

RYOBI KISO HOLDINGS LTD.

(Company Registration No. 200803985D)
(Incorporated in the Republic of Singapore on 28 February 2008)

RYOBI

**SPECIALIST OF BORED PILING
AND ECO-FRIENDLY PILING
AND GEOSERVICES**

**Invitation in respect of 192,000,000
New Shares as follows:**

- (a) 2,000,000 Offer Shares at \$0.26
each by way of public offer; and**
- (b) 190,000,000 Placement Shares at
\$0.26 by way of placement,**

payable in full on application.

Issue Manager



PrimePartners Corporate Finance Pte. Ltd.

Underwriter and Placement Agent

UOB KayHian

UOB Kay Hian Private Limited

Adviser



Partners Capital
(Singapore) Pte Ltd

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.

Prior to this Invitation, there has been no public market for our Shares (as defined herein).

We have made an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares (the "Shares") in the capital of Ryobi Kiso Holdings Ltd. (the "Company") already issued, the new shares which are the subject of this Invitation (the "New Shares") and the Award Shares (as defined herein). Such permission will be granted when our Company has been admitted to the Official List of the SGX-ST. **The dealing in and quotation of our Shares will be in Singapore dollars.**

Our acceptance of applications will be conditional upon, *inter alia*, permission being granted by the SGX-ST to deal in, listing of and quotation for all of our existing issued Shares, the New Shares and the Award Shares. If the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claim against us, the Issue Manager, the Underwriter and Placement Agent or the Adviser (as defined herein).

We have received a letter of eligibility-to-list from SGX-ST for the listing of and quotation for our Shares, New Shares and Award Shares on the Official List of the SGX-ST in accordance with our application to the SGX-ST. Our eligibility-to-list on and admission to the Official List of the SGX-ST does not indicate the merits of this Invitation, our Company, our Subsidiaries, our issued Shares, the New Shares or the Award Shares.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, or opinions expressed or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our Subsidiaries, our Shares, the New Shares or the Award Shares.

A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirement has been complied with. The Authority has not, in any way, considered the merits of our Shares, the New Shares or the Award Shares. We have not lodged or registered this Prospectus in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled "RISK FACTORS" in this Prospectus.

No shares shall be allotted and/or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

“A LEADING GROUND ENGINEERING SOLUTIONS PROVIDER”

OUR BUSINESS

SPECIALIST OF BORED PILING AND ECO-FRIENDLY PILING AND GEOSERVICES

Over 19 years of track record in Singapore and completed more than 300 public and private sectors projects comprising residential, commercial, institutional, industrial, infrastructure and environmental protection projects.



BORED PILING

- Piling work to carry heavy vertical loads from structures (such as buildings and bridges) and horizontal loads in earth retaining structures for deep excavation (such as MRT tunnels and basements of buildings);
- Generates less noise and vibration compared with the traditional driven piling method;
- Capable of reaching a depth of about 70 m and boring holes with diameters ranging from 500 mm to 2,400 mm.

ECO-FRIENDLY PILING AND GEOSERVICES

Eco-friendly Piling

- Involves low pollution piling works with minimal noise, vibration and soil removal/disposal and use of lesser raw materials as compared to Bored Piling.

The following techniques are used in Eco-friendly Piling:

- Grout-Mix Piling* - an innovative, efficient and economical soil improvement technique. It is versatile and can be used in ground improvement works, such as foundational support for light structures, for prevention of ground heaving, such as earth retaining walls and for strengthening of embankments;
- Screwed Spun Piling* - an evolutionary step forward from Grout-Mix Piling technique which results in no ground heave and eliminates soil collapse while at the same time increases pile capacities and pile end bearing capacities;
- Press Grouted Spun Piling* - a technique evolved from Screwed Spun Piling which significantly reduces noise pollution and excessive vibration used for the same load as compared to conventional methods of piling and allows less concrete use compared to Bored Piling, thereby resulting in greater ecological preservation and higher cost savings.

Geoservices

Environmental Protection Engineering

- Emphasises the prevention of contamination beyond polluted areas, by isolating them with non-permeable vertical cut-off walls;
- Employs the TRD method for the construction of high quality, uniform, and homogeneous cut-off walls which are more impermeable than those constructed by conventional methods;
- TRD also outstrips conventional wall construction techniques in terms of speed and efficiency.

Geotechnical Engineering Services

Include micro piling, ground anchoring, slope protection and stabilisation works such as soil nailing and grouting, soil investigation, geophysical surveying and vibration/seismic monitoring.

Sale of Geoproducts

Sale of Geoproducts such as strong motion seismic equipment, geophysical survey equipment and geotechnical sensors.



PROJECTS IN PROGRESS (As at 30 November 2009)

| Project Title | Expected Completion | Approximate Contract Sum (\$ million) |
|--|---------------------|---------------------------------------|
| Punggol Waterway (Part I – DSM) | April 2010 | 17 |
| Punggol Waterway (Part I) | April 2010 | 7 |
| MRT Contract 912 | November 2010 | 5 |
| Silversea | February 2010 | 5 |
| HDB Bukit Panjang Neighbourhood 6 Contract 9 | March 2010 | 4 |
| Meier Suites | February 2010 | 3 |
| Singapore Institute of Management Extension | December 2009 | 2 |
| Kim Eng Security Building | January 2010 | 2 |
| Elliot | February 2010 | 2 |
| Anderson 18 | March 2010 | 2 |
| Silversea (DSM) | March 2010 | 2 |
| D’Mira | April 2010 | 1 |

COMPETITIVE STRENGTHS



Specialised in Eco-friendly Piling

- Only company to carry out Screwed Spun Piling and Press Grouted Spun Piling in Singapore;
- Ability to carry out both conventional Bored Piling and Eco-friendly Piling gives flexibility to deploy most cost effective and efficient method.

One of the Largest Ground Engineering Solutions Provider

- Over 19 years of track record in Singapore;
- Handled more than 300 public and private sectors projects comprising residential, commercial, institutional, industrial, infrastructure and environmental protection projects;
- Capable of handling different types of piling requirements;
- Reputed for ability to complete and meet tight completion timelines.

Established Close Relationships with Major Developers and Main Contractors

- Developed good working relationships with developers, main contractors and project consultants which have facilitated sourcing of opportunities and contributed to ability to secure projects.

Able to Tender for Contracts of All Sizes

- Group subsidiary, Ryobi Singapore, was awarded an L6 financial grading by the BCA, which enables it to tender for public sector piling contracts of unlimited value.
 - ▶ Highest grade for piling contractors' registration;
 - ▶ As at Latest Practicable Date, one of the 15 L6 piling contractors in Singapore.

Technological Advantages Over Competitors

- High level of technical expertise through constant and continuous efforts in R&D;
- Only company in Asia outside Japan to commercially utilise TRD machine.

Competitive Pricing

- Long standing business relationships with suppliers and size of operations allows Group to purchase in bulk and negotiate for more competitive pricing.

Provision of High Quality Services

- ISO 9001:2000 and SSISO 9001:2000 certified;
- Backed by team of experienced operators, technicians, supervisory and management staff;
- Conscientious efforts in upgrading assembly of piling machinery regularly and purchasing new machines and equipment to keep up with the latest technology.

