The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF INDIGO STAR HOLDINGS LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Indigo Star Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on I-4 to I-48, which comprises the statement of financial position of the Company as at 30 April 2017 and the combined statement of financial position of the Group as at 31 December 2015 and 2016 and 30 April 2017 and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the periods then ended (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on I-4 to I-48 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "Document") in connection with the initial **[REDACTED]** of shares of the Company on the Growth Enterprises Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of this accountants' report on Historical Financial Information, a true and fair view of the Company's financial position as at 30 April 2017 and the Group's financial position as at 31 December 2015 and 2016 and 30 April 2017 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 and Note 4 to the Historical Financial Information.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the four months ended 30 April 2016 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Note 2 and Note 4 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Note 2 and Note 4 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on I-4 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends paid by the Group in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its dates of incorporation.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Hon Koon Fai, Alex
Practising Certificate Number: P05029
Hong Kong

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HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on the audited financial statements of Interno Engineering (1996) Pte. Ltd. (the "IEPL") for the Track Record Period ("IEPL Financial Statements") and management accounts of Interno Construction Pte. Ltd. (the "ICPL") for the Track Record Period ("ICPL Management Accounts"), both prepared in accordance with accounting policies which conform with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standard Board ("IASB"). The IEPL Financial Statements for the years ended 31 December 2015 and 2016 were audited by CA TRUST PAC and Foo Kon Tan LLP respectively, both of which are the firms of Public Accountants and Chartered Accountants registered with Accounting and Corporate Regulatory Authority ("ACRA") in Singapore, in accordance with the Singapore Financial Reporting Standards ("SFRSs") issued by the Accounting Standards Council in Singapore (the "Underlying Financial Statements"). ACRA, a statutory board established under the Ministry of Finance, is the regulatory body of public accountants in Singapore. Singapore is a signatory to the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information among members of International Organization of Securities Commissions.

The Historical Financial Information is presented in Singapore dollars ("S$") and all values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

Combined Statements of Profit or Loss and Other Comprehensive Income

	Notes	Year ended 31 December 2015 S$'000	Year ended 31 December 2016 S$'000	Four months ended 30 April 2016 S$'000 (unaudited)	Four months ended 30 April 2017 S$'000
Revenue	6	29,942	30,068	8,090	12,155
Direct cost		(24,122)	(24,286)	(6,665)	(8,120)
Gross profit		5,820	5,782	1,425	4,035
Other (expenses)/income, net	8	(340)	163	113	73
Administrative expenses		(2,580)	(2,626)	(975)	(2,463)
Finance costs	9	(23)	(37)	(10)	(13)
Profit before taxation	10	2,877	3,282	553	1,632
Income tax (expense)/credit	13	(374)	(308)	18	(519)
Profit for the year/period		2,503	2,974	571	1,113
Profit and other comprehensive income for the year/period		2,503	2,974	571	1,113

Combined Statements of Financial Position

	Notes	As at 31 December 2015 S$'000	As at 31 December 2016 S$'000	As at 30 April 2017 S$'000
Non-current assets				
Investment property	*17*	268	263	261
Property, plant and equipment	*18*	2,403	2,297	2,230
Retention sum receivables	*19*	2,777	4,155	5,186
		5,448	6,715	7,677
Current assets				
Trade and retention sum receivables	*19*	10,156	2,684	6,693
Amounts due from customers for contract works	*20*	710	4,426	3,428
Prepayments, deposits and other receivables	*21*	836	883	1,453
Amounts due from directors	*22*	2,294	4,491	3,840
Amounts due from related companies	*23*	130	93	—
Cash and cash equivalents	*24*	4,252	7,015	4,213
		18,378	19,592	19,627
Current liabilities				
Trade and retention sum payables	*25*	1,194	1,499	1,005
Amounts due to customers for contract works	*20*	5,972	5,282	6,197
Other payables and accruals	*26*	3,772	6,513	6,784
Amount due to a director	*27*	966	954	954
Amounts due to related companies	*28*	604	706	—
Bank borrowings	*29*	860	771	741
Obligations under finance leases	*30*	197	188	188
Tax payables		632	414	405
		14,197	16,327	16,274
Net current assets		4,181	3,265	3,353
Total asset less current liabilities		9,629	9,980	11,030
Non-current liability				
Obligations under finance leases	*30*	306	183	120
Net assets		9,323	9,797	10,910

	Notes	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
		S$'000	*S$'000*	*S$'000*
Capital and reserves				
Share capital	*31*	3,100	3,100	3,100
Reserves	*32*	6,223	6,697	7,810
Total equity		9,323	9,797	10,910

Statement of Financial Position of the Company

	Notes	**As at 30 April 2017** *S$'000*
Current liability		
Accruals		65
Net liability		65
Capital and reserves		
Share Capital	*31*	—
Reserves	*32*	(65)
Total equity		(65)

Combined Statements of Changes in Equity

	Share capital *S$'000*	**Retained earnings** *S$'000*	**Total** *S$'000*
As at 1 January 2015	600	4,780	5,380
Dividends	—	(1,060)	(1,060)
Issue of new shares	2,500	—	2,500
Profit and total comprehensive income for the year	—	2,503	2,503
As at 31 December 2015 and 1 January 2016	3,100	6,223	9,323
Dividends	—	(2,500)	(2,500)
Profit and total comprehensive income for the year	—	2,974	2,974
As at 31 December 2016 and 1 January 2017	3,100	6,697	9,797
Profit and total comprehensive income for the period	—	1,113	1,113
As at 30 April 2017	3,100	7,810	10,910
As at 1 January 2016	3,100	6,223	9,323
Dividends (unaudited)	—	(1,600)	(1,600)
Profit and total comprehensive income for the period (unaudited)	—	571	571
As at 30 April 2016 (unaudited)	3,100	5,194	8,294

