising on corporate finance) regulated activity and has over 21 years of experience in investment banking and corporate finance.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

(a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

(b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, being Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, by post or by hand, marked "**SHIS Limited General Offer**" on the envelope, as soon as possible and in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

(c) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer whether in full or in part of your Shares, you must either:

(i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked "**SHIS Limited General Offer**" the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked "**SHIS Limited General Offer**" the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorize HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.

(d) If the Share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered in an envelope marked "**SHIS Limited General Offer**" to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

(e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "**SHIS Limited General Offer**" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Kingston Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Registrar on your behalf and to authorize and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

(f) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code) and the Registrar has recorded the Form of Acceptance and any relevant documents required by the Takeovers Code have been so received, and is:

(i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (f)); or

(iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

(g) No acknowledgement of receipt of any Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. SETTLEMENT OF THE OFFER

Provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects in accordance with the Takeovers Code and have been received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, a cheque for the amount representing the cash consideration due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by it/him/her under the Offer will be despatched to such Independent Shareholder by ordinary post at its/his/her own risk as soon as possible but in any event within seven (7) Business Days after the date on which all the relevant documents which render such acceptance complete and valid are received by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.

3. ACCEPTANCE PERIOD AND REVISIONS

(a) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised in accordance with the Takeovers Code. The Offer is unconditional.

(b) The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code. If the Offeror revises the terms of the Offer, all the Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.

(c) If the Offer is extended or revised, the announcement of such extension or revision will state the next closing date or the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer, and an announcement will be released. The revised Offer will be kept open for at least 14 days thereafter.

(d) If the Closing Date of the Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

(e) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Independent Shareholders who accept the Offer become entitled to withdraw their acceptance under the paragraph headed "6. RIGHT OF WITHDRAWAL" below and duly do so.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENTS

(a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised, extended, or has expired.

The announcement will state the total number of Shares:

(i) for which acceptances of the Offer have been received;

(ii) held, controlled or directed by the Offeror or persons acting in concert with it (including Trinity Gate) before the Offer Period; and

(iii) acquired or agreed to be acquired during the Offer Period by the Offeror and persons acting in concert with it (including Trinity Gate).

The announcement must include details of any relevant securities (as defined in the Takeovers Code) in the Company which the Offeror and parties acting in concert with it (including Trinity Gate) have borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in this Appendix, and which have been received by the Registrar respectively no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised in accordance with the Takeovers Code, shall be included.

(c) As required under the Takeovers Code, all announcements in relation to the Offer which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

6. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.

(b) If the Offeror is unable to comply with the requirements set out in the paragraph headed "5. ANNOUNCEMENTS" above, the Executive may require that the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Independent Shareholder(s).

7. OVERSEAS SHAREHOLDERS

The availability of the Offer to persons who are not Hong Kong residents or who have registered addresses outside Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdictions. Overseas Shareholders and Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the Offer (including the obtaining of any governmental, exchange control or other consents which may be required or compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders in respect of such jurisdictions).

Acceptance of the Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that all the laws and requirements of the relevant jurisdictions have been complied with. The Offeror and parties acting in concert with it, the Company, Kingston Corporate Finance, Kingston Securities, Veda Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. The Overseas Shareholders should consult their professional advisers if in any doubt. Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

8. HONG KONG STAMP DUTY

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

9. TAXATION ADVICE

None of the Offeror, parties acting in concert with the Offeror (including Trinity Gate), the Company, Kingston Securities, Kingston Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer is in a position to advise the Independent Shareholders on their individual tax implications. Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror (including Trinity Gate), the Company, Kingston Securities, Kingston Corporate Finance, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

10. GENERAL

(a) All communications, notices, Form of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. None of the Offeror, its beneficial owners, the Company, Kingston Corporate Finance, Kingston Securities, Veda Capital, the Registrar, any of their respective directors and professional advisers and any other parties involved in the Offer and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.

(c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.

(d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Form of Acceptance will constitute an authority to the Offeror, Kingston Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.

(f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that the Shares acquired under the Offer are sold by such person or persons free from all Encumbrances and together with all rights accruing or attaching thereto including (without limitation) the rights to receive in full any and all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

(g) References to the Offer in this Composite Document and the Form of Acceptance shall include any revision and/or extension thereof.

(h) Acceptance of the Offer by any person who is an Overseas Shareholder will be deemed to constitute a warranty by such person to the Offeror and the Company that he, she or it has observed the laws of all relevant jurisdictions in connection therewith, obtained all requisite governmental, exchange control or other consents, complied with other necessary formalities or legal requirements and paid any transfer or other taxes due from him, her or it in connection with such acceptance in all relevant jurisdictions, that he, she or it has not taken or omitted to take any action which will, or which may result in the Offeror, the Company, Kingston Securities or any other persons acting or being in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or his or her or its acceptance, and he, she or it is permitted under all applicable laws to accept the Offer and any revision thereof, and that such acceptance is valid and binding in accordance with all applicable laws.

(i) Acceptances of the Offer by any persons will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws and regulations. Any such persons will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable by such persons.

(j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offer) to all or any Independent Shareholders with registered address(es) outside Hong Kong or whom the Offeror or Kingston Securities knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.

(k) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Offeror and parties acting in concert with it (including Trinity Gate), Kingston Securities, Kingston Corporate Finance, Veda Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.

(l) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares, in respect of which it is indicated in the Form of Acceptance, is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.

(m) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese text in the event of any inconsistency, discrepancy or different interpretation between the English text and the Chinese text.

1. FINANCIAL SUMMARY

The following is the summary of (i) the audited consolidated financial results of the Group for each of the three financial years ended 31 March 2015, 2016 and 2017 as extracted from the prospectus of the Company and the annual report of the Company for the year ended 31 March 2017; and (ii) the unaudited consolidated financial results of the Group for the six months ended 30 September 2017 as extracted from the interim report of the Company for the six months ended 30 September 2017.

	For the six months ended 30 September	For the year ended 31 March		
	2017	**2017**	**2016**	**2015**
	S$	*S$*	*S$*	*S$*
	(unaudited)	(audited)	(audited)	(audited)
Revenue	25,212,890	46,822,435	40,504,968	34,963,602
Cost of services	(17,936,568)	(28,830,613)	(26,753,387)	(23,673,126)
Gross profit	7,276,322	17,991,822	13,751,581	11,290,476
Other income	135,832	367,539	161,673	116,032
Other gains and losses	(826,151)	(5,806)	(23,526)	(9,525)
Other expenses	—	(2,860,452)	(48,900)	—
Selling expenses	(64,936)	(121,597)	(98,867)	(82,288)
Administrative expenses	(4,195,414)	(9,408,928)	(6,739,724)	(5,672,600)
Finance costs	(46,522)	(77,196)	(114,454)	(102,346)
Profit before taxation	2,279,131	5,885,382	6,887,783	5,539,749
Income tax expense	(427,498)	(1,196,812)	(1,269,668)	(918,347)
Profit and other comprehensive income for the year/period	1,851,633	4,688,570	5,618,115	4,621,402
Basic and diluted earnings per share (S$ cents)	0.18	0.57	0.68	0.56

The Group's financial statements as at and for each of the three years ended 31 March 2015, 2016 and 2017 have been audited by the Company's independent auditor, Deloitte & Touche LLP with unqualified and unmodified opinions issued.

There was no other exceptional item because of size, nature or incidence in the audited consolidated financial statements of the Group for each of the three financial years ended 31 March 2017 and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2017.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2017

The following is the full text of the audited consolidated financial information of the Group for the year ended 31 March 2017 as extracted from the Company's annual report for the year ended 31 March 2017. Capitalised terms used in this section shall have the same meanings as those defined in such annual report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

		2017	2016
	Note	*S$*	*S$*
Revenue	*6*	46,822,435	40,504,968
Cost of services		(28,830,613)	(26,753,387)
Gross profit		17,991,822	13,751,581
Other income	*7a*	367,539	161,673
Other gains and losses	*7b*	(5,806)	(23,526)
Other expenses	*7c*	(2,860,452)	(48,900)
Selling expenses		(121,597)	(98,867)
Administrative expenses		(9,408,928)	(6,739,724)
Finance costs	*8*	(77,196)	(114,454)
Profit before taxation		5,885,382	6,887,783
Income tax expense	*9*	(1,196,812)	(1,269,668)
Profit and other comprehensive income for the year	*10*	4,688,570	5,618,115
Basic and diluted earnings per share (S$ cents)	*13*	0.57	0.68

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

	Note	2017 S$	2016 S$
ASSETS AND LIABILITIES			
Non-current asset			
Property, plant and equipment	14	9,302,653	8,846,862
Current assets			
Inventories	15	247,602	160,447
Trade receivables	16	8,598,213	7,983,914
Other receivables, deposits and prepayments	17	400,614	703,965
Amounts due from customers for construction work	18	130,749	38,359
Amounts due from related companies	19a	11,263	17,564
Pledged bank deposits	20	1,886,863	224,889
Bank balances and cash	20	43,418,665	14,675,108
		54,693,969	23,804,246
Current liabilities			
Trade and other payables	21	9,454,338	6,613,930
Amounts due to related companies	19b	—	221,928
Amount due to a director	19c	—	3,800,000
Amounts due to Controlling Shareholders	19d	8,929,635	—
Obligations under finance leases	22	—	30,590
Borrowings	23	238,332	238,332
Income tax payable		1,586,804	1,626,782
		20,209,109	12,531,562
Net current assets		34,484,860	11,272,684
Total assets less current liabilities		43,787,513	20,119,546
Non-current liabilities			
Obligations under finance leases	22	—	75,238
Borrowings	23	3,098,336	3,336,668
Deferred tax liabilities	24	245,055	109,832
		3,343,391	3,521,738
Net assets		40,444,122	16,597,808
EQUITY			
Capital and reserves			
Share capital	25	1,798,496	2,100,000
Reserves		38,645,626	14,497,808
Equity attributable to owners of the Company		40,444,122	16,597,808

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 March 2017

	Share capital	Share premium (Note a)	Merger reserve (Note b)	Accumulated profits	Total
	S$	*S$*	*S$*	*S$*	*S$*
Balance at 1 April 2015	2,000,000	—	—	12,404,693	14,404,693
Total comprehensive income for the year:					
Profit for the year	—	—	—	5,618,115	5,618,115
Transactions with owner, recognised directly in equity:					
Issue of share capital *(Note 25)*	100,000	—	—	—	100,000
Dividends *(Note 12)*	—	—	—	(3,525,000)	(3,525,000)
Total	100,000	—	—	(3,525,000)	(3,425,000)
Balance at 31 March 2016	2,100,000	—	—	14,497,808	16,597,808
Total comprehensive income for the year:					
Profit for the year	—	—	—	4,688,570	4,688,570
Transactions with owner, recognised directly in equity:					
Issue of shares pursuant to the reorganisation *(Notes 2 and 25c)*	2	2	2,099,996	—	2,100,000
Elimination of share capital pursuant to the reorganisation *(Note 2)*	(2,100,000)	—	—	—	(2,100,000)
Issue of shares under the capitalization issue *(Note 25d)*	1,483,758	(1,483,758)	—	—	—
Issue of shares under the Share Offer *(Note 25e)*	314,736	21,716,845	—	—	22,031,581
Share issue expenses	—	(1,373,837)	—	—	(1,373,837)
Dividends *(Note 12)*	—	—	—	(1,500,000)	(1,500,000)
Total	(301,504)	18,859,252	2,099,996	(1,500,000)	19,157,744
Balance at 31 March 2017	1,798,496	18,859,252	2,099,996	17,686,378	40,444,122

Note:

a. Share premium represents the excess of share issue over the par value.