Experienced and Dedicated Management Team

- Executive Directors, each have more than 21 years of experience in the Bored Piling and Eco-friendly Piling and Geoservices businesses and possess extensive knowledge in the industry.



PROSPECTS

Sound financial and economic fundamentals in Singapore

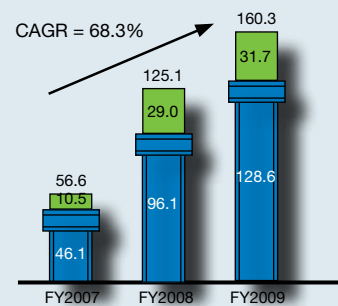
- Enables our Company to weather the current conditions and emerge both strong and resilient.

Positive Outlook for Construction Industry

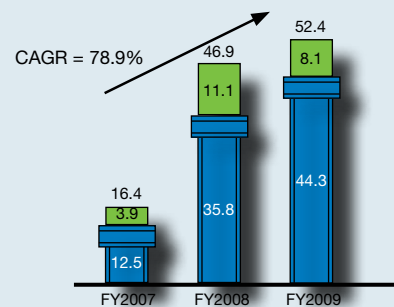
- Construction activities in the short and medium term will remain high
 - ▶ Public sector construction spending for 2009 will increase to between S\$17.0bn to S\$19.0bn, significantly higher than the S\$15.0bn and S\$6.0bn worth of contracts awarded in 2008 and 2007 respectively;
 - ▶ For the private sector, BCA forecasted average construction demand for 2010 and 2011 to be between S\$20.0bn – S\$27.0bn per annum.

FINANCIAL HIGHLIGHTS

REVENUE (S\$'mil)

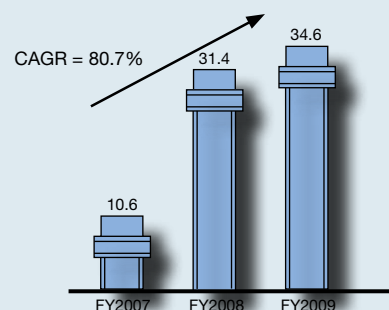


GROSS PROFIT (S\$'mil)



■ Eco-friendly Piling
 ■ Bored Piling

NET PROFIT (S\$'mil)



Order book of approximately S\$52.6 million

FUTURE PLANS

Acquisition of additional piling equipment and machinery and upgrade of existing piling equipment and machinery

- Enhance capability to tender for wider range of projects;
- Strengthen position as leader in the field of Eco-friendly Piling in Singapore;
- Facilitate expansion into overseas markets.

Acquisition of land and/or construction of new industrial buildings and office premises

- To achieve operational and cost efficiency as well as centralise operations;
- To provide warehouse facilities and additional storage space.

Expansion of business operations in Singapore and overseas and diversification of services

- Access to new markets and prospective customers as well as new businesses;
- To achieve expansion and/or diversification through acquisitions, investments, strategic alliances and/or joint ventures.

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CORPORATE INFORMATION

| | | |
|--|---|---|
| BOARD OF DIRECTORS | : | Mr. Lee Yiok Seng (Non-Executive Director & Chairman) Mr. Ong Tiong Siew (Executive Director & CEO) Mr. Ong Teng Choon (Executive Director) Ms. Lai Chin Yee (Lead Independent Director) Dr. Lau Teik Soon (Independent Director) |
| COMPANY SECRETARIES | : | Mr. Wong Chee Meng Lawrence, LL.B. (Hons) Ms. Sophia Lim Siew Fay, ACIS Ms. Tan Ghee Hwa, FCCA |
| REGISTERED OFFICE | : | 58A Sungei Kadut Loop Ryobi Industrial Building Singapore 729505 |
| SHARE REGISTRAR | : | B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758 |
| ISSUE MANAGER | : | PrimePartners Corporate Finance Pte. Ltd. 1 Raffles Place #30-03 OUB Centre Singapore 048616 |
| UNDERWRITER AND PLACEMENT AGENT | : | UOB Kay Hian Private Limited 8 Anthony Road #01-01 Singapore 229957 |
| ADVISER TO THE COMPANY IN RELATION TO THE INVITATION | : | Partners Capital (Singapore) Pte Ltd 7 Temasek Boulevard #43-02 Suntec Tower One Singapore 038987 |
| AUDITORS AND REPORTING ACCOUNTANTS | : | Nexia TS Public Accounting Corporation 5 Shenton Way #16-01 UIC Building Singapore 068808 Director in charge: Kristin YS Kim, CPA |
| SOLICITORS TO THE INVITATION AND LEGAL ADVISERS TO OUR COMPANY ON SINGAPORE LAW | : | KhattarWong 80 Raffles Place #25-01 UOB Plaza 1 Singapore 048624 |
| SOLICITORS TO THE ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT | : | Drew & Napier LLC 20 Raffles Place #17-00 Ocean Towers Singapore 048620 |
| LEGAL ADVISERS TO OUR COMPANY ON MALAYSIAN LAW | : | The Law Office of K K Chong & Company Suite 1213, 12th Floor Plaza Permata No. 6, Jalan Kampar 50400 Kuala Lumpur Malaysia |

CORPORATE INFORMATION

| | | |
|---|---|---|
| LEGAL ADVISERS TO OUR COMPANY ON VIETNAM LAW | : | KhattarWong (Vietnam) Limited Bitexco Office Building 19-25 Nguyen Hue Boulevard District 1 Suite 1501, 15th Floor Ho Chi Minh City Vietnam |
| RECEIVING BANK | : | The Bank of East Asia, Limited The Bank of East Asia Building 137 Market Street Singapore 048943 |
| PRINCIPAL BANKERS AND FINANCIAL INSTITUTIONS | : | Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513 Standard Chartered Bank 6 Battery Road Singapore 049909 United Overseas Bank Limited 80 Raffles Place UOB Plaza 1 Singapore 048624 |

DEFINITIONS

In this Prospectus and the accompanying Application Forms and in relation to Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks and on the Internet Banking websites of the relevant Participating Banks, the following definitions apply throughout where the context so admits:

Companies within our Group

| | | |
|------------------------------------|---|---|
| “Company” | : | Ryobi Kiso Holdings Ltd. |
| “Group” | : | Our Company and our Subsidiaries as at the date of this Prospectus |
| “Raffles Piling Singapore” | : | Raffles Piling Singapore Pte. Ltd. |
| “Raffles Piling Vietnam” | : | Raffles Piling Vietnam Company Limited |
| “Ryobi Geomonitoring” | : | Ryobi Geomonitoring Pte. Ltd. |
| “Ryobi Geoproducts” | : | Ryobi Geoproducts Pte. Ltd. |
| “Ryobi Geosystems” | : | Ryobi Geosystems Pte. Ltd. |
| “Ryobi Geotech” | : | Ryobi Geotech Pte. Ltd. |
| “Ryobi Geotechnique” | : | Ryobi Geotechnique Pte Ltd |
| “Ryobi Geotechnique International” | : | Ryobi Geotechnique International Pte. Ltd. |
| “Ryobi Geotechnique Malaysia” | : | Ryobi Geotechnique (M) Sdn. Bhd. |
| “Ryobi Ground Engineering” | : | Ryobi Ground Engineering Pte. Ltd. |
| “Ryobi Machinery” | : | Ryobi Machinery Pte Ltd |
| “Ryobi Malaysia” | : | Ryobi-Kiso (M) Sdn. Bhd. |
| “Ryobi Singapore” | : | Ryobi Kiso (S) Pte. Ltd. (formerly known as Ryobi-Kiso (S) Pte Ltd) |