Combined Statements of Cash Flows

	Year ended 31 December 2015	Year ended 31 December 2016	Four months ended 30 April 2016	Four months ended 30 April 2017
	S$'000	*S$'000*	*S$'000*	*S$'000*
			(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	2,877	3,282	553	1,632
Adjustments for:				
Depreciation	241	309	98	101
Finance costs	23	37	10	13
Bad debt provision	525	—	—	—
Written off property, plant and equipment	3	—	—	—
Gain on disposal of property, plant and equipment	(93)	(37)	(37)	—
Operating cash flows before movements in working capital	3,576	3,591	624	1,746
(Increase)/decrease in trade and retention sum receivables	(7,021)	6,094	5,485	(5,040)
Decrease/(increase) in amounts due from customers for contract works	2,587	(3,716)	(1,284)	998
(Increase)/decrease in prepayments, deposits and other receivables	(109)	(47)	184	(570)
(Increase)/decrease in amounts due from related companies	(130)	37	37	93
(Decrease)/increase in trade and retention sum payables	(717)	305	(434)	(494)
Increase/(decrease) in amounts due to customers for contract works	5,134	(690)	(1,883)	915
(Decrease)/increase in other payables and accruals	(396)	2,741	(804)	271
(Decrease)/increase in amounts due to related companies	(16)	102	(10)	(55)
Cash generated from/(used in) operating activities	2,908	8,417	1,915	(2,136)
Income tax paid	(132)	(534)	(403)	(528)
Income tax refund	131	8	—	—
Net cash generated from/(used in) operating activities	2,907	7,891	1,512	(2,664)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(286)	(144)	—	(32)
Proceeds on disposal of property, plant and equipment	—	48	48	—
Net cash (used in)/generated from investing activities	(286)	(96)	48	(32)

	Year ended 31 December 2015	Year ended 31 December 2016	Four months ended 30 April 2016	Four months ended 30 April 2017
	S$'000	*S$'000*	*S$'000* (unaudited)	*S$'000*
CASH FLOWS FROM FINANCING ACTIVITIES				
Advance to directors	(69)	(2,209)	(1,234)	—
Repayment of bank borrowings	(93)	(89)	(30)	(30)
Repayment of finance leases	(84)	(197)	(68)	(63)
Finance costs	(23)	(37)	(10)	(13)
Dividend paid	(1,060)	(2,500)	(1,600)	—
Net cash used in financing activities	(1,329)	(5,032)	(2,942)	(106)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,292	2,763	(1,382)	(2,802)
Cash and cash equivalents at the beginning of the year/period	2,960	4,252	4,252	7,015
CASH AND CASH EQUIVALENTS AT THE END OF YEAR/PERIOD	4,252	7,015	2,870	4,213

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 8 March 2017. 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 #03–08 Quartz Industrial Building, 5 Upper Aljunied Link, Singapore 367903.

The Company is an investment holding company. During the Track Record Period, the Group was principally engaged in provision of structural reinforced and concrete works in buildings and civil engineering works.

The Historical Financial Information is presented in Singapore dollars ("S$") except when otherwise indicated, which is the functional currency of the Company and its principal subsidiaries (Note 40).

2. REORGANISATION AND BASIS OF PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Pursuant to the Reorganisation as fully explained in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Group Structure" of the document, the Company become the holding company of the companies now comprising the Group on 16 October 2017. The companies now comprising the Group were under the common control of Mr. Goh and Ms. Tan before and after the Reorganisation. Accordingly, the Financial Information has been prepared on the basis by applying the principles of merger accounting as if the Reorganisation has been completed at the beginning of the Track Record Period.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the Track Record Period or since their respective date of incorporation, where there is a shorter period. The combined statements of financial position of the Group as at 31 December 2015 and 2016 and 30 April 2017 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganisation had been in existence as at those dates, taking into account the respective dates of incorporation.

All intra-group transactions and balances have been eliminated on combination.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRSs that are effective for the financial year beginning on 1 January 2016 throughout the Track Record Period.

At the date of issuance of this report, the Group has not early applied the following new and amendments to IFRSs and International Accounting Standards ("IASs") that have been issued but are not yet effective:

IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
IFRS 16	Leases[3]
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transaction[2]
Amendments to IFRS 4	Insurance Contracts[2]
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers[2]
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IAS 7	Disclosure Initiative[1]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to IAS 40	Transfers of Investment Property[2]
IFRIC Interpretation 22	Foreign Currency Transactions and Advance Consideration[2]
Amendments to IFRSs	Annual Improvement Cycle 2014–2016[5]

[1] Effective for annual periods beginning on or after 1 January 2017
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019
[4] Effective for annual periods beginning on or after a date to be determined
[5] Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

Except as described below, the management of the Group consider 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 to be set out in the future financial statement of the Group.

IFRS 9 Financial Instruments

IFRS 9 introduced new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Specifically, pursuant to IFRS 9, all recognised financial assets that are within the scope of IAS 39 *Financial Instruments*:

Key requirements of IFRS 9 are described below:

- 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("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 *Financial Instruments, Recognition and Measurement*, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was 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 mechanisms currently available in IAS 39 under IFRS 9, 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 credit loss model in relation to the Group's financial assets measured at amortised costs, 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 30 April 2017.

IFRS 15 Revenue from Contracts with Customers

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 Revenue, IAS 11 Construction Contracts 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 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance. The criteria in IFRS 15 for identifying performance obligations differ from the little guidance in IAS 11, which could result in different conclusions about the separately identifiable components. For example, the Group may currently consider an entire construction contract to be a single component, but under IFRS 15, it may determine that the contract contains two or more performance obligations that would be accounted for separately. The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported as the timing of revenue recognition may be affected and more disclosures relating to revenue is required in the Group's combined financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, 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 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 predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS17. 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 set out in Note 33, total operating lease commitments of the Group as at 30 April 2017 amounted to approximately S$1,040,000 and had original lease term within 1 year. The Directors do not expect the adoption of IFRS 16 would result in significant impact on the Group's financial performance, but it is expected that certain portion of the lease commitments will be recognised in the combined statement of financial position as right-of-use assets and lease liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Financial Information has been prepared in accordance with IFRSs issued by the IASB. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of preparation

The Financial Information has been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except for share-based payment transactions that are within the of IAS 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 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 are set out below.

Basis of combination

The combined financial statements incorporate the financial statements of the Company and companies controlled by the Company and its subsidiaries. Control is achieved when a company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Combination of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the combined statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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 combination.

Merger accounting for common control combination

The Financial Information incorporates the financial statement items of the combining entities or business 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 business are combined using the existing book values from the controlling party's perspective. No amount is recognised with respect to goodwill or any excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over its cost at the time of common control combination, to the extent of the contribution of the controlling party's interest.

The combined statements of profit or loss and other comprehensive income include the results of each of the combining entities or business from the earliest date presented or since the date when combining entities or business first came under common control, where this is a shorter period, regardless of the date of common control combination.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

Under the purchase method of accounting, subsidiaries are fully combined from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the combined statements of profit or loss and other comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policy adopted by the Group.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the group's combined financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the group does not recognise its share of the gains and losses until it resells those assets to a third party.

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts for variation orders, claims and incentive payment. Contract costs include costs that related directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Contract costs are recognised when incurred and costs that relate directly to a specific contract comprise site labour costs; costs of subcontracting; costs of materials used in construction and an appropriate portion of variable and fixed construction overheads.