b. Merger reserve represents the difference between the cost of acquisition pursuant to the reorganisation (Notes 2 and 25) and the total value of share capital of the entities acquired.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	2017	2016
	S$	*S$*
Operating activities		
Profit before taxation	5,885,382	6,887,783
Adjustments for:		
Depreciation of property, plant and equipment	860,748	578,736
(Gain) loss on disposal of property, plant and equipment	(5,710)	13,606
Finance costs	77,196	114,454
Interest income	(21,423)	(9,132)
Written off property, plant and equipment	11,516	9,920
Operating cash flows before working capital changes	6,807,709	7,595,367
Movements in working capital:		
(Increase) decrease in trade receivables	(614,299)	1,396,630
Decrease (increase) in other receivables, deposits and prepayments	305,172	(362,020)
(Increase) decrease in amount due from customers for construction work	(92,390)	660,340
Decrease in amounts due from related companies	6,301	8,860
Increase in inventories	(87,155)	(160,447)
Increase in trade and other payables	2,601,228	105,458
(Decrease) increase in amounts due to related companies	(221,928)	20,550
Decrease in amounts due to customers for construction work	—	(12,886)
Cash generated from operations	8,704,638	9,251,852
Income tax paid	(1,103,388)	(392,274)
Net cash from operating activities	7,601,250	8,859,578
Investing activities		
Purchase of property, plant and equipment	(1,328,055)	(2,092,454)
Proceeds from disposal of property, plant and equipment	5,710	19,092
Placement of pledged bank deposits	(1,661,974)	(224,889)
Interest received	21,423	9,132
Proceeds from vendor sale shares	9,442,106	—
Listing expenses paid on behalf of the Controlling Shareholders	(450,076)	—
Net cash from (used in) investing activities	6,029,134	(2,289,119)

	2017	2016
	S$	*S$*
Financing activities		
Repayments of borrowings	(238,332)	(5,179,030)
Repayments of hire purchases	(105,828)	(30,003)
(Repayment of) advance from director	(3,800,000)	3,800,000
Proceeds from issue of shares	22,031,581	100,000
Listing expenses paid	(1,197,052)	—
Proceeds from new borrowings raised	—	3,575,000
Interest paid	(77,196)	(114,454)
Dividends paid	(1,500,000)	(3,525,000)
Net cash from (used in) financing activities	15,113,173	(1,373,487)
Net increase in cash and cash equivalents	28,743,557	5,196,972
Cash and cash equivalents at beginning of the year	14,675,108	9,478,136
Cash and cash equivalents at end of the year, represented by bank balances and cash	43,418,665	14,675,108

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

1 GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 18 May 2016 and its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") on 13 June 2016 and the principal place of business in Hong Kong registered is 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong. The head office and principal place of business of the Group is at 18 Kaki Bukit Place, Eunos Techpark, Singapore 416196. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 30 March 2017.

The Company is a subsidiary of Ruiheng Global Investments Limited ("Ruiheng Global"), incorporated in the British Virgin Islands ("BVI"), which is also the Company's ultimate holding company. Mr. Chua Seng Hai and his spouse Mdm. Bek Poi Kiang jointly controls the ultimate holding company and are the controlling shareholders of SHIS Limited and its subsidiaries (the "Group") (together referred to as the "Controlling Shareholders").

The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services, with a focus on maintenance and/or installations of mechanical and electrical systems and including minor repairs and improvement works, and undertaking building and construction works in Singapore. The details of the subsidiaries are set out in Note 29.

The consolidated financial statements are presented in Singapore Dollars ("S$"), which is also the functional currency of the Company.

The consolidated financial statements are approved by the Board of Directors of the Company on 23 June 2017.

2 GROUP REORGANISATION AND BASIS OF PREPARATION

To effect the group reorganisation ("Group Reorganisation") for the purpose of the listing of the Company's shares on the Main Board of the Stock Exchange:

(i) Three investment holding entities, Jinfeng Ventures Limited ("Jinfeng Ventures"), Innovative Plus Investments Limited ("Innovative Plus") and Pine Vantage Limited ("Pine Vantage") (collectively referred to as the "BVI subsidiaries"), were incorporated in the BVI from March to May 2016 and became direct wholly-owned subsidiaries of the Company following the allotment and issue of one share of par value US$1 each to the Company, credited as fully paid.

(ii) The Controlling Shareholders, who were the then beneficial shareholders of SH Integrated Services Pte. Ltd. ("SH Integrated"), DRC Engineering Pte. Ltd. ("DRC Engineering") and CSH Development Pte. Ltd. ("CSH Development") (collectively referred to as the "Singapore subsidiaries"), transferred their respective shareholdings to the BVI subsidiaries at a total consideration of S$4, which was settled by the Company allotting and issuing 999 new shares to Ruiheng Global at the directions of the Controlling Shareholders, all credited as fully paid. Upon completion of the share transfer, the Singapore subsidiaries became indirect wholly-owned subsidiaries of the Company.

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the Group structure upon the completion of the Group Reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

3 APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

On 1 April 2016, the Group has adopted all the new and revised IFRSs and Interpretations of IFRS ("INT IFRS") that are effective and relevant to its operations. The adoption of these new/revised IFRSs and INT IFRSs does not result in significant changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods.

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 7	Disclosure Initiative[1]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014–2016 Cycle[2]
IFRS 9	Financial Instruments[3]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers[3]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[3]
IFRS 16	Leases[4]

1 Effective for annual periods beginning on or after 1 January 2017, with early application permitted.

2 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate, with early application permitted.

3 Effective for annual periods beginning on or after 1 January 2018, with early application permitted.

4 Effective for annual periods beginning on or after 1 January 2019, with early application permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

Except as described below, the management of the Group considers that the application of the other new and revised standards and amendments is unlikely to have a material impact on the Group's financial position and performance as well as disclosure.

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement by introducing a'fair value through other comprehensive income'(FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Except for the potential early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs, additional disclosures in respect of trade and other receivables including any significant judgments and estimations made, and enhanced disclosures about the Group's risk management activities, the management of the Group anticipates that the adoption of IFRS 9 in the future may not have other significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 31 March 2017.

IFRS 15 *Revenue from Contracts with Customers*

In July 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18, IAS 11 and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, Amendments to IFRS 15 were issued to add clarifications to (i) identifying performance obligations, (ii) principal versus agent considerations, and (iii) licensing application guidance. Amendments also included two additional transition reliefs on contract modifications and completed contracts.

Based on the preliminary analysis, although the management of the Group anticipates that the initial adoption of IFRS 15 will not have significant impact on the Group's results and financial position, the application of IFRS 15 in the future may result in more disclosures in the consolidated financial statements.

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16, which upon the effective date will supersede IAS 17, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the consolidated statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As at 31 March 2017, the Group has non-cancellable operating lease commitments of S$416,507 as disclosed in Note 26. The management of the Group expects that the adoption of IFRS 16 is unlikely to result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated financial statements in future as right-of-use assets and lease liabilities. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

4 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosures required by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

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 consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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 consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured 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 Company 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.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company 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 Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component 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 into 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 consolidation.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses, as appropriate, from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is earlier.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Revenue from Integrated Building Services (as defined in Note 6)

Revenue from services on installations of mechanical and electrical systems is recognised by reference to the stage of completion, which is measured by the certification and acceptance of the customers, when the outcome of such work can be reliably estimated. When the outcome of such work cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

Revenue from maintenance services is recognised when the services are provided.

(ii) Revenue from Building Construction Works (as defined in Note 6)

Revenue from building construction works is recognised in accordance with the Group's accounting policy on construction contracts (see below construction contracts policy).

(iii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments made to Central Provident Fund ("CPF") are recognised as expense when employees have rendered service entitling them to the contributions.

Short-term and long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deduction any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service costs, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS requires or permits their inclusion in the cost of an asset.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as 'prepaid lease payments' in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, bank balances and cash, pledged bank deposits, and amounts due from related companies) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting would be immaterial.

Impairment loss on financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For financial assets held by the Group, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the counterparty will enter bankruptcy or financial reorganisation

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 15 to 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities (including trade and other payables and amounts due to related companies/a director/Controlling Shareholders) are subsequently measured at amortised cost, using the effective interest method except for short-term payables where the effect of discounting would be immaterial.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see above).

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group companies after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, the Group continues to recognise to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the consolidated financial statements when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Impairment of tangible assets

At the end of each reporting period, the management of the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair values less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

The stage of completion, depending on the type of projects, is measured by:

a) the proportion of surveys of work performed to date relative to the estimated total contract revenue; or

b) contract costs incurred to date as compared to the estimated total contract costs.

Variations in contract work and claims are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are expected to be recoverable from the customers. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of construction contracts include costs that relate directly to the specific contract and costs that are attributable to contract activity and can be allocated to the contract. Such costs include but are not limited to material, labour, depreciation and hire of equipment, interest expense, subcontract cost and estimated costs of rectification and guarantee work, including expected warranty costs.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for construction works. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for construction works. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the period in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currency transactions and translation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore Dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group's management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Construction contracts (note 18)

The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. Such significant estimate may have impact on the profit recognised in each period.

Recognised amounts of construction contract revenue and related receivables reflect management's best estimate of each contract's outcome and stage of completion, which are determined on the basis of a number of estimates. This includes the assessment of the profitability of on-going construction contracts. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

Estimated impairment of receivables (note 16)

The Group recognises impairment of receivables based on the recoverability of the receivables. If there is any indication that the receivables may be unrecoverable, impairment shall be recognised. The recognition of impairment requires judgement and estimation. If there is a difference between the re-estimated results and the existing estimation, it will affect the profit and the carrying amount of receivables during the periods in which the estimation changes.

6 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from (i) providing integrated building services, with a focus on maintenance and/or installations of mechanical and electrical (M&E) systems and including minor repairs and improvement works (''Integrated Building Services'') and, (ii) undertaking building and construction works (''Building Construction Works'') by the Group to external customers. The Group's operations is solely derived from provision of Integrated Building Services and Building Construction Works in Singapore during the financial year.

Information is reported to the Executive Directors, being the chief operating decision maker (''CODM'') of the Group, for the purposes of resource allocation and performance assessment. The accounting policies are the same as Group's accounting policies described in Note 4. The CODM reviews revenue by nature of services, i.e. ''Integrated Building Services'' and ''Building Construction Works'' and profit for the year as a whole. No analysis of the Group's results, assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8.

An analysis of the Group's revenue for the year is as follows:

	Year Ended 31 March	
	2017	**2016**
	S$	*S$*
Revenue from:		
Integrated Building Services	43,730,199	30,132,209
Building Construction Works	3,092,236	10,372,759
	46,822,435	40,504,968

Information about the major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	Year Ended 31 March	
	2017	**2016**
	S$	*S$*
Customer I	21,909,721	17,022,567
Customer II	5,367,612	N/A*
Customer III	N/A*	5,718,598
Customer IV	N/A*	4,399,627

* *Revenue did not contribute over 10% of the total revenue of the Group.*

Geographical information

The Group principally operates in Singapore. All revenue are derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

7 A. OTHER INCOME

	Year Ended 31 March 2017 S$	2016 S$
Interest income	21,423	9,132
Government grants *(Note)*	307,618	140,344
Others	38,498	12,197
	367,539	161,673

Note:

The government grants received mainly pertain to Capabilities Development Grant ("CDG") and Wage Credit Scheme ("WCS") as below:

- Amount of S$59,125 represents grants received under CDG for the financial year ended 31 March 2017 (2016: nil). Under the CDG, SMEs are supported to scale up business capabilities and ensure business sustainability. The grant defrays up to 70 percent of qualifying project costs such as consultancy, training, certification and equipment costs.

- Amount of S$53,552 representing grants received under WCS for the financial year ended 31 March 2017 (2016: S$85,731). Under the WCS, over the period of the calendar year of 2016 to 2017, the government co-funds 20% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000 and below. In addition, for wage increases given in 2015 which are sustained in 2016 and 2017 by the same employer, employers will continue to receive co-funding at 20% for the 2016 and 2017.