Other Corporations and Organisations

| | | |
|---------------------------|---|---|
| “BCA” | : | Building and Construction Authority |
| “CDP” or “Depository” | : | The Central Depository (Pte) Limited |
| “Compile Ryobi Australia” | : | Compile-Ryobi Australia Pty Ltd |
| “FIC” | : | Foreign Investment Committee, Economic Planning Unit, Prime Minister’s Department, Malaysia |
| “HDB” | : | Housing & Development Board |

DEFINITIONS

| | | |
|-----------------------|---|--|
| “IES” | : | The Institution of Engineers Singapore |
| “ISO” | : | International Organization for Standardization |
| “Kiso Engineering” | : | Kiso Engineering (S) Pte Ltd (formerly known as Berjaya Engineering Pte Ltd) |
| “MAS” or “Authority” | : | The Monetary Authority of Singapore |
| “MOM” | : | Ministry of Manpower |
| “MND” | : | Ministry of National Development |
| “MTI” | : | Ministry of Trade and Industry |
| “NEA” | : | National Environment Agency |
| “Prima Management” | : | Prima Management Pte Ltd |
| “Rotor Mix” | : | Rotor Mix Pte Ltd |
| “Ryobi International” | : | Ryobi International Pte Ltd |
| “Ryobi Japan” | : | RyobiKiso Co. Ltd. |
| “SCCS” | : | Securities Clearing and Computer Services (Pte) Ltd |
| “Seafco-Ryobi” | : | Seafco-Ryobi Pte. Ltd. |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Tanglin Capital” | : | Tanglin Capital Pte Ltd |
| “Utraco Ryobi” | : | Utraco Ryobi Ground Engineering Pvt Ltd |
| “YK Industrial” | : | YK Industrial Machinery Pte Ltd |
| “Zedos” | : | Zedos International Pte Ltd |

General

| | | |
|---------------------------|---|---|
| “Act” or “Companies Act” | : | The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time |
| “Adviser” | : | Partners Capital (Singapore) Pte Ltd, the adviser to our Company in relation to the Invitation |
| “Application Forms” | : | The printed application forms to be used for the purpose of the Invitation and which form part of this Prospectus |
| “Application List” | : | The list of applications for subscription of the New Shares |
| “Articles of Association” | : | The articles of association of our Company |

DEFINITIONS

- “Associate” : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more of the aggregate of the nominal amount of all the voting shares;
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “ATM” : Automated teller machine of a Participating Bank
- “Audit Committee” : The audit committee of our Company as at the date of this Prospectus, unless otherwise stated
- “Award” : The contingent award of Shares made under the RKSAS
- “Award Shares” : The Shares which may be allotted and issued from time to time pursuant to the vesting of the Awards under RKSAS
- “Board” or “Board of Directors” : The board of Directors of our Company as at the date of this Prospectus, unless otherwise stated
- “BCISPA” : Building and Construction Industry Security of Payment Act (Cap 30B) of Singapore
- “CEO” : Chief Executive Officer
- “Committee” : In reference to the RKSAS, refers to the Remuneration Committee of our Company
- “Controlling Shareholder” : A person who holds directly or indirectly 15.0% or more of the nominal amount of all the voting shares in our Company (unless determined otherwise by the SGX-ST, or in fact exercises control over our Company)

DEFINITIONS

| | | |
|--------------------------------|---|---|
| “Date of Grant” | : | In relation to an Award, the date on which the Shares are granted to a Selected Person |
| “Directors” | : | The directors of our Company as at the date of this Prospectus, unless otherwise stated |
| “Electronic Applications” | : | Applications for the Offer Shares made through an ATM of one of the relevant Participating Banks or through the IB websites of one of the relevant Participating Banks, subject to and on the terms and conditions of this Prospectus |
| “EPS” | : | Earnings per Share |
| “Executive Directors” | : | The executive Directors of our Company as at the date of this Prospectus, unless otherwise stated |
| “Executive Officers” | : | The executive officers of our Company as at the date of this Prospectus, unless otherwise stated |
| “FY” | : | Financial year ended or ending 30 June, as the case may be |
| “Group Employee” | : | A full-time employee of our Company, our Subsidiaries and/or RKSAS Associated Companies (including any Group Executive Director) |
| “Group Executive Director” | : | A director of any of our Company, our Subsidiaries and/or RKSAS Associated Companies, as the case may be, who performs an executive function |
| “Group Non-Executive Director” | : | A director of any of our Company, our Subsidiaries and/or RKSAS Associated Companies (including an independent director), as the case may be, other than a Group Executive Director |
| “IB” | : | Internet banking |
| “Independent Directors” | : | The independent Directors of our Company as at the date of this Prospectus, unless otherwise stated |
| “Invitation” | : | The invitation by our Company to the public to subscribe for the New Shares at the Issue Price, upon the terms and subject to the conditions set out in this Prospectus |
| “Issue Manager” | : | PrimePartners Corporate Finance Pte. Ltd. |
| “Issue Price” | : | \$0.26 for each New Share |
| “Latest Practicable Date” | : | 30 November 2009, being the latest practicable date prior to the date of lodgement of this Prospectus with the Authority |
| “Listing Manual” | : | The listing manual of the SGX-ST |

DEFINITIONS

| | | |
|--------------------------|---|---|
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “Memorandum” | : | The memorandum of association of our Company |
| “MRT” | : | Mass Rapid Transit |
| “New Shares” | : | The 192,000,000 new Shares for which our Company invites applications to subscribe for at the Issue Price pursuant to the Invitation, upon the terms and subject to the conditions set out in this Prospectus |
| “Nominating Committee” | : | The nominating committee of our Company as at the date of this Prospectus |
| “Non-Executive Director” | : | The non-executive Director of our Company as at the date of this Prospectus, unless otherwise stated |
| “NTA” | : | Net tangible assets |
| “NAV” | : | Net asset value |
| “Offer” | : | The offer by our Company of the Offer Shares to the public in Singapore for subscription at the Issue Price, upon the terms and subject to the conditions set out in this Prospectus |
| “Offer Shares” | : | The 2,000,000 New Shares which are the subject of the Offer |
| “Participating Banks” | : | DBS Bank Ltd (including POSB) (“DBS Bank”), Oversea-Chinese Banking Corporation Limited (“OCBC Bank”), United Overseas Bank Limited (“UOB”) and its subsidiary, Far Eastern Bank Limited (“UOB Group”) |
| “PAT” | : | Profit after income tax |
| “Period Under Review” | : | The period which comprises FY2007, FY2008 and FY2009 |
| “PBT” | : | Profit before income tax |
| “PER” | : | Price earnings ratio |
| “Performance Target” | : | The performance targets prescribed by the Committee to be fulfilled by a Selected Person for any particular period under the RKSAS |
| “Placement” | : | The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Issue Price, upon the terms and subject to the conditions set out in this Prospectus |