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

When the outcome of a construction contract can be estimated reliably, revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the Track Record Period.

The outcome of a construction contract can be estimated reliably when: (i) the total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction cannot be estimated reliably, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

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 cost include but are not limited to material and consumables, direct labour, subcontracting charges and accommodation expenses. When progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers. When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) Construction contracts income

Revenue from construction contracts is recognised based on the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Rental income

Rental income is recognised, on a straight-line basis, over the terms of the respective leases.

Leases

Leases are classified as finance lease 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

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 currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting Financial Information, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Singapore dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributable to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

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

Employee benefits

Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which they become payable in accordance with the scheme.

Income taxes

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

(a) Current income tax

The tax currently payable is based on taxable profit for the Track Record Period. Taxable profit differs from "profit before taxation" as reported in the combined statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and 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.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the combined financial statements and the corresponding tax bases 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 differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 realised, based on tax rates (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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

(c) Current and deferred tax for the Track Record Period

Current and deferred tax are recognised in profit or loss, except when they relate 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(d) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the combined statements of financial position.

Property, plant and equipment

Property, plant and equipment are stated in the combined statements of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their 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 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 the disposal or retirement of an item of 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.

The property, plant and equipment are depreciated over their estimated useful lives or amortised over the lease period on a straight-line basis as follow:

Leasehold property	60 years
Leasehold improvement	3 years
Furniture and fixture	5 years
Machinery and equipment	1 to 6 years
Motor vehicle	5 years

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over the lease term and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Impairment of assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its assets with finite useful lives 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value 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 the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and retention sum receivables, amounts due from customers for contract works, deposits, other receivables, amount due from a related company, amounts due from directors and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 investment have been affected.

For loans and receivables, 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 borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade 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, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, 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 asset's 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 (see the accounting policy below).

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

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

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities including trade and retention sum payables, amounts due to customers for contract works, other payables and accruals, amount due to director, amount due to a related company, bank borrowing and obligation under finance lease are subsequently measured at amortised cost using the effective interest method.

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 Track Record Period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the 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 transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset 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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

Related parties transactions

A party is considered to be related to the Group if:

(a) A person or a close member of that person's family is related to the Group if that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

(b) an entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others);

(ii) one entity is an associate or joint venture of the other entity for an associate or joint venture of a member of a group (which the other entity is a member);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influence by, that person in their dealing with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash on hand and at banks that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the combined statements of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Dividends

Dividends proposed by the Directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Management is of the opinion that there is no significant judgement, apart from those involving estimations, made in applying accounting policies that has a significant effect on the amounts recognised in the Financial Information.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Construction contract revenue recognition

Revenue recognition on a project is dependent on management's estimation of the total outcome of the construction contracts, with reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contracts. The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and provision for 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, the management conducts periodic reviews of the management budgets by comparing the budgeted amounts to the actual amounts incurred. The provision for claims is determined on the basis of the delay in the number of workdays of the completion of the construction works which is highly subjective and is subject to negotiation with the customers. Management conducts periodic review of the provisioning amount.

Significant judgement is required in estimating the contract revenue, contract costs, variation works and provision for claims which may have an impact in terms of percentage of completion and profit taken. Management based their judgements of contract costs and revenues on the latest available information, which includes detailed contract valuations. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. The estimates of contract costs and revenues are updated regularly and significant changes are highlighted through established internal review procedures. In particular, the internal reviews focus on the timing and recognition of payments and the age and recoverability of any disagreed income from variations to the contract scope or claims. The impact of the changes in accounting estimates is then reflected in the ongoing results.

Impairment of trade and retention sum receivables and other receivables

The Group's management assesses the collectability of trade and retention sum receivables and other receivables on a regular basis to determine if any provision for impairment is necessary. This estimate is based on, where appropriate, the evaluation of collectability and ageing analysis of the receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstanding, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, provision for impairment may be required. Management reassesses the provision for impairment at the reporting date. The carrying amounts of trade and retention sum receivables and other receivables are disclosed in Notes 19 and 21, respectively.

Impairment of property, plant and equipment

The Group reviews its property, plant and equipment for indications of impairment at each reporting period. In analyzing potential impairments identified, the Group uses projections of future cash flows from the assets based on management's assignment of a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Income tax expense

The Group has exposure to income taxes in Singapore. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and applicable tax incentives. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax recognised in the period in which such determination is made. The carrying amounts of the Group's current income tax liabilities as at 31 December 2015 and 2016 and 30 April 2017 were S$632,000, S$414,000 and S$405,000 respectively.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The deprecation expenses for future period is adjusted if there are significant changes from previous estimates.

6. REVENUE

	Year ended 31 December 2015 *S$'000*	Year ended 31 December 2016 *S$'000*	Four months ended 30 April 2016 *S$'000* (unaudited)	Four months ended 30 April 2017 *S$'000*
General building projects	28,873	21,859	6,426	10,247
Civil engineering projects	1,069	8,209	1,664	1,908
	29,942	30,068	8,090	12,155

7. SEGMENT INFORMATION

During the Track Record Period, the Group operates in one operating segment which is the provision of structural reinforced and concrete works in general building and civil engineering works. A single management team reports to the directors of the Group (being the chief operating decision-maker ("**CODM**")) who comprehensively manage the entire business. The CODM reviews revenue by nature of contracts, i.e. "General Building Projects" and "Civil Engineering Projects" and profit for the year/period as a whole. Accordingly, the Group does not present separately segment information. No analysis of the Group's results by type of works nor assets and liabilities is regularly provided to the CODM for review. In addition, all of the Group's revenue is generated in Singapore and all of the Group's assets and liabilities are located in Singapore. Accordingly, no business or geographical segment information is presented.

Revenue from major customers

Revenue from customers during the Track Record Period over 10% of the Group's total revenue is as follows:

	Year ended 31 December 2015 *S$'000*	Year ended 31 December 2016 *S$'000*	Four months ended 30 April 2016 *S$'000* (unaudited)	Four months ended 30 April 2017 *S$'000*
Customer A	13,302	4,940	1,924	1,992
Customer B	6,659	3,195	1,074	N/A*
Customer C	5,401	12,716	2,734	7,601
Customer D	3,233	N/A*	N/A*	N/A*
Customer E	N/A*	6,815	1,664	1,530
	28,595	27,666	7,396	11,123

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective reporting period.

Geographical information

The Group principally operates in Singapore, also the place of domicile. 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.