The remaining balances of grants are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

B. OTHER GAINS AND LOSSES

	Year Ended 31 March 2017 S$	2016 S$
Gain (loss) arising on disposal of property, plant and equipment	5,710	(13,606)
Written off property, plant and equipment	(11,516)	(9,920)
	(5,806)	(23,526)

C. OTHER EXPENSES

	Year Ended 31 March 2017 S$	2016 S$
Listing expenses	2,860,452	48,900

8 FINANCE COSTS

	Year Ended 31 March 2017 S$	2016 S$
Interest on:		
Bank borrowings		
— wholly repayable within 5 years	68,622	38,806
— not wholly repayable within 5 years	—	71,703
Obligations under finance leases	8,574	3,945
	77,196	114,454

9 INCOME TAX EXPENSE

	Year Ended 31 March 2017 S$	2016 S$
Tax expense comprises:		
Current tax		
— Singapore corporate income tax ("CIT")	1,061,589	1,189,447
Deferred tax expense *(Note 24)*	135,223	80,221
	1,196,812	1,269,668

Singapore CIT is calculated at 17% of the estimated assessable profit eligible for CIT rebate of 50%, capped at S$25,000 for the Year of Assessment 2017, and adjusted to 20%, capped at S$10,000 for the Year of Assessment 2018. Singapore incorporated companies can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$290,000 of normal chargeable income.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year Ended 31 March 2017 S$	2016 S$
Profit before taxation	5,885,382	6,887,783
Tax at applicable tax rate of 17%	1,000,515	1,170,923
Tax effect of expenses not deductible for tax purpose	556,905	233,873
Tax effect of income not taxable for tax purpose	(971)	(1,036)
Effect of tax concessions and partial tax exemptions	(359,637)	(134,092)
Taxation for the year	1,196,812	1,269,668

10 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year Ended 31 March 2017	2016
	S$	*S$*
Depreciation of property, plant and equipment *(Note a)*	860,748	578,736
Audit fees paid to auditors of the Company:		
— Annual audit fees	78,000	54,920
— Audit fees in connection with the listing of the Company *(Note c)*	118,934	—
Non-audit fees paid to auditors of the Company *(Note c)*:	150,000	—
Listing expenses *(Note c)*	2,860,452	48,900
Directors' remuneration *(Note 11)*	2,080,600	1,296,950
Other staff costs		
— Salaries and other benefits	7,277,304	4,930,588
— Contributions to CPF	368,883	257,438
Total staff costs *(Note b)*	9,726,787	6,484,976
Cost of materials recognised as cost of services	8,365,236	6,592,156
Subcontractor costs recognised as cost of services	16,183,527	17,210,416

Note:

a. Depreciation of S$463,037 (2016: S$268,772) are included in cost of services.

b. Staff costs of S$3,818,813 (2016: $2,682,043) are included in cost of services.

c. Included in listing expenses are audit and non-audit fees of S$118,934 and S$150,000 paid to auditors of the Company respectively, and non-audit fees of S$163,918 paid to other auditors of the Group.

Included in share issue expenses are audit fees of S$33,751 paid to the auditors of the Company, and non-audit fees of S$46,438 paid to other auditors of the Group.

Included in amount due to Controlling Shareholders are audit fees of S$11,915 paid to the auditors of the Company, and non-audit fees of S$16,394 paid to other auditors of the Group.

11 DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's emoluments

Mr. Chua Seng Hai and Mr. Lim Kai Hwee were appointed as executive directors of the Company on 18 May 2016 and 5 July 2016 respectively. Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong were appointed as independent non-executive directors of the Company on 5 January 2017.

The emoluments paid or payable to the directors and chief-executive of the Company (including emoluments for services as employee/directors of the group entities prior to becoming the directors of the Company) by entities comprising the Group are as follows:

Year ended 31 march 2017

	Fees *S$*	Discretionary bonus (Note c)	Salaries and allowances	Contributions to retirement benefit scheme (Note d) *S$*	Total *S$*
Executive Directors					
Mr. Chua Seng Hai *(Note a)*	—	1,092,000	360,000	13,260	1,465,260
Mr. Lim Kai Hwee *(Note b)*	—	364,000	234,000	17,340	615,340
Independent Non-Executive Directors					
Ms. Ng Peck Hoon	—	—	—	—	—
Mr. Toh Soo Bock, Bob	—	—	—	—	—
Mr. Sim Choon Hong	—	—	—	—	—
	—	1,456,000	594,000	30,600	2,080,600

Year ended 31 march 2016

	Fees S$	Discretionary bonus (Note c)	Salaries and allowances	Contributions to retirement benefit scheme (Note d) S$	Total S$
Executive Directors					
Mr. Chua Seng Hai *(Note a)*	—	639,500	234,000	14,880	888,380
Mr. Lim Kai Hwee *(Note b)*	—	213,100	179,660	15,810	408,570
	—	852,600	413,660	30,690	1,296,950

Note:

a. Mr. Chua Seng Hai acts as the chairman of the Company.

b. Mr. Lim Kai Hwee acts as chief executive of the Company and his emoluments disclosed above included those for services rendered by him as the chief executive.

c. The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

d. No other retirement benefits were paid to Mr. Chua Seng Hai and Mr. Lim Kai Hwee in respect of their respective other services in connection with the management of the affairs of the Company or its subsidiaries undertaking.

The emoluments shown above were for their services in connection with the management affairs of the Group.

None of the directors have waived any emoluments during the reporting period.

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, 2 (2016: 2) were directors of the Company during the year ended 31 March 2017 whose emoluments are included in the disclosures above. The emoluments of the remaining 3 (2016: 3) individuals were as follows:

	Year Ended 31 March	
	2017	**2016**
	S$	*S$*
Salaries and allowances	329,883	239,939
Discretionary bonus	355,814	114,000
Contributions to retirement benefits scheme	44,787	44,307
	730,484	398,246

Their emoluments were within the following bands presented in Hong Kong Dollars ("HK$"):

	Number of Employees	
	2017	**2016**
Emolument bands		
Nil to HK$1,000,000	—	3
HK$1,000,001 to HK$1,500,000	2	—
HK$1,500,001 to HK$2,000,000	1	—
	3	3

During both reporting periods, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

12 DIVIDENDS

During the year ended 31 March 2016, SH Integrated and DRC Engineering declared and paid dividends of S$2,025,000 and S$1,500,000 to Mr. Chua Seng Hai and Mdm. Bek Poi Kiang respectively, their then respective shareholders before the Group Reorganisation.

During the year ended 31 March 2017, SH Integrated and DRC Engineering declared and paid dividends of S$400,000 and S$1,100,000 to Mr. Chua Seng Hai and Mdm. Bek Poi Kiang respectively, their then respective shareholders before the Group Reorganisation.

No other dividend has been declared by the Company or group entities during the year or subsequent to the year end.

The rates of dividend and the number of shares ranking for dividends are not presented as such information are not meaningful.

13 EARNINGS PER SHARE

	Year ended 31 March 2017	2016
Profit attributable to the owners of the Company (S$)	4,688,570	5,618,115
Weighted average number of ordinary shares in issue	825,958,904	825,000,000
Basic and diluted earnings per share (S$ cents)	0.57	0.68

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company and the weighted average number of shares in issue. The number of shares for the purpose of basic earnings per share for the year ended 31 March 2016 is based on 825,000,000 shares, which were issued pursuant to the capitalisation issue as detailed in Note 25, and deemed to have been issued since 1 April 2015.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the years ended 31 March 2017 and 2016.

14 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery S$	Leasehold property S$	Computer and office equipment S$	Motor vehicles S$	Furniture and fittings S$	Leasehold improvements S$	Total S$
Cost:							
At 1 April 2015	—	7,150,000	170,676	1,022,840	46,652	167,960	8,558,128
Additions	307,300	—	151,738	1,620,738	4,295	45,383	2,129,454
Disposals/write-offs	—	—	—	(393,533)	—	—	(393,533)
At 31 March 2016	307,300	7,150,000	322,414	2,250,045	50,947	213,343	10,294,049
Additions	166,700	—	423,036	621,691	11,560	105,068	1,328,055
Disposals/write-offs	—	—	(37,912)	(113,322)	(22,241)	—	(173,475)
At 31 March 2017	474,000	7,150,000	707,538	2,758,414	40,266	318,411	11,448,629
Accumulated depreciation:							
At 1 April 2015	—	387,989	97,916	603,661	25,617	67,183	1,182,366
Charge for the year	49,033	166,281	49,786	268,770	4,063	40,803	578,736
Elimination on disposals/write-offs	—	—	—	(313,915)	—	—	(313,915)
At 31 March 2016	49,033	554,270	147,702	558,516	29,680	107,986	1,447,187
Charge for the year	74,508	166,279	69,665	498,937	3,438	47,921	860,748
Elimination on disposals/write-offs	—	—	(33,989)	(106,373)	(21,597)	—	(161,959)
At 31 March 2017	123,541	720,549	183,378	951,080	11,521	155,907	2,145,976
Carrying amount:							
At 31 March 2016	258,267	6,595,730	174,712	1,691,529	21,267	105,357	8,846,862
At 31 March 2017	350,459	6,429,451	524,160	1,807,334	28,745	162,504	9,302,653

As at 31 March 2017 and 2016, the leasehold property was pledged to a bank for a mortgage loan raised by the Group.

The above items of property, plant and equipment are depreciated on a straight-line basis at the following useful lives after taking into account the residual values:

Plant and machinery	5 years
Leasehold property	43 years
Computer and office equipment	5 years
Motor vehicles	5 years
Furniture and fittings	5 to 10 years
Leasehold improvement	Shorter of 5 years or over the lease terms

Included in the additions of motor vehicles during the year ended 31 March 2016 were additions amounting to S$37,000 acquired through trade-in of a retiring vehicle, constituting as a non-cash transaction during the year.

The carrying value of below items are assets held under finance leases:

	As at 31 March	
	2017	**2016**
	S$	*S$*
Motor vehicles	—	146,903

15 INVENTORIES

	As at 31 March	
	2017	**2016**
	S$	*S$*
Low value consumables	247,602	160,447

16 TRADE RECEIVABLES

	As at 31 March	
	2017	**2016**
	S$	*S$*
Trade receivables	7,434,275	5,719,208
Unbilled revenue *(Note a)*	1,133,939	2,188,298
Retention receivable *(Note b)*	29,999	76,408
	8,598,213	7,983,914

Note:

a. Unbilled revenue represents (i) the accrued revenue from Integrated Building Services for work performed but yet to bill; and (ii) the remaining balances of construction revenue to be billed for completed Building Construction Works which are entitled for billing.

b. Retention receivable represents retention monies withheld by customers of Building Construction Works, which are released after the completion of maintenance period of the relevant contracts, usually 12 months from the completion date, and are classified as current as they are expected to be received within the Group's normal operating cycle.

For majority of customers, invoices are issued upon completion of rendering services.

The Group grants credit terms to customers typically between 15 to 60 days (2016: 15 to 60 days) from the invoice date for trade receivables. The following is an analysis of trade receivables by age presented based on the invoice date as at the end of each reporting period:

	As at 31 March	
	2017	**2016**
	S$	*S$*
Within 90 days	6,297,804	5,154,201
91 days to 180 days	689,166	375,683
181 days to 365 days	347,433	100,146
Over 1 year but not more than 2 years	40,002	52,157
More than 2 years	59,870	37,021
	7,434,275	5,719,208

Before accepting any new customer, the Group assesses the potential customer's credit quality and defined credit limit to each customer on an individual basis. Limits attributed to customers are reviewed once a year.

In determining the recoverability of trade receivables, the management of the Group considers any change in the credit quality of the trade receivables from the initial recognition date to the end of the reporting period.

Included in the Group's trade receivables are carrying amounts of approximately S$1,908,170, which are past due at 31 March 2017 (2016: S$1,411,569), for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on repayment history of respective customer.

The following is an analysis of trade receivables by age, presented based on the due date at the end of each reporting period:

Receivables that are past due but not impaired

	As at 31 March	
	2017	**2016**
	S$	*S$*
Less than 90 days	1,102,252	1,117,429
91 days to 180 days	410,795	112,389
More than 180 days	395,123	181,751
	1,908,170	1,411,569

In the opinion of the management of the Group, the trade receivables at the end of each reporting period are of good credit quality which considering the high credibility of these customers, good track record with the Group and subsequent settlement, the management believes that no impairment allowance is necessary in respect of the remaining unsettled balances.

The Group does not hold any collateral over these balances.

17 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 March 2017	2016
	S$	*S$*
Deposits	200,600	72,335
Prepayments	169,693	121,050
Advances to staff	28,500	28,500
Goods and Service Tax ("GST") receivable	—	465,780
Deferred listing expenses	—	16,300
Income tax refund receivables	1,821	—
	400,614	703,965

18 AMOUNTS DUE FROM CUSTOMERS FOR CONSTRUCTION WORK

	As at 31 March 2017	2016
	S$	*S$*
Contract cost incurred plus recognised profits less recognised losses	2,289,317	51,659
Less: progress billings	(2,158,568)	(13,300)
	130,749	38,359
Analysed for reporting purposes as:		
Amounts due from customers for construction work	130,749	38,359

19 AMOUNTS DUE FROM (TO) RELATED COMPANIES/A DIRECTOR/CONTROLLING SHAREHOLDERS

A. Amounts due from related companies

	As at 31 March 2017	2016
	S$	*S$*
Trade related	11,263	17,564

Amounts due from related companies are trade related, unsecured, interest-free and with a credit period of 30 days from the invoice date. The following is an aged analysis of amounts due from related companies presented based on the invoice date at the end of the reporting period:

	As at 31 March 2017	2016
	S$	*S$*
Within 90 days	10,728	17,030
91 days to 180 days	535	—
181 days to 365 days	—	534
	11,263	17,564

B. Amounts due to related companies

	As at 31 March	
	2017	**2016**
	S$	*S$*
Trade related	—	221,928

Amounts due to related companies are trade related. The average credit period for provision of services is 30 days. The aging of trade related amounts due to related companies presented based on the invoice date at the end of the reporting period is as follows:

	As at 31 March	
	2017	**2016**
	S$	*S$*
Within 90 days	—	192,652
91 days to 180 days	—	22,946
181 days to 365 days	—	963
Over 1 year but not more than 2 years	—	5,367
	—	221,928

C. Amount due to a director

The balance as at 31 March 2016 is non-trade related, unsecured, non-interest bearing and without a fixed repayment term. The balance was fully repaid during the financial year ended 31 March 2017.