DEFINITIONS

| | | |
|---------------------------------------|---|---|
| “Placement Shares” | : | The 190,000,000 New Shares which are the subject of the Placement |
| “PRC” | : | The People’s Republic of China |
| “Prospectus” | : | This prospectus dated 18 January 2010 issued by our Company in respect of the Invitation |
| “Remuneration Committee” | : | The remuneration committee of our Company as at the date of this Prospectus, unless otherwise stated |
| “R&D” | : | Research and development |
| “Restructuring Exercise” | : | The restructuring exercise undertaken in connection with the Invitation as described in the section entitled “Restructuring Exercise” of this Prospectus |
| “RKSAS” | : | The Ryobi Kiso Share Award Scheme |
| “RKSAS Associated Company” | : | A company in which at least 20.0% but not more than 50.0% of its shares are held by our Company and/or our Subsidiaries, or a subsidiary of such company, and over whose management our Company has control over |
| “Securities Account” | : | The securities account maintained by a depositor with CDP but does not include a securities sub-account |
| “Selected Persons” | : | A person who is selected by the Committee to participate in the RKSAS in accordance with the provisions of the RKSAS |
| “Service Agreements” | : | The service agreements entered between Ong Tiong Siew and Ong Teng Choon respectively with our Company as described in the section entitled “Service Agreements” of this Prospectus |
| “SFA” or “Securities and Futures Act” | : | The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time |
| “Shareholder” | : | Registered holders of our Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with our Shares |
| “Shares” | : | Ordinary shares in the capital of our Company |
| “Special Dividend’08” | : | Special dividend of \$15.0 million declared by Ryobi Singapore which was approved by the shareholders of Ryobi Singapore at the extraordinary general meeting on 28 March 2008 and paid by Ryobi Singapore on 9 July 2008 |

DEFINITIONS

| | | |
|-----------------------------------|---|---|
| “Special Dividend’09” | : | Special dividend of, in aggregate, \$25.0 million declared by Ryobi Singapore which was approved by the shareholders of Ryobi Singapore at the extraordinary general meeting held on 26 December 2008, 19 June 2009 and 29 June 2009 and paid by Ryobi Singapore in three tranches on 31 March 2009, 23 June 2009 and 14 September 2009 |
| “SSISO” | : | Singapore ISO Standards |
| “Substantial Shareholder” | : | A person who has an interest or interests in shares, the nominal amount of which is not less than 5.0% of the aggregate of the nominal amount of all the voting shares of our Company |
| “Underwriter and Placement Agent” | : | UOB Kay Hian Private Limited |

Currencies, Units and Others

| | | |
|---|---|---|
| “cc” | : | Cubic capacity |
| “m ² ” | : | Square metre |
| “mm” | : | Millimetre |
| “p.a.” | : | Per annum |
| “RM” | : | Malaysian Ringgit |
| “S\$” or “\$” or “cents” or “Singapore Dollars” | : | Singapore dollars and cents, respectively |
| “¥” or “Japanese Yen” | : | Japanese Yen |
| “US\$” | : | United States Dollar |
| “VND” | : | Vietnamese Dong |

Lee Yiok Seng @ Lee Geok Seng @ Lee Yok Seng is referred to in this Prospectus as “Lee Yiok Seng”.

In this Prospectus and the accompanying Application Forms and in relation to Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks and on the IB websites of the relevant Participating Banks, the following definitions apply throughout where the context so admits:

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The expressions “Associated Company”, “Associated Entity”, “Related Corporation”, “Related Entity”, “Entity At Risk”, “Interested Person”, “Subsidiary”, and “Subsidiary Entity” shall have the meanings ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

The expression “Entity” includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust.

Any discrepancies between the amounts listed and their totals in tables are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the amounts which precede them.

Any reference in this Prospectus, the Application Forms and/or the Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA or any statutory modification thereof and used in this Prospectus, the Application Forms and/or the Electronic Applications shall, where applicable or the context so requires, have the meaning assigned to it under the Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Prospectus, the Application Forms and/or the Electronic Applications to shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Prospectus, the Application Forms and/or the Electronic Applications shall be a reference to Singapore time, unless otherwise stated.

Any reference to “we”, “us”, “our”, “ourselves” or their other grammatical variations is a reference to our Company, our Group or any member of our Group, as the context requires.

GLOSSARY OF TECHNICAL TERMS

The glossary contains explanations of certain terms. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

- “aggregate” : Inert granular materials such as sand, gravel or crushed stone that, along with water and Portland cement, are an essential ingredient in concrete
- “bentonite slurry” : Slurry composed of water and clay powder consisting chiefly of montmorillonite minerals
- “C2” : The BCA financial grading of C2 under the workhead CW02 for civil engineering under the construction category
- “C3” : The BCA financial grading of C3 under the workhead CW02 for civil engineering under the construction category
- “Geoproducts” : Refers to products sold by our Group under our “Geoservices” business and includes strong motion seismic equipment, geophysical survey equipment, and geotechnical sensors
- “fiber Bragg Grating” : A type of distributed Bragg reflector constructed in a short segment of optical fiber that reflects particular wavelengths of light and transmits all others. This is achieved by adding a periodic variation to the refractive index of the fiber core, which generates a wavelength specific dielectric mirror. A fiber Bragg grating can therefore be used as an inline optical filter to block certain wavelengths, or as a wavelength-specific reflector
- “H-piles” : Steel H-section used as a pile or as a bearing pile
- “L6” : The BCA financial grading of L6 under the workhead CR08 for piling under the construction related category
- L6 grading is currently the highest grade for contractors’ registration under the workhead CR08 and enables the holder of L6 grading to tender for public sector piling construction projects of unlimited value in Singapore. More information on the qualification and maintenance of L6 grading, as well as further information on other levels of grading, can be found under “Appendix E — Government Regulations”
- “pile cap construction” : A thick reinforced concrete mat that is built on top of piles in order to distribute and transfer the building load onto the piles
- “Qualified Person” : A person who is registered as:
- (a) an architect under the Architects Act (Cap. 12) of Singapore and has in force a practising certificate issued under that Act; or
 - (b) a professional engineer under the Professional Engineers Act (Cap. 253) of Singapore and has in force a practising certificate issued under that Act

GLOSSARY OF TECHNICAL TERMS

| | | |
|------------------------------|---|---|
| “RC” | : | Reinforced concrete |
| “rebar” | : | Reinforcement bar |
| “spoil” | : | The earth materials that are removed while excavating |
| “spun pile” | : | A pile that is fabricated using high strength concrete and reinforced with prestressed steel bars within |
| “top drive electrical auger” | : | An auger powered by an electric motor which is used to bore holes in the earth |
| “TRD” | : | Trench cutting and Remixing slurry Diaphragm wall method, a method that cuts and mixes existing soil with injected solidifying agents using large chainsaw-like equipment |
| “tremmie pipe” | : | A metal pipe used to deliver concrete into a bored hole |

SELLING RESTRICTIONS

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such an offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and registration of this Prospectus in Singapore in order to permit a public offering of the New Shares and the public distribution of this Prospectus in Singapore. The distribution of this Prospectus and the offering of the New Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by us, the Issue Manager and the Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Issue Manager and the Underwriter and Placement Agent.