8. OTHER (EXPENSES)/INCOME, NET

	Year ended 31 December 2015 S$'000	Year ended 31 December 2016 S$'000	Four months ended 30 April 2016 S$'000 (unaudited)	Four months ended 30 April 2017 S$'000
Government grants	87	82	51	36
Rental income	3	28	11	11
Bank interest income	—	—	—	1
Gain on disposal of property, plant and equipment, net	93	37	37	—
Written off of property, plant and equipment	(3)	—	—	—
Bad debt provision	(525)	—	—	—
Sundry income	5	16	14	25
	(340)	163	113	73

9. FINANCE COSTS

	Year ended 31 December 2015 S$'000	Year ended 31 December 2016 S$'000	Four months ended 30 April 2016 S$'000 (unaudited)	Four months ended 30 April 2017 S$'000
Interest on:				
Bank borrowings				
— wholly repayable on demand	16	25	6	9
Obligations under finance leases	7	12	4	4
	23	37	10	13

10. PROFIT BEFORE TAXATION

Profit before taxation for the Track Record Period has been arrived at after charging:

	Year ended 31 December 2015 S$'000	Year ended 31 December 2016 S$'000	Four months ended 30 April 2016 S$'000 (unaudited)	Four months ended 30 April 2017 S$'000
Auditors' remuneration	16	29	—	—
Material used	2,310	6,482	1,347	3,036
Subcontracting charges	5,771	5,533	1,692	826
Bad debt provision	525	—	—	—
Employee benefit expenses (including directors' emoluments)				
Salaries and other employee benefits	15,747	12,825	3,842	4,355
Contributions to CPF	201	225	75	111
	15,948	13,050	3,917	4,466
Depreciation on property, plant and equipment	240	304	96	99
Depreciation on investment property	1	5	2	2
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

11. DIRECTORS' EMOLUMENTS

The Company did not have any chief executive, executive Directors, non-executive Directors and independent non-executive Directors at any time during the Track Record Period since the Company was only incorporated subsequent to the end of the Track Record Period on 8 March 2017.

	Year ended 31 December 2015				
	Directors' fees	Salaries and bonuses	CPF contributions	Other short-term benefits	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors:					
Ms. Tan Soh Kuan	—	480	21	—	501
Mr. Goh Cheng Seng	—	348	18	—	366
Ms. Wu Wei Ling	—	17	3	—	20
Mr. Ng Sai Cheong	—	—	—	—	—
	—	845	42	—	887

	Year ended 31 December 2016				
	Directors' fees	Salaries and bonuses	CPF contributions	Other short-term benefits	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors:					
Ms. Tan Soh Kuan	—	610	25	—	635
Mr. Goh Cheng Seng	—	419	23	—	442
Ms. Wu Wei Ling	—	21	3	—	24
Mr. Ng Sai Cheong	—	—	—	—	—
	—	1,050	51	—	1,101

	Four months ended 30 April 2016 (unaudited)				
	Directors' fees	Salaries and bonuses	CPF contributions	Other short-term benefits	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors:					
Ms. Tan Soh Kuan	—	190	8	—	198
Mr. Goh Cheng Seng	—	179	8	—	187
Ms. Wu Wei Ling	—	7	1	—	8
Mr. Ng Sai Cheong	—	—	—	—	—
	—	376	17	—	393

	Four months ended 30 April 2017				
	Directors' fees	**Salaries and bonuses**	**CPF contributions**	**Other short-term benefits**	**Total**
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Executive directors:					
Ms. Tan Soh Kuan	—	160	8	—	168
Mr. Goh Cheng Seng	—	120	8	—	128
Ms. Wu Wei Ling	—	—	—	—	—
Mr. Ng Sai Cheong	—	—	—	—	—
	—	280	16	—	296

Notes:

(i) Ms. Tan Soh Kuan acts as executive Director of the Company and her emoluments disclosed above included those for services rendered by her as the executive Director.

(ii) Mr. Goh Cheng Seng acts as executive Director, Chairman and CEO of the Company and his emoluments disclosed above included those for services rendered by him as the executive Director, Chairman and CEO.

(iii) Mr. Ng Sai Cheong acts as executive Director, company secretary and compliance officer of the Company and his emoluments disclosed above included those for services rendered by him as the executive Director, company secretary and compliance officer.

(iv) Ms. Wu Wei Ling resigned as Director of ICPL on 9 December 2016.

(v) No other retirement benefits were paid to Ms. Tan Soh Kuan, Mr. Goh Cheng Seng and Mr. Ng Sai Cheong in respect of their respective other services in connection with the management of the affairs of the Company or its subsidiaries undertaking.

During the Track Record Period, there was no arrangement under which a director or the chief executive waived or agreed to waive any emoluments.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2015 and 2016 and four months ended 30 April 2016 and 2017 included 2 Directors, and details of whose emoluments are set out in Note 11 above. Details of the emoluments of the remaining 3 highest paid employees who are not a Director during the Track Record Period are as follows:

	Year ended 31 December 2015	**Year ended 31 December 2016**	**Four months ended 30 April 2016**	**Four months ended 30 April 2017**
	S$'000	*S$'000*	*S$'000* (unaudited)	*S$'000*
Salaries and bonuses	285	295	83	119
CPF contributions	11	7	4	10
	296	302	87	129

The number of non-director highest paid employees whose emoluments fell within the following bands is as follows:

	Year ended 31 December 2015	Year ended 31 December 2016	Four months ended 30 April 2016 (unaudited)	Four months ended 30 April 2017
Nil to HK$1,000,000 (equivalent to Nil to S$180,505)	3	3	3	3

During the Track Record Period, no emoluments were paid by the Group to the 3 highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the 3 highest paid individuals have waived any emoluments during the Track Record Period.

13. INCOME TAX EXPENSE/(CREDIT)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The Singapore Corporate Income Tax rate was 17% during the Track Record Period. Income tax expense for the Group relates wholly to the profits of the subsidiaries, which were taxed at a statutory tax rate of 17% in Singapore. Major components of income tax expense/(credit) for the years ended 31 December 2015 and 2016 and each of the four months ended 30 April 2016 and 2017 are:

	Year ended 31 December 2015 *S$'000*	Year ended 31 December 2016 *S$'000*	Four months ended 30 April 2016 *S$'000* (unaudited)	Four months ended 30 April 2017 *S$'000*
Current tax				
— Singapore Corporate Income Tax ("CIT")	374	399	73	489
(Over)/under provision in respect of prior year/period	—	(91)	(91)	30
	374	308	(18)	519

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory rate for country in which the Company's subsidiaries are domiciled to the tax expense/(credit) at the effective tax rates is as follows:

	Year ended 31 December 2015 *S$'000*	Year ended 31 December 2016 *S$'000*	Four months ended 30 April 2016 *S$'000* (unaudited)	Four months ended 30 April 2017 *S$'000*
Profit before taxation	2,877	3,282	553	1,632
Income tax using the statutory tax rate	489	558	94	277
Non-deductible expenses	75	47	23	304
Non-taxable incomes	(15)	—	—	—
Effect of tax exemption and tax relief	(175)	(206)	(44)	(92)
(Over)/under provision in prior year/period	—	(91)	(91)	30
	374	308	(18)	519

For the years ended 31 December 2015 and 2016 and four months ended 2016 and 2017 the Group has no tax loss brought forward from prior year to offset against the assessable profit in the future.