D. Amounts due to controlling shareholders

The balances as at 31 March 2017 are non-trade related, unsecured, non-interest bearing and without a fixed repayment term. The amounts represent the net proceeds from the sale of 75,000,000 sale shares by the Controlling Shareholders of the Company upon listing, and were repaid in April 2017.

20 PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	As at 31 March	
	2017	**2016**
	S$	*S$*
Pledged bank deposits *(Note a)*	1,886,863	224,889
Cash and bank balances *(Note b)*	43,418,665	14,675,108

Note:

a. Pledged bank deposits represent deposits placed to banks with an original maturity of 12 months for corresponding amounts of performance guarantees granted to the Group in favour of customers. The balances carry interest of 0.25% per annum at 31 March 2017 and 2016.

b. Other than time deposits with an original maturity of six months amounting to S$2,500,000 (2016: nil) which carry interest at 1.08% per annum as at 31 March 2017, and certain balances amounting to S$8,751,597 (2016: S$11,378,919) which carry interest at prevailing market rate of 0.1% per annum (2016: 0.1%) at 31 March 2017, the remaining balances do not carry interest.

Below is details of bank balances denominated in currency other than S$:

	As at 31 March	
	2017	**2016**
	S$	*S$*
United States Dollars ("US$")	—	37,373
HK$	30,107,947	—

21 TRADE AND OTHER PAYABLES

	As at 31 March	
	2017	**2016**
	S$	*S$*
Trade payables	6,310,519	4,983,609
Trade accruals	137,915	62,110
	6,448,434	5,045,719
Accrued operating expenses	636,845	435,599
Other payables		
GST payable	561,509	987,479
Payroll payables	599,000	—
Accrued listing expenses	946,356	—
Others	262,194	145,133
	9,454,338	6,613,930

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 March	
	2017	**2016**
	S$	*S$*
Within 90 days	5,232,567	4,555,356
91 to 180 days	675,433	184,186
181 days to 365 days	76,129	129,858
Over 1 year but not more than 2 years	259,646	91,064
Over 2 years	66,744	23,145
	6,310,519	4,983,609

The credit period on purchases from suppliers and subcontractors is between 14 to 90 days (2016: 14 to 90 days) or payable upon delivery.

22 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments as at 31 March		Present value of minimum lease payments as at 31 March	
	2017	**2016**	**2017**	**2016**
	S$	*S$*	*S$*	*S$*
Amounts payable under finance leases:				
Within one year	—	33,948	—	30,590
More than one year but not exceeding two years	—	33,948	—	30,590
More than two years but not exceeding five years	—	52,670	—	44,648
		120,566	—	105,828
Less: Future finance charges	—	(14,738)		
Present value of lease obligations	—	105,828		
Less: Amount due for settlement within 12 months (shown under current liabilities)			—	(30,590)
Amount due for settlement after one year			—	75,238

Interest rates underlying all obligations under finance leases were fixed at respective contract dates during the reporting period:

	As at 31 March	
	2017	**2016**
Interest rates	—	2.63%

The average lease term was 1 to 2 years. The Group's obligations under finance leases as at 31 March 2016 were secured by the lessor's charge over the leased assets (Note 14). The balances were fully repaid during the financial year ended 31 March 2017 due to early settlement.

23 BORROWINGS

	As at 31 March	
	2017	**2016**
	S$	*S$*
Bank loan — secured	3,336,668	3,575,000
Analysed as:		
Carrying amount repayable within one year	238,332	238,332
Carrying amount repayable more than one year, but not exceeding two years	3,098,336	238,332
Carrying amount repayable more than two years, but not exceeding five years	—	3,098,336
	3,336,668	3,575,000
Amount due within one year shown under current liabilities	(238,332)	(238,332)
Amount shown under non-current liabilities	3,098,336	3,336,668

The loan as at 31 March 2017 and 2016 was secured by the legal mortgage over the Group's leasehold property carrying fixed interest rates ranging from 1.98% to 5.10% per annum.

24 DEFERRED TAX LIABILITIES

	As at 31 March	
	2017	**2016**
	S$	*S$*
As at 1 April	109,832	29,611
Recognised in profit or loss during the year *(Note 9)*:		
Accelerated tax depreciation	135,223	80,221
As at 31 March	245,055	109,832

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore, as well as tax losses utilised in current year.

25 SHARE CAPITAL

For the purpose of presenting the share capital of the Group prior to the Group Reorganisation in the consolidated statement of financial position, the balance as at 1 April 2016 represented the share capital of the Singapore subsidiaries as the Company was incorporated in the Cayman Islands on 18 May 2016.

The Company was successfully listed on the Main Board of the Stock Exchange on 30 March 2017 by way of placing of 125,000,000 ordinary shares (including 75,000,000 sale shares and 50,000,000 new shares) and public offer of 125,000,000 new shares at the price of HK$0.70 per share ("Share Offer").

Authorised share capital of SHIS Limited: At date of incorporation on 18 May 2016

	Number of shares	**Par value**	**Share capital**
		HK$	*HK$*
Authorised share capital of SHIS Limited:			
At date of incorporation on 18 May 2016 *(Note a)*	38,000,000	0.01	380,000
Increase on 5 January 2017 *(Note b)*	4,962,000,000	0.01	49,620,000
At 31 March 2017	5,000,000,000	0.01	50,000,000

Issued and fully paid of SH Integrated Services, DRC Engineering and CSH Development:

	Number of shares	Share capital
		S$
Issued and fully paid of SH Integrated Services, DRC Engineering and CSH Development:		
At 1 April 2015	2,000,000	2,000,000
Issued on incorporation of CSH Development on 9 October 2015	100,000	100,000
At 31 March 2016	2,100,000	2,100,000
Issued and fully paid of SHIS Limited:		
At date of incorporation on 18 May 2016 *(Note a)*	1	—
Issue of shares pursuant to the reorganisation *(Note c)*	999	2
Issue of shares under the capitalisation issue *(Note d)*	824,999,000	1,483,758
Issue of shares under the Share Offer *(Note e)*	175,000,000	314,736
At 31 March 2017	1,000,000,000	1,798,496

Note:

a. On 18 May 2016, the Company was incorporated in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares of a single class of par value of HK$0.01 each, of which one share was allotted and issued in nil paid form to the initial subscriber, an independent third party and the said share was transferred to Mr. Chua Seng Hai on the same date for nil consideration.

b. Pursuant to the written resolutions passed on 5 January 2017, the Company increased its authorised share capital from HK$380,000 to HK$50,000,000 by the creation of an additional 4,962,000,000 shares.

c. On 29 December 2016, the following transactions occurred:

- Mr. Chua Seng Hai transferred the one nil paid share to Ruiheng Global at nil consideration;

- Mr. Chua Seng Hai transferred the entire issued share capital in SH Integrated to JinFeng Ventures, at the consideration of S$2, which was settled by the Company allotting and issuing 898 new Shares to Ruiheng Global at the direction of Mr. Chua Seng Hai, all credited as fully paid;

- Mdm. Bek Poi Kiang transferred the entire issued share capital in DRC Engineering to Innovative Plus, at the consideration of S$1, which was settled by the Company allotting and issuing 99 new Shares to Ruiheng Global at the direction of Mdm. Bek Poi Kiang, all credited as fully paid; and

- Mr. Chua Seng Hai and Mdm. Bek Poi Kiang transferred the entire issued share capital in CSH Development to Pine Vantage, at the consideration of S$1, which was settled by the Company allotting and issuing 2 new Shares to Ruiheng Global at the directions of Mr. Chua Seng Hai and Mdm. Bek Poi Kiang, all credited as fully paid.

d. Pursuant to written resolutions passed on 5 January 2017, conditional on the share premium account of the Company being credited as a result of the share offer, the directors of the Company were authorised to capitalise the amount of HK$8,249,990 (equivalent to approximately

S$1,483,758) from the amount standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par a total of 824,999,000 ordinary shares for allotment and issue to the Controlling Shareholders.

e. The Company successfully listed on the Main Board of the Stock Exchange on 30 March 2017 by way of placing of 125,000,000 ordinary shares (including 75,000,000 sale shares and 50,000,000 new shares) and public offer of 125,000,000 new shares at the price of HK$0.70 per share. The Company's share of net proceeds after deducting the underwriting commissions and estimated expenses paid or payable by the Company in relation to the Share Offer amounted to approximately HK$98.7 million (S$17.7 million).

26 OPERATING LEASE COMMITMENTS

The Group as lessee	**Year ended 31 March**	
	2017	**2016**
	S$	**S$**
Minimum lease payments paid during the year under operating lease in respect of staff dormitories and office	299,549	180,257

Future minimum rental payable under non-cancellable leases as at the end of reporting period are as follows:

	Year Ended 31 March	
	2017	**2016**
	S$	*S$*
Within 1 year	320,531	95,760
After 1 year but within 5 years	95,976	24,720
	416,507	120,480

The leases have tenures ranging from two months to two years (2016: one year to three years) and no contingent rent provision included in the contracts. There is no restriction placed upon the Group by entering into these leases.

27 RETIREMENT BENEFIT PLAN

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the CPF scheme. From 1 April 2015 to 31 December 2016, the Group contributes up to 17% of the eligible employees' salaries to the CPF scheme, with each employee's qualifying salary capped at S$5,000 per month. From 1 January 2016 onwards, the Group's contribution rates of the eligible employees' salaries remain the same, with each employee's qualifying salary capped at S$6,000 per month.

The total costs charged to profit or loss amounting to S$399,483 for the year ended 31 March 2017 (2016: S$288,128) represent contributions paid to the retirement benefits scheme by the Group.

As at 31 March 2017, contributions of S$51,715 (2016: S$44,852) were due respectively but had not been paid to the CPF. The amounts were paid subsequent to the end of the respective years.

28 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these consolidated financial statements. Related companies refer to entities in which a director of the Group and his spouse have beneficial interest in.

Apart from disclosure elsewhere in the consolidated financial statements, the Group entered into the following transactions with related companies:

	Year Ended 31 March	
	2017	**2016**
	S$	*S$*
Sales of services to related companies	73,529	47,887
Purchase of materials and subcontracting work from related companies	45,300	1,477,485

Guaranteed from controlling shareholders

The Controlling Shareholders provided personal guarantees in respect of performance guarantees and security bonds for foreign workers in favour of the Group during the year, of which S$2,846,893 remained outstanding as at 31 March 2017 (2016: S$4,000,287).

Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	Year Ended 31 March	
	2017	**2016**
	S$	*S$*
Short term benefits	2,887,607	1,676,875
Post-employment benefits	96,463	71,360
Total compensation	2,984,070	1,748,235

29 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 31 March 2017 are set out below.

Name	Place of incorporation/ operation	Paid up issued capital	Group's effective interest	Held by the Company	Principal activities
Jinfeng Ventures	BVI	US$1	100%	100%	Investment holding
Innovative Plus	BVI	US$1	100%	100%	Investment holding
Pine Vantage	BVI	US$1	100%	100%	Investment holding
SH Integrated	Singapore	S$1,500,000	100%	—	General contractors (building services with a focus on maintenance and/or installations of mechanical systems including repairs and renovation services and construction works)
DRC Engineering	Singapore	S$500,000	100%	—	General contractors (building services with a focus on maintenance and/or installations of mechanical systems including repairs and renovation services and construction works)
CSH Development	Singapore	S$100,000	100%	—	Property investment

None of the subsidiaries had issued any debt securities at the end of the year.