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us, our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these statements by forward-looking terms such as “anticipates”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “will” and “would” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to:

- (a) our revenue and profitability;
- (b) expected growth in demand;
- (c) expected industry trends;
- (d) anticipated expansion plans; and
- (e) other matters discussed in this Prospectus regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

These risks, uncertainties and other factors include, among others:

- (a) changes in political, social and economic conditions and the regulatory environment in Singapore and other countries in which we conduct business;
- (b) changes in currency exchange rates;
- (c) our anticipated growth strategies and expected internal growth;
- (d) changes in the availability and prices of materials we need for our business;
- (e) changes in customer demand;
- (f) changes in competitive conditions and our ability to compete under these conditions;
- (g) changes in our future capital needs and the availability of financing and capital to fund these needs; and
- (h) other factors beyond our control.

These factors are discussed in greater detail in this Prospectus, in particular, but not limited to the discussions under the sections entitled “Risk Factors” and “Management Discussion and Analysis of the Financial Condition and Results of Operations” of this Prospectus. All forward-looking statements by or attributable to us, our Directors, our Executive Officers or our employees acting on our behalf, or persons acting on our behalf, contained in this Prospectus are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Prospectus.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements. Neither

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

our Company, the Issue Manager, the Underwriter and Placement Agent, the Adviser nor any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Issue Manager, the Underwriter and Placement Agent and the Adviser disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect further developments, events or circumstances. We are, however, pursuant to Section 241 of the Securities and Futures Act, required to lodge a supplementary or replacement Prospectus if, prior to the close of the Invitation, we become aware of:

- (a) a false or misleading statement or matter in this Prospectus;
- (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the Securities and Futures Act; or
- (c) a new circumstance which has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the Securities and Futures Act to be included in this Prospectus, if it had arisen before this Prospectus was lodged and which is materially adverse from the point of view of an investor.

We are also subject to the provisions of the Listing Manual regarding corporate disclosure upon our admission to the Official List of the SGX-ST.

DETAILS OF THE INVITATION

LISTING ON THE SGX-ST

Our Company has made an application to the SGX-ST for permission to deal in and for quotation of all our existing Shares, the New Shares and the Award Shares. Such permission will be granted when our Company is admitted to the Official List of the SGX-ST. No Shares shall be allotted and/or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

Acceptance of applications will be conditional upon, *inter alia*, permission being granted to deal in and for quotation of all our existing Shares, the New Shares and the Award Shares on the Official List of the SGX-ST. If permission is not granted for any reason, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claim against us, the Issue Manager, the Underwriter and Placement Agent or the Adviser.

The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our Subsidiaries, our Shares, the New Shares and the Award Shares.

A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our Shares and the New Shares being offered or in respect of which an invitation is made, for investment and the Award Shares. We have not lodged or registered this Prospectus in any other jurisdiction.

We are subject to the provisions of the SFA and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Prospectus is registered but before the close of the Invitation we become aware of:

- (a) a false or misleading statement or matter in this Prospectus;
- (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the SFA to be included in this Prospectus, if it had arisen before this Prospectus was lodged,

and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement prospectus with the Authority.

In the event that a supplementary or replacement prospectus is lodged with the Authority, our Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement prospectus.

DETAILS OF THE INVITATION

Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the New Shares and:

- (a) where the New Shares have not been issued to the applicants, our Company:
 - (i) shall:
 - (aa) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary prospectus or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary prospectus or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; and
 - (bb) take all reasonable steps to make available within a reasonable period the supplementary prospectus or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary prospectus or replacement prospectus;
 - (ii) shall, within seven days from the date of the supplementary prospectus or replacement prospectus, give the applicants the supplementary prospectus or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) shall:
 - (aa) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and
 - (bb) within seven days from the date of lodgement of the supplementary prospectus or replacement prospectus, pay to the applicants all moneys the applicants have paid on account of their applications for the New Shares; or
- (b) where the New Shares have been issued to the applicants, our Company:
 - (i) shall:
 - (aa) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary prospectus or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary prospectus or replacement prospectus, as the case may be, and provide the applicants with an option to return, to our Company, those New Shares which they do not wish to retain title in; and
 - (bb) take all reasonable steps to make available within a reasonable period the supplementary prospectus or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary prospectus or replacement prospectus;
 - (ii) shall, within seven days from the date of lodgement of the supplementary prospectus or replacement prospectus, give the applicants the supplementary prospectus or replacement prospectus, as the case may be, and provide the applicants with an option to return to our Company the New Shares which they do not wish to retain title in; or

DETAILS OF THE INVITATION

- (iii) is required by the Securities and Futures Act to treat the issue of the New Shares as void and our Company shall, within seven days from the date of lodgement of the supplementary prospectus or replacement prospectus, pay to the applicants all moneys paid by them for the New Shares.

An applicant who wishes to exercise his option under paragraph (a)(i) or (ii) above to withdraw his application shall, within 14 days from the date of lodgement of the supplementary prospectus or replacement prospectus, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, pay to the applicant all moneys paid by the applicant on account of his application for the New Shares.

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) above to return the New Shares issued to him shall, within 14 days from the date of lodgement of the supplementary prospectus or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Shares to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, pay to the applicant all moneys paid by the applicant for the New Shares.

Under the Securities and Futures Act, the Authority may, in certain circumstances issue a stop order to our Company, directing that no or no further Shares to which this Prospectus relates, be allotted, issued or sold. Such circumstances will include a situation where this Prospectus (i) contains a statement or matter, which in the opinion of the Authority is false or misleading, (ii) omits any information that should be included in accordance with the Securities and Futures Act or (iii) does not, in the opinion of the Authority, comply with the requirements of the Securities and Futures Act.

Where the Authority issues a stop order pursuant to Section 242 of the Securities and Futures Act, and:

- (a) in the case where the New Shares have not been issued to you, your application for the New Shares pursuant to the Invitation shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the stop order, pay to you all monies you have paid on account of your application for the New Shares; or
- (b) in the case where the New Shares have been issued, the issue of the New Shares pursuant to the Invitation is required by the Securities and Futures Act to be deemed to be void and our Company shall, within 14 days from the date of the stop order, to pay to you all monies you have paid for the New Shares.

Monies paid in respect of your application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claim against our Company, the Issue Manager, the Underwriter and Placement Agent or the Adviser.

This Prospectus has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, (i) the facts stated and opinions expressed in this Prospectus are fair and accurate in all material respects as at the date of this Prospectus, (ii) there are no material facts the omission of which would make any statement in this Prospectus misleading, and (iii) this Prospectus constitutes a full and true disclosure of all material facts about the Invitation and our Group.