14. DIVIDENDS

Prior to the Group Reorganisation, IEPL had declared dividend in aggregate amounts of S$1,060,000, S$2,500,000 during the year ended 31 December 2015 and 2016 to its then shareholder respectively.

On 19 April 2017, a special dividend in aggregate amount of S$4,500,000 has been proposed by the directors of IEPL and subject to approval by the shareholders. On 13 October 2017, the special dividend was declared to its then shareholders.

The rate of dividend and number of shares ranking for the above dividends are not presented as such information is not meaningful having regard to the purpose of this report.

No dividend was paid or declared by the Company since its incorporation.

15. EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful because the number of shares as at the end of each of the Track Record Period will be different from the number of shares immediately after the completion of the Reorganisation.

16. JOINT OPERATION

The Company has 50% of interest in a joint arrangement, the formwork portion of Project Tanjong Pagar Mixed Development (the "TPMD"). The Company classified the joint arrangement as a joint operation and recognised profit or loss resulting from the activities of the arrangement jointly, its share of assets held jointly and liabilities incurred jointly.

The details of the joint operation as at 31 December 2015 and 2016 and 30 April 2017 are as follows:

		Participating shares			
Name	**Place of operation**	**As at 31 December 2015**	**As at 31 December 2016**	**As at 30 April 2017**	**Principal activity**
Formwork portion of Project TPMD	Singapore	50%	50%	50%	Formwork Constructions

17. INVESTMENT PROPERTY

	Total
	S$'000
Cost	
As at 1 January 2015	—
Transfer from property, plant and equipment	300
As at 31 December 2015, 2016 and 30 April 2017	300
Accumulated depreciation	
As at 1 January 2015	—
Transfer from property, plant and equipment	31
Provided for the year	1
As at 31 December 2015 and 1 January 2016	32
Provided for the year	5
As at 31 December 2016 and 1 January 2017	37
Provided for the period	2
As at 30 April 2017	39
Net book values	
As at 30 April 2017	261
As at 31 December 2016	263
As at 31 December 2015	268
Fair value	
As at 30 April 2017	570
As at 31 December 2016	570
As at 31 December 2015	610

The investment property of the Group consists of an industrial building used for rental income generation purpose. It was located at 50 Serangoon North Avenue 4 #04–21 Singapore 555856 on a leasehold land. The estimated useful life of the investment property is 60 years. The investment property is stated at cost less accumulated depreciation and any impairment loss. Fair value is determined by a market comparison method by taking into account the movement of the industrial property market index in Singapore. The fair value of the investment property has been carried out by an independent valuer, Colliers International (Hong Kong) Limited (located at Suite 5701, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong), who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value disclosed is categorised as Level 3 valuation. Significant increases/decreases in the unobservable input would result in a significant higher/lower fair value measurement. The highest and best use of the investment property of the Group does not differ from its current use.

The investment property was secured for the Group's mortgage loan (Note 29).

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property *S$'000*	Leasehold improvement *S$'000*	Furniture and fixture *S$'000*	Machinery and equipment *S$'000*	Motor vehicles *S$'000*	Total *S$'000*
Cost						
As at 1 January 2015	1,860	196	67	167	656	2,946
Additions	—	—	48	726	12	786
Write-off	—	—	(5)	—	—	(5)
Transfer to investment property	(300)	—	—	—	—	(300)
As at 31 December 2015 and 1 January 2016	1,560	196	110	893	668	3,427
Additions	—	—	4	78	127	209
Disposal	—	—	—	—	(13)	(13)
As at 31 December 2016 and 1 January 2017	1,560	196	114	971	782	3,623
Addition	—	—	2	30	—	32
As at 30 April 2017	1,560	196	116	1,001	782	3,655
Accumulated depreciation						
As at 1 January 2015	54	97	20	167	479	817
Provided for the year	32	49	16	50	93	240
Write-off	—	—	(2)	—	—	(2)
Transfer to investment property	(31)	—	—	—	—	(31)
As at 31 December 2015 and 1 January 2016	55	146	34	217	572	1,024
Provided for the year	27	50	15	152	60	304
Disposal	—	—	—	—	(2)	(2)
As at 31 December 2016 and 1 January 2017	82	196	49	369	630	1,326
Provided for the period	9	—	5	67	18	99
As at 30 April 2017	91	196	54	436	648	1,425
Net book values						
As at 30 April 2017	1,469	—	62	565	134	2,230
As at 31 December 2016	1,478	—	65	602	152	2,297
As at 31 December 2015	1,505	50	76	676	96	2,403

(a) The net book value of property, plant and equipment held under finance lease obligations comprise:

	As at 31 December 2015 *S$'000*	As at 31 December 2016 *S$'000*	As at 30 April 2017 *S$'000*
Cost	849	827	827
Less: Accumulated depreciation	(125)	(179)	(234)
Net book value	724	648	593

(b) As at 31 December 2015 and 2016 and 30 April 2017, property, plant and equipment with carrying amount of approximately S$1,505,000, S$1,478,000 and S$1,469,000 respectively were secured for the secured mortgage loan as below mentioned in Note 29.

19. TRADE AND RETENTION SUM RECEIVABLES

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
Trade receivables	9,693	1,792	5,869
Retention sum receivables	3,765	5,572	6,535
	13,458	7,364	12,404
Less: Provision for bad debt	(525)	(525)	(525)
	12,933	6,839	11,879

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
Current portion	10,156	2,684	6,693
Non-current portion	2,777	4,155	5,186
	12,933	6,839	11,879

During the Track Record Period, credit period granted to the Group's customers generally within 35 days from invoice date of the relevant contract revenue. The terms of some construction contracts stipulate that the customers withhold a portion of total contract sum (usually 5% to 10%) and will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract.

The non-current portion represented retention sum receivables only.