30 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	As at 31 March 2017 *S$*
ASSETS AND LIABILITIES	
Non-current asset	
Investment in subsidiaries	7
Current assets	
Prepayments	32,193
Bank balances and cash	30,107,947
	30,140,140
Current liabilities	
Other payables	431,754
Amounts due to subsidiaries	3,111,118
Amounts due to Controlling Shareholders	8,929,635
	12,472,507
Net current assets	17,667,633
Total assets less current liabilities, representing net assets	17,667,640
EQUITY	
Capital and reserves	
Share capital	1,798,496
Reserves	15,869,144
Equity attributable to owners of the Company	17,667,640

A summary of the Company's reserves is as follows:

	Share premium	Accumulated deficit	Total
	S$	*S$*	*S$*
At 18 May 2016 (date of incorporation)	—	—	—
Total comprehensive loss for the year:			
Loss for the year	—	(2,990,108)	(2,990,108)
Transactions with owner, recognised directly in equity:			
Issue of shares pursuant to the reorganisation	2	—	2
Issue of shares under the capitalisation issue	(1,483,758)	—	(1,483,758)
Issue of shares under the Share Offer	21,716,845	—	21,716,845
Share issue expenses	(1,373,837)	—	(1,373,837)
Total	18,859,252	—	18,859,252
At 31 March 2017	18,859,252	(2,990,108)	15,869,144

31 CAPITAL RISKS MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of debt, which includes borrowings as disclosed in Note 23, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves.

The management of the Group reviews the capital structure from time to time. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

32 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	As at 31 March	
	2017	**2016**
	S$	*S$*
Financial assets		
— Loans and receivables		
Trade receivables	8,598,213	7,983,914
Other receivables and deposits	229,100	100,835
Amounts due from related companies	11,263	17,564
Pledged bank deposits	1,886,863	224,889
Bank balances and cash	43,418,665	14,675,108
Total	54,144,104	23,002,310
Financial liabilities		
— Amortised cost		
Trade and other payables	8,892,829	5,626,451
Amounts due to related companies	—	221,928
Amount due to a director	—	3,800,000
Amounts due to Controlling Shareholders	8,929,635	—
Borrowings	3,336,668	3,575,000
Total	21,159,132	13,223,379

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amounts due from/to related companies, pledged bank deposits, bank balances and cash, trade and other payables, amount due to a director, amounts due to Controlling Shareholders and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on some bank balances. The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings and fixed interest on pledged bank deposits and time deposits. It is the Group's policy to maintain an appropriate level between its fixed-rate and variable-rate borrowings so as to minimise the fair value and cash flow interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The following sensitivity analysis represents management's assessment of the reasonably possible change in interest rates.

Variable-rate bank balances

If interest rate of variable-rate bank balances had been 10 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2017 would increase/decrease by approximately S$8,752 (2016: S$11,379).

(b) Currency risk

Certain bank balances are denominated in HK$ and US$ (Note 20).

Assuming that all other variables remain constant at year end, a 10% depreciation/appreciation of the S$ against HK$ would result in an increase/decrease in the Group's profit for the year of approximately S$3,010,795 for the year ended 31 March 2017 (2016: nil).

Assuming that all other variables remain constant at year end, a 10% depreciation/appreciation of the S$ against US$ would result in an increase/decrease in the Group's profit for the year of approximately nil for the year ended 31 March 2017 (2016: S$3,737).

In the management's opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

The Group monitors foreign currency exposure and will consider hedging significant currency exposure should the need arise.

(c) Credit risk

Included in financial assets as at 31 March 2017 as a component of bank balances and cash is S$30,107,947, partially placed in a bank in Hong Kong and partially held by sole bookrunner, sole lead manager and underwriter to the Share Offer on behalf of the Group. The remaining bank deposits and balances are placed in 4 banks (2016: 4) in Singapore. All these counterparties have been assessed by management to be financially sound.

Other than the concentration of credit risk of bank balances and cash in Hong Kong, the Group's concentration of credit risk by geographical locations is mainly in Singapore, which accounted for 44% of the total financial assets as at 31 March 2017 (2016: 100%).

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt, including trade receivable and amounts due from related companies of trade nature, at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

Approximately 71% of total trade receivables outstanding at 31 March 2017 (2016: 70%) were due from top 5 customers which exposed the Group to concentration of credit risk.

Those five largest customers are with good creditworthiness based on historical settlement record. In order to minimise the concentration of credit risk, the management has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made for irrecoverable amount. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

Other than concentration of credit risk on bank deposits and balances and on trade receivables from top 5 customers as disclosed above, the Group has no other significant concentration of credit risk on other receivables, with exposure spread over a number of counterparties.

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows, where applicable.

	Interest rate per annum	On demand or within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
	%	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
As at 31 March 2017								
Non-interest bearing instruments								
Trade and other payables	–	8,892,829	–	–	–	–	8,892,829	8,892,829
Amounts due to Controlling shareholders	–	8,929,635	–	–	–	–	8,929,635	8,929,635
Fixed interest bearing instruments								
Borrowings	1.98	78,437	78,303	155,184	3,250,796	–	3,562,720	3,336,668
Total		17,900,901	78,303	155,184	3,250,796	–	21,385,184	21,159,132
As at 31 March 2016								
Non-interest bearing instruments								
Trade and other payables	–	5,626,451	–	–	–	–	5,626,451	5,626,451
Amounts due to related companies	–	221,928	–	–	–	–	221,928	221,928
Amount due to a director	–	3,800,000	–	–	–	–	3,800,000	3,800,000
Fixed interest bearing instruments								
Obligations under finance leases	2.63	8,487	8,487	16,974	86,618	–	120,566	105,828
Borrowings	2.19	77,133	77,029	152,798	3,569,027	–	3,875,987	3,575,000
Total		9,733,999	85,516	169,772	3,655,645	–	13,644,932	13,329,207

Non-derivative financial assets

All financial assets of the Group as at 31 March 2017 and 2016 are non-interest bearing and repayable on demand or due within one year, except for bank deposits and time deposits as disclosed in Note 20.

(e) Fair value

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The Group had no financial assets or financial liabilities carried at fair value in 2017 and 2016.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

33 SUBSEQUENT EVENTS

On 20 April 2017, the Company announced full exercise of the over-allotment option described in the Prospectus dated 20 March 2017, resulting in a further issue of 37,500,000 additional shares. The Company's share of additional net proceeds after deducting the underwriting commissions and estimated expenses paid or payable by the Company in relation to the exercise of over-allotment option amounted to approximately HK$25.5 million (approximately S$4.6 million).

3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

The following is the full text of the unaudited consolidated financial information of the Group for the six months ended 30 September 2017 as extracted from the Company's interim report for the six months ended 30 September 2017. Capitalised terms used in this section shall have the same meanings as those defined in such interim report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

		Six months ended 30 September	
		2017	**2016**
	Notes	*S$*	*S$*
		(Unaudited)	(Audited)
Revenue	*4*	25,212,890	18,822,449
Costs of services		(17,936,568)	(11,497,306)
Gross profit		7,276,322	7,325,143
Other income	*5a*	135,832	174,800
Other gains and losses	*5b*	(826,151)	1,144
Other expenses	*5c*	—	(1,492,484)
Selling expenses		(64,936)	(72,806)
Administrative expenses		(4,195,414)	(2,993,410)
Finance costs	*6*	(46,522)	(36,873)
Profit before taxation		2,279,131	2,905,514
Income tax expense	*7*	(427,498)	(639,424)
Profit and other comprehensive income for the period	*8*	1,851,633	2,266,090
Basic and diluted earnings per share (S$ cents)	*10*	0.18	0.27

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2017

	Note	Six months ended 30 September 2017 S$ (Unaudited)	2016 S$ (Audited)
ASSETS AND LIABILITIES			
Non-current asset			
Property, plant and equipment	*11*	9,228,206	9,302,653
Current assets			
Inventories	*12*	235,958	247,602
Trade receivables	*13*	9,112,336	8,598,213
Other receivables, deposits and prepayments	*14*	1,028,230	400,614
Amounts due from customers for construction work	*15*	214,279	130,749
Amounts due from related companies	*16a*	91,700	11,263
Pledged bank deposits	*17*	1,967,750	1,886,863
Bank balances and cash	*17*	36,062,625	43,418,665
		48,712,878	54,693,969
Current liabilities			
Trade and other payables	*18*	6,182,812	9,454,338
Amounts due to controlling shareholders	*16b*	—	8,929,635
Borrowings	*19*	238,332	238,332
Income tax payable		1,422,136	1,586,804
		7,843,280	20,209,109
Net current assets		40,869,598	34,484,860
Total assets less current liabilities		50,097,804	43,787,513
Non-current liabilities			
Borrowings	*19*	2,979,170	3,098,336
Deferred tax liabilities		245,055	245,055
		3,224,225	3,343,391
Net assets		46,873,579	40,444,122
EQUITY			
Capital and reserves			
Share capital	*20*	1,865,922	1,798,496
Reserves		45,007,657	38,645,626
Equity attributable to owners of the Company		46,873,579	40,444,122

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Share capital	Share premium	Merger reserve	Accumulated profits	Total
	S$	*S$*	*S$*	*S$*	*S$*
		(Note A)	*(Note B)*		
At 1 April 2016	2,100,000	—	—	14,497,808	16,597,808
Total comprehensive income for the period	—	—	—	2,266,090	2,266,090
Transactions with owners, recognised directly in equity:					
Dividends	—	—	—	(1,500,000)	(1,500,000)
At 30 September 2016 (audited)	2,100,000	—		15,263,898	17,363,898
At 1 April 2017	1,798,496	18,859,252	2,099,996	17,686,378	40,444,122
Total comprehensive income for the period	—	—	—	1,851,633	1,851,633
Transactions with owners, recognised directly in equity:					
Issue of shares under the over-allotment option	67,426	4,652,355	—	—	4,719,781
Share issue expenses	—	(141,957)	—	—	(141,957)
At 30 September 2017 (unaudited)	1,865,922	23,369,650	2,099,996	19,538,011	46,873,579

Note:

(A) Share premium represents the excess of share issue over the par value.

(B) Merger reserve represents the difference between the cost of the acquisition for the reorganisation and the value of share capital of the entities acquired.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 September 2017

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
Operating activities		
Profit before taxation	2,279,131	2,905,514
Adjustments for:		
Depreciation of property, plant and equipment	509,424	401,012
Loss (gain) on disposal of property, plant and equipment	14,416	(5,710)
Written off property, plant and equipment	4,301	4,566
Finance costs	46,522	36,873
Interest income	(33,867)	(5,592)
Unrealised foreign exchange loss	874,930	—
Operating cash flow before working capital changes	3,694,857	3,336,663
Movements in working capital:		
Increase in trade receivables	(514,123)	(899,893)
(Increase) decrease in other receivables, deposits and prepayments	(603,702)	373,917
Increase in amounts due from customers for construction work	(83,530)	(239,991)
(Increase) decrease in amounts due from related companies	(80,437)	5,553
Decrease (increase) in inventories	11,644	(50,208)
Decrease in trade and other payables	(3,032,346)	(827,858)
Decrease in amounts due to related companies	—	(221,928)
Cash (used in) generated from operations	(607,637)	1,476,255
Income tax paid	(601,927)	(499,864)
Net cash (used in) from operating activities	(1,209,564)	976,391

	Six months ended 30 September 2017	
	2017	2016
	S$	*S$*
	(Unaudited)	(Audited)
Investing activities		
Purchase of property, plant and equipment	(539,021)	(438,612)
Proceeds from disposal of property, plant and equipment	85,327	5,710
Placement of pledged bank deposits	(80,887)	(1,166,823)
Interest received	19,714	5,592
Payment to Controlling Shareholders in respect of vendor sale shares	(8,929,635)	—
Listing expenses paid on behalf of Controlling Shareholders	(62,395)	(117,758)
Net cash used in investing activities	(9,506,897)	(1,711,891)
Financing activities		
Repayment of borrowings	(119,166)	(119,166)
Repayment of hire purchases	—	(15,001)
Interests paid	(46,522)	(36,873)
Proceeds from issue of shares	4,719,781	—
Listing expenses paid	(318,742)	(238,685)
Repayment of advance from a director	—	(3,800,000)
Dividends paid	—	(1,500,000)
Net cash from (used in) financing activities	4,235,351	(5,709,725)
Net decrease in cash and cash equivalents	(6,481,110)	(6,445,225)
Cash and cash equivalents at beginning of the period	43,418,665	14,675,108
Effect of exchange rate fluctuations on cash held	(874,930)	—
Cash and cash equivalents at end of the period, represented by bank balances and cash	36,062,625	8,229,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 18 May 2016. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is at 18 Kaki Bukit Place, Eunos Techpark, Singapore 416196.