Neither our Company, the Issue Manager, the Underwriter and Placement Agent, the Adviser or any parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares and the New Shares by such person under any investment or any other laws

DETAILS OF THE INVITATION

or regulations. No information in this Prospectus should be considered as being business, legal or tax advice regarding an investment in our Shares and the New Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares and the New Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by our Company, the Issue Manager, the Underwriter and Placement Agent or the Adviser. Neither the delivery of this Prospectus and the Application Forms nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or in any statement of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur and are material or required to be disclosed by law, we will comply with the relevant provisions of the SFA and make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement prospectus pursuant to the SFA. All applicants should take note of any such announcement, or supplementary or replacement prospectus and, upon the release of such an announcement, or supplementary or replacement prospectus, shall be deemed to have notice of such changes.

Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our Subsidiaries. This Prospectus has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the New Shares or for any other purpose.

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such an offer, solicitation or invitation.

Copies of this Prospectus and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

PrimePartners Corporate Finance Pte. Ltd.
1 Raffles Place
#30-03 OUB Centre
Singapore 048616

UOB Kay Hian Private Limited
8 Anthony Road #01-01
Singapore 229957

and where available, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

A copy of this Prospectus is also available on:

- (a) the SGX-ST website at <http://www.sgx.com>; and
- (b) the Authority's website at <http://masnet.mas.gov.sg>.

The Invitation will open from 19 January 2010 to 25 January 2010.

DETAILS OF THE INVITATION

The Application List will open at 10.00 am on 25 January 2010 and will remain open until 12.00 noon on the same day or for such further period or periods as our Directors may, in consultation with the Issue Manager and the Underwriter and Placement Agent in their absolute discretion, decide, subject to any limitation under all applicable laws PROVIDED ALWAYS THAT where a supplementary or replacement prospectus has been lodged with the Authority, the Application List shall be kept open for at least 14 days after the lodgement of the supplementary or replacement prospectus.

Details of the procedures for applications to subscribe for the New Shares are set out in Appendix G of this Prospectus.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable is set out below for the reference of applicants:

| Indicative Time and Date | Event |
|-------------------------------|--|
| 12.00 noon on 25 January 2010 | Close of Application List |
| 26 January 2010 | Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares) |
| 9.00 am on 27 January 2010 | Commence trading on a “ready” basis |
| 1 February 2010 | Settlement date for all trades done on a “ready” basis |

The above timetable is only indicative as it assumes that the date of closing of the Application List will be 25 January 2010, the date of admission of our Company to the Official List of the SGX-ST will be 27 January 2010, the SGX-ST’s shareholding spread requirement will be complied with and the New Shares will be issued and allotted or allocated (as the case may be) and fully paid-up prior to 27 January 2010.

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a “ready” basis and the commencement date of such trading.

Investors should consult the SGX-ST’s announcement on the “ready” trading date on the Internet (at the SGX-ST’s website <http://www.sgx.com>) or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com>; and
- (b) in a local English newspaper.

We will publicly announce details of the results of the Invitation as soon as it is practicable after the closure of the Application List through the channels described in (a) and (b) above.

PROSPECTUS SUMMARY

The information contained in this summary is derived from and should be read in conjunction with the full text of this Prospectus. As it is a summary, it does not contain all the information that you should consider before investing in our Shares. You should read the entire Prospectus carefully, especially the matters set out under the section entitled “Risk Factors” of this Prospectus, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company was incorporated in Singapore on 28 February 2008 under the Companies Act as a private limited company and was formerly known as “Ryobi-Kiso Holdings Pte. Ltd.”. On 23 November 2009, our Company’s name was changed to “Ryobi Kiso Holdings Pte. Ltd.”. Our Company was converted into a public limited company on 24 November 2009 and our name was changed to “Ryobi Kiso Holdings Ltd.”. Pursuant to the Restructuring Exercise, our Company became the holding company of our Group.

OUR BUSINESS

We are a leading ground engineering solutions provider specialising in Bored Piling and Eco-friendly Piling and Geoservices. We are registered under the construction related category under the workhead CR08 for piling with a financial grading of L6 and this qualifies us to tender for public sector piling contracts without limitation to the contractual value.

Currently, all our projects are located in Singapore. We have established Ryobi Malaysia and Ryobi Geotechnique Malaysia to undertake projects and the sale of Geoproducts used for the provision of our geotechnical engineering services in Malaysia respectively. Ryobi Malaysia had carried out several projects in Malaysia since 2000. We presently do not have any on-going projects in Malaysia. In July 2009, we incorporated Raffles Piling Vietnam to provide general construction services in Vietnam. As at the date of this Prospectus, Raffles Piling Vietnam has secured one project each in Ho Chi Minh City and Hanoi. In the future, we may consider expanding our project capabilities and presence as well as pursue strategic business opportunities in other fast growing cities in South-East Asia.

Since our inception in 1990, we have completed more than 300 projects in Singapore, including piling and ground improvement projects. Our projects include both public and private sectors’ infrastructure and developments, and our customers include government bodies, statutory boards, property owners, developers and main contractors.

Our Group provides the following services and products:

- (a) Bored Piling; and
- (b) Eco-friendly Piling and Geoservices comprising:
 - Eco-friendly Piling;
 - Environmental Protection Engineering;
 - Geotechnical Engineering Services; and
 - Sale of Geoproducts.

PROSPECTUS SUMMARY

Our range of capabilities also includes constructing earth retaining structures for basement works, and carrying out foundation works, underground obstruction removal, slope protection and stabilisation, ground improvement works using Grout-Mix piles, chemical grouting, as well as other geotechnical work.

Currently, save for two projects in Vietnam, all our projects are located in Singapore. Our Singapore projects include:

- Residential projects such as condominiums, apartment buildings and public housing;
- Commercial projects such as hotels, office buildings, shopping centres and entertainment complexes;
- Institutional projects such as schools, universities, community clubs and hospitals;
- Industrial projects such as factories and warehouses;
- Infrastructure projects such as expressways and MRT tunnels; and
- Environmental Protection Engineering project for pollution control at Sungei Serangoon.

Our notable projects include:

Completed:

Residential Projects

Private Residences

- Aalto
- Ardmore II
- De Centurion
- Draycott 8
- Goodwood Residences
- Helios Residences
- Martin Road No. 38
- The Marq at Paterson Hill
- Newton One
- The Orange Grove
- The Peak
- Trevista
- The Trillium
- The Vermont

Public Housing

- HDB Punggol West Contract 5
- HDB Punggol West Contract 6
- HDB Punggol East Contract 20
- HDB Clementi Neighbourhood 4 Contract 8
- HDB Punggol West Contract 17

PROSPECTUS SUMMARY

Commercial Projects

- Ang Mo Kio Hub
- The Centris
- Cintech IV
- City Square
- Credit Suisse Singapore Branch
- Jurong Data Centre Complex
- Oasia Hotel
- Orchid Hotel
- Park Regis Singapore
- Resorts World @ Sentosa
- Science Park 3
- Sci-Fi City @ Resorts World
- Singapore Flyer
- The St. Regis Singapore
- The Tanglin Club

In progress:

Residential Projects

Private Residences

- Meier Suites
- Silversea
- Anderson 18
- Elliot
- D'Mira

Commercial Projects

- Seletar Aero+Space
- Kim Eng Security Building

Institutional Projects

- Duke-NUS
- LaSalle-SIA City College of the Arts
- Singapore Island Country Club
- University Town Development
- Yong Loo Lin School of Medicine
- Education Resource Centre

Infrastructure Projects

- Aircraft Hangar 6
- Service Tunnel for Marina Bay Financial Centre Phase 3a
- MRT Contract 909 (Downtown Line)
- Widening of Seletar Expressway

Environmental Protection Engineering Project

- Pollution Control at Sungei Serangoon

Public Housing

- HDB Bukit Panjang Neighbourhood 6 Contract 9

Institutional Projects

- Singapore Institute of Management Extension

Infrastructure Projects

- Punggol Waterway
- MRT Contract 912 (Downtown Line Stage 2)

Further details are set out under the section entitled “Business Overview” of this Prospectus.