Based on invoices date, ageing analysis of the Group's trade and retention sum receivables as at the end of each of the Track Record Period is as follows:

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
0 to 30 days	6,592	1,794	3,978
31 to 90 days	3,448	308	2,283
91 to 180 days	499	438	779
181 to 365 days	264	920	1,024
Over 1 year but less than 2 years	1,830	1,430	1,895
Over 2 years	300	1,949	1,920
	12,933	6,839	11,879

Ageing analysis of the Group's trade and retention sum receivables as at the end of each of the Track Record Period that are past due but not impaired is as follows:

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
Neither past due nor impaired	9,826	6,654	10,221
1 to 30 days	2	—	1,494
31 to 90 days	—	—	—
91 to 180 days	3,105	82	—
181 to 365 days	—	103	82
Over 1 year but less than 2 years	—	—	82
Over 2 years	—	—	—
	12,933	6,839	11,879

The Group's trade and retention sum receivables as at the reporting dates that were neither past due nor impaired for whom there was no recent history of default. The Group's management considers that trade and retention sum receivables that were past due but not impaired under review are of good credit quality. The Group does not hold any collateral in respect of trade and retention sum receivables past due but not impaired.

Bad debt, in respect of trade and retention sum receivables, is recognised by using a provision account unless the Group is satisfied that the recoverability of bad debt is remote; in such case, the bad debt is written off against trade and retention sum receivables directly.

The movement in the provision for bad debt recognised in respect of the Group's trade receivables is summarised as follows:

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
As at the beginning of the year/period	—	300	300
Provision for bad debt recognised	300	—	—
As at the end of the year/period	300	300	300

The movement in the provision for bad debt recognised in respect of the Group's retention sum receivables is summarised as follows:

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
As at the beginning of the year/period	—	225	225
Provision for bad debt recognised	225	—	—
As at the end of the year/period	225	225	225

As at 31 December 2015, the directors of the Company determined to impair trade receivables of approximately S$300,000 and retention sum receivables of approximately S$225,000 due to the low likelihood of collectability. Consequently, provision for bad debt of approximately S$300,000 and S$225,000 was recognised in relation to trade receivables and retention sum receivables respectively.

The carrying amount of trade and retention sum receivables approximate their fair values.

20. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	As at 31 December 2015 *S$'000*	As at 31 December 2016 *S$'000*	As at 30 April 2017 *S$'000*
Contract cost incurred plus recognised profit less recognised loss	43,769	38,081	49,955
Less: Progress billings	(49,031)	(38,937)	(52,724)
	(5,262)	(856)	(2,769)

Analyses for reporting purposes as:

	As at 31 December 2015 *S$'000*	As at 31 December 2016 *S$'000*	As at 30 April 2017 *S$'000*
Amounts due from customers for contract works	710	4,426	3,428
Amounts due to customers for contract works	(5,972)	(5,282)	(6,197)
	(5,262)	(856)	(2,769)

All amounts due from/(to) customers for contract works are expected to be recovered/settled within one year.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December 2015 *S$'000*	As at 31 December 2016 *S$'000*	As at 30 April 2017 *S$'000*
Prepayments	52	15	258
Prepaid **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Deposits *(Note)*	723	530	527
Other receivables	61	338	216
	836	883	1,453

Note: As at 31 December 2015 and 2016 and 30 April 2017, deposits mainly represented the amount paid for workers accommodation at approximately S$448,000, S$174,000 and S$139,000 respectively.

22. AMOUNTS DUE FROM DIRECTORS

	Maximum balance outstanding during the year/period ended					
	31 December 2015 *S$'000*	31 December 2016 *S$'000*	30 April 2017 *S$'000*	As at 31 December 2015 *S$'000*	As at 31 December 2016 *S$'000*	As at 30 April 2017 *S$'000*
Mr. Goh Cheng Seng	2,772	4,516	5,534	2,281	4,491	3,840
Ms. Wu Wei Ling *(Note)*	13	13	—	13	—	—
				2,294	4,491	3,840

The amounts due from directors which were in non-trade nature are unsecured, interest free and recoverable on demand.

Note: Ms. Wu Wei Ling resigned as director of ICPL on 9 December 2016. The balance of amount due from Wu Wei Ling at approximately S$220,000 was transferred to other receivable.

23. AMOUNTS DUE FROM RELATED COMPANIES

	Maximum balance outstanding during the year/period ended					
	31 December 2015	**31 December 2016**	**30 April 2017**	**As at 31 December 2015**	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Interno Building Construction Pte Ltd	37	37	—	37	—	—
CM Goh Crane Service	93	93	93	93	93	—
				130	93	—

The amounts due from related companies which were in trade nature are unsecured, interest free and recoverable on demand.

For the relationship with the Group, please refer to Related Party Transactions at Note 34.

24. CASH AND CASH EQUIVALENTS

	As at 31 December 2015	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*
Cash and bank balances	4,252	7,015	4,213

At the end of each of the Track Record Period, cash and bank balances were denominated in Singapore dollars.

25. TRADE AND RETENTION SUM PAYABLES

	As at 31 December 2015	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*
Trade payables	1,056	1,335	830
Retention sum payables	138	164	175
	1,194	1,499	1,005

Trade and retention sum payables are non-interest bearing. Trade payables are generally settled on 30-day terms. The terms and conditions in relation to the release of retention vary from contract to contract, which usually within 1 year and subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

As at 31 December 2015 and 2016 and 30 April 2017, trade and retention sum payables were denominated in Singapore dollars.

Ageing analysis of trade and retention sum payables as at the reporting dates is as follows:

	As at 31 December 2015	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*
0 to 30 days	420	694	433
31 to 90 days	345	445	178
91 to 180 days	47	44	59
Over 180 days	382	316	335
	1,194	1,499	1,005

26. OTHER PAYABLES AND ACCRUALS

	As at 31 December 2015	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*
Accrued operating expenses *(Note a)*	2,130	5,566	5,027
Accrued **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other payables *(Note b)*	892	646	346
GST payable	750	301	285
	3,772	6,513	6,784

Notes:

(a) As at 31 December 2015 and 2016 and 30 April 2017, accrued operating expenses mainly represented the accrued salaries of approximately S$1,324,000, S$1,843,000 and S$1,354,000 respectively and materials of approximately S$93,000, S$1,357,000 and S$1,823,000 respectively.

(b) As at 31 December 2015 and 2016 and 30 April 2017, other payables mainly represented amount due to Octagon Consultancy Service Pte. Limited which related to the joint operation project described at Note 16 of approximately S$687,000, S$637,000 and S$337,000 respectively.

27. AMOUNT DUE TO A DIRECTOR

The amount due to a director which was in non-trade nature is unsecured, interest free and repayable on demand.

28. AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies which were in trade nature are unsecured, interest free and repayable on demand.