The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services, with a focus on maintenance and/or installations of mechanical and electrical systems and including minor repairs and improvement works, and undertaking building and construction works in Singapore.

The Company was listed on the Main Board of the Stock Exchange on 30 March 2017.

The functional currency of the Group is Singapore dollars (''**S$**''), which is also the presentation currency of the Group.

The unaudited consolidated financial statements for the six months ended 30 September 2017 were approved by the Board of the Company on 27 November 2017.

2. BASIS OF PREPARATION AND GROUP REORGANISATION

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (''IFRSs'') issued by the International Accounting Standards Board (the ''IASB''). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the ''Listing Rules'') and by the Hong Kong Companies Ordinance.

In connection with the listing of the shares of the Company on the Main Board of Stock Exchange, the Company underwent a reorganisation as set out in the section headed ''History, Reorganisation and Corporate Structure'' to the Prospectus of the Company dated 20 March 2017 (the ''Prospectus'') which was completed on 29 December 2016, the Company became the holding company of its subsidiaries now comprising the Group.

The Group resulting from the reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the Group structure upon the completion of the reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

On 1 April 2017, the Group had adopted all the new and revised IFRS, amendments and interpretations that are effective from that date and are relevant to its operations. The adoption of these new/revised IFRS, amendments and interpretations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for current or prior period.

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle[1]
IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers[2]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[2]
IFRIC 23	Uncertainty over Income Tax Treatments[3]
IFRS 16	Leases[3]

1 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate, with early application permitted.

2 Effective for annual periods beginning on or after 1 January 2018, with early application permitted.

3 Effective for annual periods beginning on or after 1 January 2019, with early application permitted.

Except for the possibility that the application of IFRS 9, IFRS 15 and IFRS 16 in the future may result in more disclosures in the consolidated financial statements of the Group, the management of the Group considers that the application of the other new and revised standards and amendments is unlikely to have a material impact on the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from (i) providing integrated building services, with a focus on maintenance and installations of mechanical and electrical (M&E) systems and including minor repairs and improvement works (“Integrated Building Services”) and, (ii) undertaking building and construction works (“Building Construction Works”) by the Group to external customers. The Group’s operations is solely derived from provision of Integrated Building Services and Building Construction Works in Singapore.

Information is reported to the Executive Directors, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, i.e. “Integrated Building Services” and “Building Construction Works” for the Review Period. Entity-wide disclosures on services, major customers and geographical information are presented in accordance with *IFRS 8 Operating Segments*.

An analysis of the Group’s revenue is as follows:

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
Revenue from:		
Integrated Building Services	20,209,487	18,432,719
Building Construction Works	5,003,403	389,730
	25,212,890	18,822,449

Information about the major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
Customer I	7,471,980	8,137,244
Customer II	3,645,934	N/A*
Customer III	2,668,093	1,945,062

* *Revenue did not contribute over 10% of the total revenue of the Group.*

Geographical information

The Group principally operates in Singapore. All revenue are derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

5. A. OTHER INCOME

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
Interest income	33,867	5,592
Government grants	89,729	150,896
Others	12,236	18,312
	135,832	174,800

B. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
(Loss)/gain arising on disposal of property, plant and equipment	(14,416)	5,710
Written off property, plant and equipment	(4,301)	(4,566)
Foreign exchange loss, net *(Note)*	(807,434)	—
	(826,151)	1,144

Note: The net foreign exchange loss is mainly arising from the translation of the listing proceeds, which were retained in Hong Kong dollars, to Singapore dollars.

C. OTHER EXPENSES

	Six months ended 30 September 2017	2016
	S$	*S$*
	(Unaudited)	(Audited)
Listing expenses	—	1,492,484

6. FINANCE COSTS

	Six months ended 30 September 2017	2016
	S$	*S$*
	(Unaudited)	(Audited)
Interests on:		
Bank borrowings	46,522	34,901
Obligations under finance leases	—	1,972
	46,522	36,873

7. INCOME TAX EXPENSE

Singapore corporate income tax has been provided at the rate of 17% (30 September 2016: 17%) on the estimated assessable profits arising in or derived from Singapore.

	Six months ended 30 September 2017	2016
	S$	*S$*
	(Unaudited)	(Audited)
Tax expense comprises:		
Current income tax		
— Singapore corporate income tax	427,498	596,899
Deferred tax expense	—	42,525
	427,498	639,424

8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 September 2017	2016
	S$	*S$*
	(Unaudited)	(Audited)
Depreciation of property, plant and equipment	509,424	401,012
Staff costs (including directors' remuneration)		
— Salaries and other benefits	3,629,815	2,968,019
— Contributions to CPF	145,376	128,479
Total staff costs	3,775,191	3,096,498
Cost of materials	4,775,269	4,246,151
Subcontractor costs	10,818,910	5,389,216

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2017. No dividend has been declared or paid by the Company since its date of incorporation.

During the period ended 30 September 2016, SH Integrated Services Pte. Ltd. and DRC Engineering Pte. Ltd. declared and paid dividends of S$400,000 and S$1,100,000 respectively to their then respective shareholders before Reorganisation (as defined in the Prospectus).

The rates of dividend and the number of shares ranking for dividends are not presented as such information are not meaningful having regard to the purpose of these consolidated financial statements.

10. EARNINGS PER SHARE

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
Profit attributable to the owners of the Company (S$)	1,851,633	2,266,090
Weighted average number of ordinary shares in issue	1,033,606,557	825,000,000
Basic and diluted earnings per share (S$ cents)	0.18	0.27

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of shares in issue. The number of shares for the purpose of basic earnings per share for the period ended 30 September 2016 is based on 825,000,000 shares, which were issued pursuant to the capitalisation issue as detailed in note 20, and deemed to have been issued since 1 April 2016.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the periods ended 30 September 2017 and 2016.

11. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery S$	Leasehold property S$	Computer and office equipment S$	Motor vehicles S$	Furniture and fittings S$	Leasehold improvements S$	Total S$
Cost:							
At 1 April 2016	307,300	7,150,000	322,414	2,250,045	50,947	213,343	10,294,049
Additions	166,700	—	423,036	621,691	11,560	105,068	1,328,055
Disposals/write-offs	—	—	(37,912)	(113,322)	(22,241)	—	(173,475)
At 31 March 2017 (audited)	474,000	7,150,000	707,538	2,758,414	40,266	318,411	11,448,629
Additions	2,500	—	39,037	490,280	—	7,204	539,021
Disposals/write-offs	—	—	(24,825)	(307,788)	—	—	(332,613)
At 30 September 2017 (unaudited)	476,500	7,150,000	721,750	2,940,906	40,266	325,615	11,655,037
Accumulated depreciation:							
At 1 April 2016	49,033	554,270	147,702	558,516	29,680	107,986	1,447,187
Charge for the year	74,508	166,279	69,665	498,937	3,438	47,921	860,748
Elimination on disposals/write-offs	—	—	(33,989)	(106,373)	(21,597)	—	(161,959)
At 31 March 2017 (audited)	123,541	720,549	183,378	951,080	11,521	155,907	2,145,976
Charge for the period	47,650	83,140	53,360	290,940	2,013	32,321	509,424
Elimination on disposals/write-offs	—	—	(8,173)	(220,396)	—	—	(228,569)
At 30 September 2017 (unaudited)	171,191	803,689	228,565	1,021,624	13,534	188,228	2,426,831
Carrying amount:							
At 31 March 2017 (audited)	350,459	6,429,451	524,160	1,807,334	28,745	162,504	9,302,653
At 30 September 2017 (unaudited)	305,309	6,346,311	493,185	1,919,282	26,732	137,387	9,228,206

12. INVENTORIES

	30 September 2017 S$ (Unaudited)	**31 March 2017** S$ (Audited)
Low value consumables	235,958	247,602

13. TRADE RECEIVABLES

	30 September 2017 S$ (Unaudited)	**31 March 2017** S$ (Audited)
Trade receivables	7,744,689	7,434,275
Unbilled revenue	1,352,647	1,133,939
Retention receivable	15,000	29,999
	9,112,336	8,598,213

Unbilled revenue represents (i) the accrued revenue from Integrated Building Services for work performed but yet to be billed; and (ii) the remaining balances of construction revenue to be billed for completed Building Construction Works contracts which are entitled for billing.

Retention receivable represents retention monies withheld by customers of Building Construction Works, which are released after the completion of maintenance period of the relevant contracts, and are classified as current as they are expected to be received within the Group's normal operating cycle.

The Group grants credit terms to customers typically between 15 and 60 days from the invoice date for trade receivables. The following is an analysis of trade receivables by age presented based on the invoice date at the end of each reporting period:

	30 September 2017 *S$* (Unaudited)	31 March 2017 *S$* (Audited)
Within 90 days	7,353,200	6,297,804
91 days to 180 days	178,468	689,166
181 days to 365 days	122,441	347,433
Over 1 year but not more than 2 years	27,605	40,002
More than 2 years	62,975	59,870
	7,744,689	7,434,275

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2017 *S$* (Unaudited)	31 March 2017 *S$* (Audited)
Deposits	212,515	200,600
Prepayments	761,480	169,693
Advances to staff	28,500	28,500
Accrued interest income	14,153	—
Income tax refund receivables	11,582	1,821
	1,028,230	400,614

15. AMOUNTS DUE FROM CUSTOMERS FOR CONSTRUCTION WORK

	30 September 2017 *S$* (Unaudited)	31 March 2017 *S$* (Audited)
Contract costs incurred plus recognised profits less recognised losses	5,979,527	2,289,317
Less: progress billings	(5,765,248)	(2,158,568)
	214,279	130,749
Analysed for reporting purposes as:		
Amounts due from customers for construction work	214,279	130,749

16. AMOUNTS DUE FROM (TO) RELATED PARTIES

A. Amounts due from related companies

	30 September 2017 S$ (Unaudited)	31 March 2017 S$ (Audited)
Trade related	91,700	11,263

Amounts due from related companies are trade related, unsecured, interest-free and with a credit period of 30 days from the invoice date. The following is an aged analysis of trade related amounts due from related companies presented based on the invoice date at the end of the reporting period:

	30 September 2017 S$ (Unaudited)	31 March 2017 S$ (Audited)
Within 90 days	91,700	10,728
91 days to 180 days	—	535
	91,700	11,263

B. Amounts due to controlling shareholders

The balances as at 31 March 2017 were non-trade related, unsecured, non-interest bearing and without a fixed repayment term. The amounts represent the net proceeds from the sale of 75,000,000 sale shares by the controlling shareholders of the Company upon Listing, and were fully repaid in April 2017.

17. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	30 September 2017 S$ (Unaudited)	31 March 2017 S$ (Audited)
Pledged bank deposits	1,967,750	1,886,863
Cash and bank balances	36,062,625	43,418,665

Pledged bank deposits represent deposits placed to banks for corresponding amounts of performance guarantees granted to the Group in favour of customers. The balances carry interest of 0.25% per annum at 30 September and 31 March 2017.

In the Group's cash and bank balances, other than time deposits amounting to S$15,561,725 (31 March 2017: S$2,500,000) which carry interest at range of 1.00% to 1.18% per annum (31 March 2017: 1.08%) as at 30 September 2017, and certain balances amounting to S$5,539,530 (31 March 2017: S$8,751,597) which carry interest at prevailing market rate of 0.1% per annum (31 March 2017: 0.1%) at 30 September 2017, the remaining balances do not carry interest.

18. TRADE AND OTHER PAYABLES

	30 September 2017	31 March 2017
	S$	*S$*
	(Unaudited)	(Audited)
Trade payables	4,999,559	6,310,519
Trade accruals	107,708	137,915
	5,107,267	6,448,434
Accrued operating expenses	530,052	636,845
Other payables		
GST payable	475,414	561,509
Payroll payables	—	599,000
Accrued listing expenses	—	946,356
Others	70,079	262,194
	6,182,812	9,454,338

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 September 2017	31 March 2017
	S$	*S$*
	(Unaudited)	(Audited)
Within 90 days	4,034,391	5,232,567
91 days to 180 days	449,426	675,433
181 days to 365 days	384,019	76,129
Over 1 year but not more than 2 years	62,494	259,646
Over 2 years	69,229	66,744
	4,999,559	6,310,519

The credit period on purchases from suppliers and subcontractors is between 14 to 90 days or payable upon delivery.