PROSPECTUS SUMMARY

OUR COMPETITIVE STRENGTHS

Our Directors believe that our key competitive strengths are as follows:

- We specialise in carrying out Eco-friendly Piling;
- We are one of the largest ground engineering solutions providers with an established track record of more than 19 years in Singapore;
- We have established close working relationships with major developers and main contractors;
- We are able to tender for contracts of all sizes;
- We have technological advantages over competitors;
- We purchase in bulk and hence are able to be competitive in our pricing;
- We provide high quality services; and
- We have an experienced management team and staff.

Further details are set out under the section entitled “Competitive Strengths” of this Prospectus.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans include, *inter alia*, the following:

- Acquisition of additional piling equipment and machinery and upgrade of our existing piling equipment and machinery;
- Acquisition of land and acquisition and/or construction of new industrial buildings and office premises; and
- Expansion of our business operations in Singapore and overseas and diversification of services.

Further details are set out under the section entitled “Business Strategies and Future Plans” of this Prospectus.

OUR OWNERSHIP STRUCTURE

After the Invitation, our Executive Directors, namely Ong Tiong Siew and Ong Teng Choon and Controlling Shareholder, Tanglin Capital, will own approximately 4.9%, 3.5%, and 61.8% of our Company’s post-Invitation share capital, respectively. The shareholders of Tanglin Capital are Ong Tiong Siew (46.0%), Ong Teng Choon (33.0%) and Ong Huay Chin (21.0%) who is the sister of Ong Tiong Siew and Ong Teng Choon. Collectively, Ong Tiong Siew, Ong Teng Choon, Ong Huay Chin and their Associates will own, directly and indirectly, approximately 72.2% of our Company’s post-invitation share capital.

Further details are set out under the section entitled “Shareholders” of this Prospectus.

WHERE YOU CAN FIND US

Our principal office is located at 58A Sungei Kadut Loop, Ryobi Industrial Building, Singapore 729505. Our telephone number is (65) 6506 0000. Our facsimile number is (65) 6506 0003. Our internet address is www.ryobi-kiso.com. **Information on our website does not constitute part of this Prospectus.**

PROSPECTUS SUMMARY

SUMMARY OF OUR FINANCIAL INFORMATION

You should read the following summary financial information in conjunction with the full text of this Prospectus, including the “Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” as set out in Appendix A and the section entitled “Management Discussion and Analysis of Financial Position and Results of Operations” of this Prospectus.

Selected items from the Combined Operating Results of our Group⁽¹⁾

| \$'000 | Audited | | |
|---------------------------------------|---------|---------|---------|
| | FY2007 | FY2008 | FY2009 |
| Revenue | 56,630 | 125,112 | 160,317 |
| Gross profit | 16,367 | 46,910 | 52,392 |
| Profit before income tax | 12,795 | 38,479 | 40,741 |
| Profit attributable to equity holders | 10,139 | 30,246 | 34,297 |
| EPS (cents) ⁽²⁾ | 1.8 | 5.3 | 6.0 |
| Adjusted EPS (cents) ⁽³⁾ | 1.3 | 4.0 | 4.5 |

Selected items from the Combined Financial Position of our Group⁽⁴⁾

| \$'000 | Audited |
|--------------------------------------|--------------------|
| | As at 30 June 2009 |
| Total Current assets | 65,506 |
| Total Non-current assets | 45,551 |
| Total Current liabilities | 52,374 |
| Total Non-current liabilities | 15,333 |
| Shareholders' equity | 43,350 |
| NAV per Share (cents) ⁽⁴⁾ | 7.6 |

Notes:

- (1) The combined operating results of our Group for the Period Under Review have been prepared on the basis that our Group has been in existence throughout the Period Under Review, save for Ryobi Machinery which was consolidated as a 50.0% subsidiary of the Group for FY2007.
- (2) For comparative purposes, EPS for the Period Under Review have been computed based on the profit after tax attributable to equity holders and our pre-Invitation share capital of 573,268,240 Shares.
- (3) Adjusted EPS for the Period Under Review have been computed based on the profit after tax attributable to equity holders and our post-Invitation share capital of 765,268,240 Shares.
- (4) The NAV per Share as at 30 June 2009 have been computed based on our pre-Invitation Share capital of 573,268,240 Shares.

THE INVITATION

- Invitation Size : 192,000,000 New Shares by way of public offer and placement. The New Shares, which form part of the Invitation, will, upon issue and allotment, rank *pari passu* in all respects with our existing issued Shares.
- Issue Price : \$0.26 for each New Share.
- The Offer : The Offer comprises an invitation by our Company to the public in Singapore to subscribe for the 2,000,000 Offer Shares at the Issue Price, subject to and on the terms and conditions of this Prospectus.
- The Placement : The Placement comprises an invitation by our Company of 190,000,000 Placement Shares at the Issue Price, subject to and on the terms and conditions of this Prospectus.
- Purpose of the Invitation : Our Directors consider that the listing of our Company and the quotation of our Shares on the SGX-ST will:
- (a) enhance our public image locally and internationally;
 - (b) enable us to tap the capital markets to fund our business growth; and
 - (c) provide members of the public, our Directors, management staff, our employees and our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.
- Listing Status : Our Shares will be quoted in Singapore Dollars on the SGX-ST, subject to admission of our Company to the Official List of the SGX-ST and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST and the Authority not issuing a stop order.

PLAN OF DISTRIBUTION

Prior to the Invitation, there has been no public market for the New Shares. The Issue Price is determined by us in consultation with the Issue Manager and the Underwriter and Placement Agent after taking into consideration, *inter alia*, prevailing market conditions and the estimated market demand for our Shares determined through a book-building process. The Issue Price is the same for all New Shares and is payable in full on application.

Offer Shares

The Offer Shares are made available to members of the public in Singapore for subscription at the Issue Price. Applications for Offer Shares may be made by way of Offer Shares Application Forms or by way of Electronic Applications. The terms, conditions and procedures for applications are described in Appendix G of this Prospectus. Pursuant to the terms and conditions contained in the Management Agreement dated 18 January 2010, the Issue Manager has agreed to manage the Invitation, and pursuant to the Underwriting Agreement dated 18 January 2010, the Underwriter has agreed to underwrite the Offer Shares at the Issue Price. In the event of under-subscription, the Underwriter will be committed to subscribe and pay for all unsubscribed Offer Shares.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Issue Manager and the Underwriter and Placement Agent and approved by the SGX-ST.