29. BANK BORROWINGS

	As at 31 December 2015	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*
Secured mortgage loan	860	771	741

Note: As at 31 December 2015 and 2016 and 30 April 2017, the bank borrowings of approximately S$860,000, S$771,000 and S$741,000 respectively was secured by the pledge of certain Group's property, plant and equipment (Note 18), investment property (Note 17) which carries variable effective interest rate from approximately 3.05% to 3.55% per annum.

30. OBLIGATIONS UNDER FINANCE LEASES

The total future minimum lease payments under finance leases and their present values were as follows:

	Minimum lease payment			Present value of minimum lease payment		
	As at 31 December 2015	**As at 31 December 2016**	**As at 30 April 2017**	**As at 31 December 2015**	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Amount payable under finance leases:						
Within one year	209	199	199	197	188	188
In the second to fifth year, inclusive	322	193	127	306	183	120
	531	392	326	503	371	308
Less: Finance charges	(28)	(21)	(18)	N/A	N/A	N/A
	503	371	308	503	371	308

	As at 31 December 2015	**As at 31 December 2016**	**As at 30 April 2017**
	S$'000	*S$'000*	*S$'000*
Current portion	197	188	188
Non-current portion	306	183	120
	503	371	308

As at 31 December 2015 and 2016 and 30 April 2017, the Group has leased the motor vehicles and a heavy machinery under finance leases. The lease term is 3 years. Effective interest rate underlying all obligations under finance leases are fixed at respective contract dates ranged from approximately 3.65% to 6.00% per annum. Obligations under finance leases are denominated in Singapore dollars.

The obligations under finance leases are secured by the lessor's charge over the leased assets and pledged by fixed deposits and the relevant heavy machinery.

31. SHARE CAPITAL

The Company was incorporated on 8 March 2017 and the Reorganisation was only completed on 16 October 2017, hence, the paid-in capital in the combined statements of financial position as at 31 December 2015 and 2016 and 30 April 2017 was Nil.

32. RESERVES

The amounts of the Group's reserves and the movements therein for each reporting period during the Track Record Period are presented in the combined statements of changes in equity.

Company

	Accumulated Losses	Total
	S$'000	*S$'000*
As at 8 March 2017 (date of incorporation)	—	—
Loss and total comprehensive loss for the period	(65)	(65)
As at 30 April 2017	(65)	(65)

33. OPERATING LEASE COMMITMENTS

(a) As lessor

Future minimum lease rental receivables under non-cancellable operating leases of the Group as at the reporting dates are as follows:

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
Within one year	32	34	14
Within two to five years	27	46	—
	59	80	14

The Group leases its investment property under operating leases. The leases run for an initial period of 1 to 2 years. None of these leases includes any contingent rentals. The above lease agreement was early terminated by the tenant with effect from 15 May 2017.

(b) As lessee

Future minimum rental payables under non-cancellable operating lease of the Group in respect of as at the reporting dates are as follows:

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
Within one year	1,047	1,212	1,040
Within two to five years	—	—	—
	1,047	1,212	1,040

The Group leases dormitories and site equipment under non-cancellable operating leases. The leases run for an initial period of 6 months to 2.5 years, with options to renew the lease terms upon expiry when all terms are re-negotiated. None of these leases includes any contingent rentals.

34. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial information, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Compensation paid to key management personnel of the Group represented are disclosed in Note 11.

(b) During the Track Record Period, Mr. Goh has entered into personal guarantee agreements with United Oversea Bank Limited to secure performance bonds and bank loan on behalf of the Group amounted to S$2,130,000 and S$300,000 respectively.

During the Track Record Period, Ms. Tan has executed Letter of Charge and Set-off in respect of Fixed Deposits of not less than S$300,000 to be placed with United Oversea Bank Limited for securing performance bond on behalf of the Group.

(c) During the Track Record Period, the Group had the following transactions with related parties:

Name of the related party	Nature of transactions	Year ended 31 December 2015	Year ended 31 December 2016	Four months ended 30 April 2016	Four months ended 30 April 2017
		S$'000	*S$'000*	*S$'000* (unaudited)	*S$'000*
Prowess General Service Contractor ("Prowess") *(Note 1)* *(Note 3)*	Subcontracting charges	686	986	266	—
Interno Building Construction Pte. Ltd. ("IBCPL") *(Note 1)* *(Note 4)*	Subcontracting charges	820	61	61	—
	Accommodation	25	—	—	—
CM Goh Crane Service *(Note 2)*	Sale of written-off machine	93	—	—	—
	Rental of equipment	—	—	—	13
	Subcontracting charges	—	—	—	3

Notes:

1. Prowess and IBCPL are held by Mr. Goh, who is the common Director of the Group.

2. CM Goh Crane Service is held by Mr. Goh Chin Min, who is the brother of the Group executive director, Mr. Goh Cheng Seng.

3. Prowess was deregistered on 4 January 2017.

4. IBCPL was struck off on 8 May 2017.

35. NON-CASH TRANSACTION

During the year ended 31 December 2015 and 2016, the additions of property, plant and equipment was partly settled by the agreement of Hire Purchase Facility of S$500,000 and S$65,000 respectively.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Track Record Period are as follows:

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
Financial assets			
Loans and receivables:			
— Trade and retention sum receivables	12,933	6,839	11,879
— Financial assets included in deposits and other receivables	784	868	743
— Amounts due from directors	2,294	4,491	3,840
— Amounts due from related companies	130	93	—
— Cash and cash equivalents	4,252	7,015	4,213
	20,393	19,306	20,675

	As at 31 December 2015	As at 31 December 2016	As at 30 April 2017
	S$'000	*S$'000*	*S$'000*
Financial liabilities			
Financial liabilities measured at amortised cost:			
— Trade and retention sum payables	1,194	1,499	1,005
— Other payables and accruals	3,772	6,513	6,784
— Amount due to a director	966	954	954
— Amounts due to related companies	604	706	—
— Bank borrowings	860	771	741
— Obligations under finance leases	503	371	308
	7,899	10,814	9,792

37. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts of the Group's financial assets, including cash and cash equivalents, trade and retention sum receivables, other receivables, amounts due from directors, amounts due from related companies, and deposit paid and the Group's financial liabilities, including trade and retention sum payables, other payables and accruals, bank borrowings, amount due to a director, amounts due to related companies, and finance leases payable, approximate their fair values due to their short maturities. The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group and the Company for similar financial instruments.