19. BORROWINGS

	30 September 2017	31 March 2017
	S$	*S$*
	(Unaudited)	(Audited)
Bank loan — secured	3,217,502	3,336,668
Analysed as:		
Amount due within one year shown under current liabilities	238,332	238,332
Amounts shown under non-current liabilities	2,979,170	3,098,336
	3,217,502	3,336,668

20. SHARE CAPITAL

The Company was successfully listed on the Main Board of the Stock Exchange on 30 March 2017 by way of placing of 125,000,000 ordinary shares (including 75,000,000 sale shares and 50,000,000 new shares) and public offer of 125,000,000 new shares at the price of HK$0.70 per share ("Share Offer").

	Number of shares	Par value	Share capital
		HK$	*HK$*
Authorised share capital:			
At date of incorporation on 18 May 2016 *(Note a)*	38,000,000	0.01	380,000
Increase on 5 January 2017 *(Note b)*	4,962,000,000	0.01	49,620,000
At 31 March 2017 (audited) and 30 September 2017 (unaudited)	5,000,000,000	0.01	50,000,000

	Number of shares	Share capital
		HK$
Issued and fully paid:		
At date of incorporation on 18 May 2016 *(Note a)*	1	—
Issue of shares pursuant to the reorganisation *(Note c)*	999	2
Issue of shares under the capitalisation issue *(Note d)*	824,999,000	1,483,758
Issue of shares under the Share Offer *(Note e)*	175,000,000	314,736
At 31 March 2017 (audited)	1,000,000,000	1,798,496
Issue of shares under the over-allotment option *(Note f)*	37,500,000	67,426
At 30 September 2017 (unaudited)	1,037,500,000	1,865,922

Note:

a. On 18 May 2016, the Company was incorporated in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares of a single class of par value of HK$0.01 each, of which one share was allotted and issued in nil paid form to the initial subscriber, an independent third party and the said share was transferred to Mr. Chua Seng Hai on the same date for nil consideration.

b. Pursuant to the written resolutions passed on 5 January 2017, the Company increased its authorised share capital from HK$380,000 to HK$50,000,000 by the creation of an additional 4,962,000,000 shares.

c. On 29 December 2016, the following transactions occurred:

- Mr. Chua Seng Hai transferred the one nil paid share to Ruiheng Global Investments Limited at nil consideration;

- Mr. Chua Seng Hai transferred the entire issued share capital in SH Integrated Services Pte. Ltd. to JinFeng Ventures Limited, at the consideration of S$2, which was settled by the Company allotting and issuing 898 new shares to Ruiheng Global Investments Limited at the direction of Mr. Chua Seng Hai, all credited as fully paid;

- Mdm. Bek Poi Kiang transferred the entire issued share capital in DRC Engineering Pte. Ltd. to Innovative Plus Investments Limited, at the consideration of S$1, which was settled by the Company allotting and issuing 99 new shares to Ruiheng Global Investments Limited at the direction of Mdm. Bek Poi Kiang, all credited as fully paid; and

- Mr. Chua Seng Hai and Mdm. Bek Poi Kiang transferred the entire issued share capital in CSH Development Pte. Ltd. to Pine Vantage Limited, at the consideration of S$1, which was settled by the Company allotting and issuing 2 new shares to Ruiheng Global Investments Limited at the directions of Mr. Chua Seng Hai and Mdm. Bek Poi Kiang, all credited as fully paid.

d. Pursuant to written resolutions passed on 5 January 2017, conditional on the share premium account of the Company being credited as a result of the Share Offer, the directors of the Company were authorised to capitalise the amount of HK$8,249,990 (equivalent to approximately S$1,483,758) from the amount standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par a total of 824,999,000 ordinary shares for allotment and issue to the controlling shareholders of the Company.

e. The Company was successfully listed on the Main Board of the Stock Exchange on 30 March 2017 by way of placing of 125,000,000 ordinary shares (including 75,000,000 sale shares and 50,000,000 new shares) and public offer of 125,000,000 new shares at the price of HK$0.70 per share. The Company's share of net proceeds after deducting the underwriting commissions and expenses paid or payable by the Company in relation to the Share Offer amounted to approximately HK$98.7 million (approximately S$17.7 million).

f. On 20 April 2017, China Prospect Securities Limited, the sole lead manager, fully exercised the Over-allotment Option (as defined in the Prospectus) in respect of 37,500,000 additional shares (''Over-allotment Shares''), representing approximately 15% of the total number of offer shares initially available under the Share Offer before any exercise of the Over-allotment Option, at the offer price of HK$0.70 per share to facilitate the return of the 37,500,000 shares borrowed by China Prospect Securities Limited, the stabilising manager, from Ruiheng Global Investments Limited under the stock borrowing agreement, which were used to cover the over-allocations in the placing.

21. OPERATING LEASE COMMITMENTS

The Group as lessee	**Six months ended 30 September**	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
Minimum lease payments paid during the period under operating lease in respect of staff dormitories	197,753	124,608

Future minimum rental payable under non-cancellable leases as at the end of reporting period are as follows:

	As at 30 September 2017	**As at 31 March 2017**
	S$	S$
	(Unaudited)	(Audited)
Within 1 year	270,888	320,531
After 1 year but within 5 years	56,483	95,976
	327,371	416,507

The leases have tenures ranging from two months to two years (31 March 2017: two months to two years) and no contingent rent provision included in the contracts. There is no restriction placed upon the Group by entering into these leases.

22. RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these consolidated financial statements. Related companies refer to entities in which a director of the Group and his spouse have beneficial interest in.

Apart from disclosure elsewhere in the consolidated financial statements, the Group entered into the following transactions with related companies:

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
Sales of services to related companies	129,875	53,400
Purchase of materials and subcontracting work from related companies	—	45,300

Guaranteed from controlling shareholders

The Controlling Shareholders provided personal guarantees in respect of performance guarantees and security bonds for foreign workers in favour of the Group during the period, of which S$1,180,092 remained outstanding as at 30 September 2017 (31 March 2017: S$2,846,893). The personal guarantees provided by the Controlling Shareholders will be released and replaced by corporate guarantees.

Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 September	
	2017	**2016**
	S$	*S$*
	(Unaudited)	(Audited)
Short term benefits	526,280	507,447
Post-employment benefits	32,879	30,224
Total compensation	559,159	537,671

23. APPROVAL OF THE INTERIM REPORT

The unaudited consolidated interim financial statements for the six months ended 30 September 2017 were approved and authorised for issue by the board of Directors on 27 November 2017.

4. INDEBTEDNESS STATEMENT

At the close of business on 31 March 2018, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had the following outstanding indebtedness:

	S$'
Non-current liabilities:	
Borrowings	2,860,004
Current liabilities:	
Borrowings due within one year	238,332
Total	3,098,336

The borrowings represent mortgaged loan in relation to 18 Kaki Bukit Place, Eunos Techpark, Singapore 416196.

Save as disclosed above and apart from intra-group liabilities and normal trade and other payables, the Group did not have any loan capital issued or agreed to be issued, debt securities issued and outstanding, authorised or otherwise created but unissued, bank overdrafts or loans or term loans, other borrowings or other similar indebtedness, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 31 March 2018.

5. MATERIAL CHANGE

The Directors confirm that, save for the allotment and issue of 37,500,000 additional Shares at the offer price of HK$0.70 per Share pursuant to the exercise in full of the over-allotment option by China Prospect Securities Limited on 20 April 2017 (as disclosed in the announcement of the Company dated 20 April 2017), there has been no material change in the financial or trading position or outlook of the Group since 31 March 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date.

RESPONSIBILITY STATEMENT

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than that expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

DISCLOSURE OF INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Offeror, the directors of the Offeror nor any party acting in concert with the Offeror owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Name of Shareholders	**Capacity**	**Number of Shares held/interested**	**Approximate percentage of the total number of issued Shares** *(Note 3)* *(%)*
The Offeror *(Note 1)*	Beneficial owner	623,000,000	60.05
Great Scenery *(Note 1)*	Interest of controlled corporation	623,000,000	60.05
Emperor Grand *(Note 1)*	Interest of controlled corporation	623,000,000	60.05
Mr. Yao *(Note 1)*	Interest of controlled corporation	623,000,000	60.05
Mr. Zhu *(Note 1)*	Interest of controlled corporation	623,000,000	60.05
Trinity Gate *(Note 2)*	Beneficial owner	127,000,000	12.24
Timeness Vision *(Note 2)*	Interest of controlled corporation	127,000,000	12.24
Mr. Teng *(Note 2)*	Interest of controlled corporation	127,000,000	12.24

Notes:

1. The Offeror is an investment holding company incorporated in the BVI with limited liability which is owned as to 51% by Great Scenery and 49% by Emperor Grand. Mr. Yao is the sole ultimate beneficial owner and director of Great Scenery and a director of the Offeror as at the Latest Practicable Date. Mr. Zhu is the sole ultimate beneficial owner and director of Emperor Grand and a director of the Offeror as at the Latest Practicable Date. Accordingly, each of Mr. Yao and Mr. Zhu is deemed under the SFO to be interested in the Shares held by the Offeror.

2. Trinity Gate is a company incorporated in the BVI with limited liability, which is wholly-owned by Timeness Vision which in turn is wholly and ultimately owned by Mr. Teng as at the Latest Practicable Date. Accordingly, Mr. Teng is deemed under the SFO to be interested in the Shares held by Trinity Gate.

3. Based on 1,037,500,000 Shares in issue as at the Latest Practicable Date.

INTERESTS IN THE COMPANY'S SECURITIES AND OTHER ARRANGEMENTS

As at the Latest Practicable Date:

(a) save as disclosed in the section headed "Disclosure of Interests" in this appendix, none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(b) save as disclosed in the section headed "Disclosure of Interests" in this appendix, none of the directors of the Offeror had any interests in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(c) none of the Offeror and parties acting in concert it (including Trinity Gate, Timeness Vision and Mr. Teng) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

(d) save for the Sale and Purchase Agreement, the Offeror Facility Agreement, the Offeror Share Charges, the Trinity Gate Facility Agreement and the Trinity Gate Share Charge, none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng) had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other persons.

(e) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any person acting in concert with it owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(f) there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.

(g) none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng) had received any irrevocable commitment to accept or reject the Offer.

(h) save for the Offeror Facility Agreement, the Offeror Share Charges, the Trinity Gate Facility Agreement and the Trinity Gate Share Charge, there was no agreement, arrangement or understanding that any securities of the Company acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons.

(i) save for the consideration paid under the Sale and Purchase Agreement, there was no other consideration in whatever form paid or payable by the Offeror, its nominees, representatives and concert parties (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) to the Vendors and their respective ultimate beneficial owners, concert parties, nominees and representatives.

(j) save for the Sale and Purchase Agreement, there was no agreement, arrangement, or understanding (including any compensation arrangement) between the Offeror or any parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng Rongsong) and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer.

(k) no benefit (other than statutory compensation) was or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer.

DEALING IN SECURITIES OF THE COMPANY

During the Relevant Period:

(a) save for the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder (which was completed on 7 May 2018), none of the Offeror and parties acting in concert with it (including Trinity Gate, Timeness Vision and Mr. Teng) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(b) save for the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder (which was completed on 7 May 2018), none of the directors of the Offeror had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(c) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any person acting in concert with it had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share
	HK$
2017	
30 November	0.395
29 December	0.455
2018	
31 January	0.45
28 February	0.71
29 March	0.7
27 April (Last Trading Day)	0.99
30 April to 8 May (both days inclusive)	Trading in Shares halted
25 May (Latest Practicable Date)	1.86

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK$3.22 per Share (on 10 May 2018) and HK$0.35 per Share (on 16 November 2017), respectively.

EXPERTS AND CONSENTS

The followings are the qualification of the experts whose letter or opinion are contained in this Composite Document:

Name	Qualification
Kingston Corporate Finance	Kingston Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO
Kingston Securities	Kingston Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO

Each of Kingston Securities and Kingston Corporate Finance has given and has not withdrawn its written consents to the issue of this Composite Document with the inclusion of the text of its letter or report and/or references to its name in the form and context in which they are respectively included.

MISCELLANEOUS

As at the Latest Practicable Date:

(a) The principal members of the Offeror's concert group are the Offeror, Great Scenery, Emperor Grand, Mr. Yao and Mr. Zhu;

(b) the registered office address of each of the Offeror, Great Scenery and Emperor Grand is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands;

(c) the correspondence address of the Offeror is Room 103, Building No. 9, 999 Jingxing Road (Dream Town The Angel Village), Yuhang District, Hangzhou, China;

(d) the correspondence address of Mr. Yao is Room 103, Building No. 9, 999 Jingxing Road (Dream Town The Angel Village), Yuhang District, Hangzhou, China;

(e) the correspondence address of Mr. Zhu is No. 3038 Luosha Road, Luohu District, Shenzhen, China;

(f) the registered address of Kingston Corporate Finance is Suite 2801, 28/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong; and

(g) the registered address of Kingston Securities is Suite 2801, 28/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) at the principal office of the Company at 19/F., Prosperity Tower, No. 39 Queen's Road Central, Central, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. (on any weekdays, except public holidays); (ii) on the website of the Company (http://www.shilimited.com); and (iii) on the website of the SFC (http://www.sfc.hk), from the date of this Composite Document up to and including the Closing Date:

(a) the memorandum and articles of association of the Offeror;

(b) the letter from Kingston Securities, the text of which is set out on pages 8 to 15 of this Composite Document; and

(c) the written consents referred to under the paragraph headed "EXPERTS AND CONSENTS" in this appendix.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information to the Independent Shareholders with regard to the Group, the Offeror and the Offer.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror, the directors of the Offeror, their associates and parties acting in concert with any of them, the terms and conditions of the Offer and the intention of the Offeror regarding the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

Authorised		*HK$*
5,000,000,000	Ordinary Shares of HK$0.01 each	50,000,000
5,000,000,000		50,000,000
Issued and fully paid		
1,037,500,000	Ordinary Shares of HK$0.01 each	10,375,000
1,037,500,000		10,375,000

All of the existing issued Shares currently in issue rank *pari pass*u in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting. The Shares are listed and traded on the Stock Exchange. No Shares are listed, or dealt in, on any other stock exchange, nor is any listing of or permission to deal in the Shares being, or proposed to be sought, on any other stock exchange.

Save for the allotment and issue of 37,500,000 additional Shares at the offer price of HK$0.70 per Share pursuant to the exercise in full of the over-allotment option by China Prospect Securities Limited on 20 April 2017, no new Shares were issued since 31 March 2017 (being the date on which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date.

As at the Latest Practicable Date, the Company did not have any outstanding options, warrants or other conversion rights affecting the Shares.

3. DISCLOSURE OF INTERESTS

(a) Interests of the Directors in the Shares or securities of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had, or were deemed to have, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, and to be disclosed under the Takeovers Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors and chief executive of the Company) held interests in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code), or interests and short positions in the Shares and/or underlying Shares which are required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the number of any class of issued share capital carrying rights to vote in all circumstances at a general meeting of the Company:

Name of Shareholder	Nature of interest	Total number of Shares and/or underlying Shares interested *(Note 1)*	Approximate percentage of the existing issued ordinary share capital of the Company *(Note 2)*
The Offeror *(Note 3)*	Beneficial owner	623,000,000 (L)	60.05
Great Scenery *(Note 3)*	Interests in controlled corporation	623,000,000 (L)	60.05
Mr. Yao *(Note 3)*	Interests in controlled corporation	623,000,000 (L)	60.05
Emperor Grand *(Note 3)*	Interests in controlled corporation	623,000,000 (L)	60.05
Mr. Zhu *(Note 3)*	Interests in controlled corporation	623,000,000 (L)	60.05

Name of Shareholder	Nature of interest	Total number of Shares and/or underlying Shares interested *(Note 1)*	Approximate percentage of the existing issued ordinary share capital of the Company *(Note 2)*
Trinity Gate *(Note 4)*	Beneficial owner	127,000,000 (L)	12.24
Timeness Vision *(Note 4)*	Interests in controlled corporation	127,000,000 (L)	12.24
Mr. Teng *(Note 4)*	Interests in controlled corporation	127,000,000 (L)	12.24

Notes:

1. The letter "L" denotes the individual's or corporation's long position in Shares.

2. The percentages have been calculated based on 1,037,500,000 Shares in issue as at the Latest Practicable Date.

3. As at the Latest Practicable Date, the Offeror is interested in 623,000,000 Shares. The Offeror is owned as to 51% by Great Scenery and as to 49% by Emperor Grand. Great Scenery is wholly-owned by Mr. Yao and Emperor Grand is wholly-owned by Mr. Zhu. Each of Mr. Yao and Mr. Zhu is deemed to be interested in the Shares in which the Offeror is interested in under the SFO.

4. As at the Latest Practicable Date, Trinity Gate is interested in 127,000,000 Shares. Trinity Gate is wholly-owned by Timeness Vision, which, in turn, is wholly-owned by Mr. Teng. Mr. Teng is deemed to be interested in the Shares in which Trinity Gate is interested in under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was aware of any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had any interests in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code), or interests and short positions in the Shares, underlying Shares and debentures of the Company which are required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the number of any class of issued share capital carrying rights to vote in all circumstances at a general meeting of the Company.

4. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS

During the Relevant Period and up to the Latest Practicable Date,

(i) none of the Company or any of the Directors was interested in any shares, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror, and the Company or any of the Directors had not dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror during the Relevant Period;

(ii) save for (i) Mr. Chua Seng Hai, an executive Director, having sold 230,000,000 Shares at HK$0.40 per Share through his wholly-owned investment vehicle, Ruiheng Global on 27 December 2017, and (ii) the sale and purchase of 520,000,000 Shares by Mr. Chua Seng Hai through Ruiheng Global pursuant to the Sale and Purchase Agreement, none of the Directors have dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

(iii) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or any advisers to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code but excluding exempt principal traders (as defined under the Takeovers Code) had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

(iv) save for Mr. Chua Seng Hai, Ruiheng Global, Trinity Gate, Mr. Teng, the Offeror, Mr. Yao and Mr. Zhu, who/which had an arrangement involving rights over shares pursuant to the Sale and Purchase Agreement (for details of the Sale and Purchase Agreement, please refer to the section headed "INTRODUCTION" in the "LETTER FROM THE BOARD" in this Composite Document), no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of "associate" under the Takeovers Code;

(v) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

(vi) there were no Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company which the Company and any Directors had borrowed or lent; and

(vii) no person had irrevocably committed himself/herself/itself to accept or reject the Offer.

5. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

(a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(b) there was no agreement or arrangement between any Director and any other person which was conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer; and

(c) there was no material contract entered into by the Offeror in which any Director had a material personal interest.

6. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which:

(a) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period;

(b) were continuous contracts with a notice period of 12 months or more; or

(c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) have been entered into by the members of the Group after the date two years before the commencement of the Offer Period up to and including the Latest Practicable Date and which are or may be material:

(a) the share purchase agreement dated 29 December 2016 and entered into among Mr. Chua Seng Hai as vendor, Jinfeng Ventures Limited as purchaser, and the Company, pursuant to which Mr. Chua Seng Hai agreed to transfer the entire issued share capital in SH Integrated Services Pte. Ltd. to Jinfeng Ventures Limited, at the consideration of S$2, which was settled by the Company (i) allotting and issuing 898 new Shares to Ruiheng Global at the direction of Mr. Chua Seng Hai, all credited as fully paid; and (ii) crediting as fully paid the one nil paid Share registered in the name of Ruiheng Global, which was transferred from Mr. Chua Seng Hai at nil consideration on the same day;

(b) the share purchase agreement dated 29 December 2016 and entered into among Ms. Bek Poi Kiang as vendor, Innovative Plus Investments Limited as purchaser, and the Company, pursuant to which Ms. Bek Poi Kiang agreed to transfer the entire issued share capital in DRC Engineering Pte. Ltd. to Innovative Plus Investments Limited, at the consideration of S$1, which was settled by the Company allotting and issuing 99 new Shares to Ruiheng Global at the direction of Ms. Bek Poi Kiang, all credited as fully paid;

(c) the share purchase agreement dated 29 December 2016 and entered into among Mr. Chua Seng Hai and Ms. Bek Poi Kiang as vendors, Pine Vantage Limited as purchaser, and the Company, pursuant to which Mr. Chua Seng Hai and Ms. Bek Poi Kiang agreed to transfer the entire issued share capital in CSH Development Pte. Ltd. to Pine Vantage Limited, at the consideration of S$1, which was settled by the Company allotting and issuing 2 new Shares to Ruiheng Global at the directions of Mr. Chua Seng Hai and Ms. Bek Poi Kiang, all credited as fully paid;

(d) the deed of indemnity dated 13 March 2017 entered into by Ruiheng Global, Mr. Chua Seng Hai and Ms. Bek Poi Kiang as indemnifiers in favour of the Company (for itself and as trustee for and on behalf of its subsidiaries), pursuant to which Ruiheng Global, Mr. Chua Seng Hai and Ms. Bek Poi Kiang agree to provide the Company with certain indemnities, further details of which are disclosed in the prospectus of the Company dated 20 March 2017;

(e) the deed of non-competition dated 13 March 2017 entered into by Ruiheng Global, Mr. Chua Seng Hai and Ms. Bek Poi Kiang as covenantors in favour of the Company (for itself and as trustee for and on behalf of its subsidiaries), further details of which are disclosed in the prospectus of the Company dated 20 March 2017;

(f) the underwriting agreement dated 17 March 2017 and entered into, amongst others, the Company, Ruiheng Global, Mr. Chua Seng Hai, Ms. Bek Poi Kiang, Mr. Lim Kai Hwee, Dakin Capital Limited and China Prospect Securities Limited, relating to the issue and offer of the public offer shares, further details of which are disclosed in the prospectus of the Company dated 20 March 2017; and

(g) the underwriting agreement dated 24 March 2017 and entered into by the Company, Ruiheng Global, Mr. Chua Seng Hai, Ms. Bek Poi Kiang, Mr. Lim Kai Hwee, Dakin Capital Limited and China Prospect Securities Limited, relating to the issue and offer, and sale of the placing shares (including the sale shares), further details of which are disclosed in the prospectus of the Company dated 20 March 2017.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claim of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this Composite Document.

Name	Qualification
Veda Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Veda Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, report and/or references to its name, in the form and context in which it is included.

10. MISCELLANEOUS

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong. The headquarters and principal place of business of the Company is at 18 Kaki Bukit Place, Eunos Techpark, Singapore 416196.

(b) The Independent Financial Adviser to the Company in respect of the Offer is Veda Capital, whose registered office is at Room 1106, 11/F., 111 Connaught Road Central, Sheung Wan, Hong Kong.

(c) As at the Latest Practicable Date, the Board comprises two executive Directors, namely Mr. Chua Seng Hai and Mr. Lim Kai Hwee; and three independent non-executive Directors, namely Ms. Ng Peck Hoon, Mr. Toh Soo Bock, Bob and Mr. Sim Choon Hong (Shen Junfeng).

(d) The company secretary of the Company is Ms. Chan So Fun, a solicitor of the High Court of Hong Kong.

(e) The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

(f) The principal share registrar and transfer office of the Company in the Cayman Islands is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Island.

(g) In case of inconsistency, the English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours (i.e. from 9:00 a.m. to 5:00 p.m.) on Monday to Friday, except for public holidays, at the principal place of business of the Company at 19th Floor, Prosperity Tower, 39 Queen's Road, Central, Central, Hong Kong; (ii) on the website of the SFC (www.sfc.hk); and (iii) on the website of the Company (www.shilimited.com) for so long as the Offer remain open for acceptance during the period from the date of this Composite Document up to and including the Closing Date:

(a) the memorandum of association and articles of association of the Company;

(b) the prospectus of the Company dated 20 March 2017, consisting of the annual report of the Company for the year ended 31 March 2016;

(c) the annual report of the Company for the year ended 31 March 2017;

(d) the interim report of the Company for the six months ended 30 September 2017;

(e) the letter from the Board, the text of which is set out on pages 16 to 20 of this Composite Document;

(f) the letter from the Independent Board Committee, the text of which is set out on pages 21 to 22 of this Composite Document;

(g) the letter from the Independent Financial Adviser, the text of which is set out on pages 23 to 46 of this Composite Document;

(h) the material contracts referred to in paragraph headed "7. MATERIAL CONTRACTS" in this Appendix; and

(i) the written consent referred to in the paragraph headed "9. EXPERT'S QUALIFICATION AND CONSENT" in this Appendix.