No analysis is disclosed since the Group has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the Track Record Period. There were no transfers between levels 1 and 2 during the Track Record Period.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk concentration profile

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash and cash equivalents, trade and retention sum receivables, amounts due from directors, amounts due from related companies and other receivables. For trade and retention sum receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group assesses concentration of credit risk by monitoring the individual profile of its trade and retention sum receivables on an ongoing basis.

As at 31 December 2015 and 2016 and 30 April 2017, approximately 98.0%, 97.3% and 95.4% respectively of the Group's trade and retention sum receivables were due from the top five customers.

(i) Financial assets that are neither past due nor impaired

Cash at bank that are neither past due nor impaired are placed with reputable financial institutions with high credit-ratings. Trade and retention sum receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due but not impaired

Trade and retention sum receivables that are past due but not impaired are substantially due from companies with recognised and creditworthy counterparties. The balances are monitored on an ongoing basis to ensure the exposure to credit risk is minimal. Information regarding financial assets that are past due but not impaired is disclosed in Note 19 to the Financial Information.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity risk is to ensure, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, such as maintaining sufficient cash and cash equivalents as disclosed in Note 24 to the Financial Information.

The table below summaries the maturity profile of the Group's financial liabilities at the end of each of the Track Record Period based on contractual undiscounted repayment obligations.

	Weighted average effective interest rate	On demand or within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
As at 31 December 2015							
Financial liabilities:							
Trade and retention sum payables	—	1,194	—	—	—	1,194	1,194
Other payables and accruals	—	3,772	—	—	—	3,772	3,772
Amount due to a director	—	966	—	—	—	966	966
Amount due to a related company	—	604	—	—	—	604	604
Bank borrowings	3.05	860	—	—	—	860	860
Obligations under finance leases	4.07	209	176	146	—	531	503
		7,605	176	146	—	7,927	7,899

	Weighted average effective interest rate	On demand or within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
As at 31 December 2016							
Financial liabilities:							
Trade and retention sum payables	—	1,499	—	—	—	1,499	1,499
Other payables and accruals	—	6,513	—	—	—	6,513	6,513
Amount due to a director	—	954	—	—	—	954	954
Amounts due to related companies	—	706	—	—	—	706	706
Bank borrowings	3.42	771	—	—	—	771	771
Obligations under finance leases	3.78	199	170	23	—	392	371
		10,642	170	23	—	10,835	10,814

	Weighted average effective interest rate	On demand or within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
As at 30 April 2017							
Financial liabilities:							
Trade and retention sum payables	—	1,005	—	—	—	1,005	1,005
Other payables and accruals	—	6,784	—	—	—	6,784	6,784
Amount due to a director	—	954	—	—	—	954	954
Amounts due to related companies	—	—	—	—	—	—	—
Bank borrowings	3.55	741	—	—	—	741	741
Obligations under finance leases	3.78	199	111	16	—	326	308
		9,683	111	16	—	9,810	9,792

The following table summarises the maturity analysis of bank borrowings with repayable on demand clause based on agreed scheduled repayments set out in the loan agreements. The amount includes interest payments computed using contractual rates. Taking into account the Group's financial position, the directors of the Company do not consider that it is probable that the bank will exercise its discretion to immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Maturity Analysis — bank borrowings subject to a repayment on demand clause based on scheduled repayments			
	Within one year	More than one year but less than two years	More than two years but less than five years	Over five years
	S$'000	*S$'000*	*S$'000*	*S$'000*
As at 31 December 2015	115	121	386	451
As at 31 December 2016	121	129	386	322
As at 30 April 2017	129	129	386	285

39. CAPITAL 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 Track Record Period. The capital structure of the Group consists of debt, which includes obligations under finance leases and borrowings, as disclosed in Notes 29 and 30, respectively, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and retained earning. The management of the Group reviews the capital structure from time to time. As a 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.

40. PARTICULARS OF SUBSIDIARIES

As at the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Place and date of incorporation	Issued and fully paid share capital registered capital at the date of this report	Attributable equity interest and voting power held by the Company				Principal activities
			As at 31 December		As at 30 April	At the date of this report	
			2015	2016	2017		
			%	%	%	%	
Directly held:							
Indigo Link Holdings Limited ("Indigo Link")	The British Virgin Islands ("BVI"), 10 March 2017	Ordinary shares US$0.01	–	–	–	100	Investment holding
Indirectly held:							
IEPL	Singapore, 17 December 1996	Ordinary shares S$3,000,000	–	–	–	100	Building construction
ICPL	Singapore, 3 September 2013	Ordinary shares S$100,000	–	–	–	100	Building construction

All companies now comprising the Group have adopted 31 December as their financial year end date.

As at the date of this report, no audited financial statements have been prepared for Indigo Link as there is no statutory requirement for Indigo Link to prepare audited financial statements.

ICPL was exempt from auditing its financial statements for the year ended 31 December 2015 as it falls within the "exempt private company" exemption under the previous Section 205C of the Singapore Companies Act (Chapter 50)("Companies Act") in force prior to 1 July 2015 as its revenue was less than S$5 million, the number of shareholders was less than 20 and all the shareholders were individuals and not corporations.

ICPL was exempt from auditing its financial statements for the year ended 31 December 2016 as it falls within the "small company" exemption under the new Section 205C of the Companies Act which came into effect on 1 July 2015 as it was a private company and its revenue and total assets for the years ended 31 December 2015 and 2016 were both less than S$10 million.

The audited statutory financial statements of IEPL for the years ended 31 December 2015 and 2016 were prepared in accordance with the Singapore Financial Reporting Standards ("SFRS") issued by Accounting Standards Council in Singapore and were audited by CA TRUST PAC and Foo Kon Tan LLP respectively, both of which are the firms of Public Accountants and Chartered Accountants registered in Singapore and overseen by ACRA which is a statutory board established under the Ministry of Finance in Singapore.

41. SUBSEQUENT EVENTS

Save as disclosed elsewhere in the Document, the Group's major subsequent events included the following:

- The Reorganisation was completed on 16 October 2017 and the details of reorganisation are fully explained in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Group Structure".

- Pursuant to the resolution passed by the sole shareholder on 24 October 2017, the authorised share capital of the Company will be increased from HK$380,000 to HK$10,000,000 by the creation of an additional 962,000,000 Shares of HK$0.01 each ranking pari passu in all respects with the existing issued Shares.

- Pursuant to the resolution passed by the sole shareholder on 24 October 2017, conditional on the share premium account of the Company being credited with the **[REDACTED]** from the **[REDACTED]**, **[REDACTED]** will be capitalised from the share premium account of the Company and applied in paying up in full at par **[REDACTED]** Shares for the allotment and issue to the existing Shareholder on or prior to the **[REDACTED]**.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 30 April 2017.