Placement Shares

Application for the Placement Shares may only be made by way of Placement Shares Application Forms. The terms, conditions and procedures for applications are described in Appendix G of this Prospectus.

Pursuant to the terms and conditions in the Placement Agreement signed between our Company and the Placement Agent dated 18 January 2010, the Placement Agent has agreed to subscribe for, or procure subscriptions for the Placement Shares at the Issue Price.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Issue Price (plus goods and services tax thereon, if applicable) to the Placement Agent or any sub-placement agent appointed by the Placement Agent, as well as stamp duties and any other similar charges.

Please refer to the section entitled "Management, Underwriting and Placement Arrangements" of this Prospectus for further details.

PLAN OF DISTRIBUTION

Save as disclosed in this Prospectus, none of our Directors or our Substantial Shareholders intends to subscribe for Shares in the Invitation. None of our Company's management staff or our employees intend to subscribe for more than 5.0% of the New Shares. To the best of our knowledge, as at the Latest Practicable Date, we are unaware of any person who intends to subscribe for more than 5.0% of the New Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his interest to subscribe for more than 5.0% of the New Shares. If such person(s) were to make an application for more than 5.0% of the New Shares pursuant to the Invitation and subsequently be allotted such number of Shares, we will make the necessary announcements at an appropriate time.

Further, no Shares shall be allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

USE OF PROCEEDS FROM THE INVITATION AND EXPENSES INCURRED

Based on the Issue Price of \$0.26 for each New Share, our net proceeds from the issue of the New Shares after deducting the estimated listing expenses of \$3.0 million, is estimated to be approximately \$46.9 million.

Each principal intended use of the proceeds from the issue of New Shares and major expenses is set out below:

| Use of the proceeds from the issue of New Shares | \$'000 | As a percentage of gross proceeds from the issue of New Shares (%) | Estimated amount for each dollar of the gross proceeds from the issue of New Shares (\$) |
|--|---------------|---|--|
| (a) Acquisition of additional piling equipment and machinery and upgrade of our existing piling equipment and machinery ⁽¹⁾ | 15,000 | 30.1 | 0.301 |
| (b) Acquisition of land and acquisition and/or construction of new industrial buildings and office premises ⁽¹⁾ | 10,000 | 20.0 | 0.200 |
| (c) Expansion of our Group's operations / acquisition of new businesses ⁽¹⁾ | 10,000 | 20.0 | 0.200 |
| (d) Repayment of bank borrowings ⁽²⁾ | 5,000 | 10.0 | 0.100 |
| (e) Working capital ⁽¹⁾ | 6,920 | 13.9 | 0.139 |
| Net Proceeds | 46,920 | 94.0 | 0.940 |
| Listing expenses | | | |
| (a) Listing fees | 70 | 0.1 | 0.001 |
| (b) Professional fees | 758 | 1.5 | 0.015 |
| (c) Underwriting commission, placement commission and brokerage | 1,747 | 3.5 | 0.035 |
| (d) Miscellaneous expenses | 425 | 0.9 | 0.009 |
| Gross proceeds | 49,920 | 100.0 | 1.000 |

Notes:

- (1) Please refer to the section entitled "Prospects, Business Strategies and Future Plans" of this Prospectus for further details.
- (2) The bank borrowings refer to the loans granted by Standard Chartered Bank and DBS Bank. Please refer to the section entitled "Capitalisation and Indebtedness" of this Prospectus for more details.

In accordance with applicable accounting standards, all listing expenses other than the expenses that are indirectly related to the public listing of our Company, will be capitalised. We do not expect any such indirect expenses to have a material impact on our financial results in FY2010.

Pending the deployment of the net proceeds as aforesaid, the funds will be placed in short-term deposits with financial institutions, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may deem appropriate.

We will make periodic announcements as and when the proceeds from the issue of the New Shares are materially disbursed and whether such a use is in accordance with the stated use and in accordance

USE OF PROCEEDS FROM THE INVITATION AND EXPENSES INCURRED

with the percentage allocated in this Prospectus. Where there is any material deviation from the stated use of proceeds, our Company will announce the reasons for such deviation. We will also provide a status report on the use of the net proceeds in our annual report.

In the event that any part of our proposed uses of the net proceeds from the issue of the New Shares does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the best interest of our Company and our Shareholders, taken as a whole. Any material change in the use of the net proceeds will be subject to the listing rules of the SGX-ST and appropriate announcements will be made by our Company on SGXNET.

In the opinion of our Directors, no minimum amount must be raised from the Invitation.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to the Management and Underwriting Agreements, each dated 18 January 2010, our Company appointed the Issue Manager to manage the Invitation and the Underwriter to underwrite our Offer Shares. The Issue Manager will receive a management fee from our Company for its services rendered in connection with the Invitation. Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite the Offer Shares for a commission of 3.5% (inclusive of each Participating Bank's brokerage set out below) of the Issue Price for each Offer Share underwritten by the Underwriter, payable by our Company. The Underwriter may, at their absolute discretion, appoint one or more sub-underwriters to sub-underwrite the Offer Shares.

Under the Underwriting Agreement, our Company has undertaken not to issue at any time on or before the expiry of 12 months from the date of closing of the Application List ("Closing Date"), any marketable securities of our Company or Shares (including the issuance of Shares under the RKSAS) or any options therefor, declare or distribute any dividend or vary, alter, subdivide or otherwise do anything to its capital structure (issued or otherwise), without the prior written consent of the Underwriter, such consent not to be unreasonably withheld.

Brokerage will be paid by our Company on the Offer Shares to members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore in respect of accepted applications made on Application Forms bearing their respective stamps, or to Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.25% of the Issue Price for each Offer Share for UOB Group and OCBC Bank and 0.50% of the Issue Price for each Offer Share (subject to a minimum amount of \$10,000) for DBS Bank.

Pursuant to the Placement Agreement dated 18 January 2010 between our Company and the Placement Agent, the Placement Agent has agreed to subscribe for and/or procure subscriptions for the Placement Shares for a placement commission of 3.5% of the Issue Price for each Placement Share payable by our Company. The Placement Agent may, at their absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Issue Price for each Placement Share to the Placement Agent (including the prevailing goods and services tax, if applicable).

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for shares in, or debentures of, our Company or our Subsidiaries.

Each of the Management and Underwriting Agreement may be terminated by the Issue Manager or the Underwriter, respectively, at any time on or before the close of the Application List on the occurrence of certain events including without limitation:

- (a) any breach of the warranties or undertakings in the Management and Underwriting Agreements;
or
- (b) any occurrence of an event (which comes to the knowledge of the Issue Manager or the Underwriter) occurring after the date of the Management and Underwriting Agreements and prior to 12.00 noon on the Closing Date, which would have rendered any of the warranties or undertakings contained in the Management Agreement, the Underwriting Agreement or the Placement Agreement (as the case may be) untrue or incorrect in any material respect; or

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- (c) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of our Company or of our Group as a whole; or
- (d) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, policy, directive, order, guideline or interpretation or application thereof by any court, regulatory or government body in Singapore or elsewhere, the Securities Industry Council of Singapore, the SGX-ST or the Authority, whether or not having the force of law; or
- (e) any change or crisis or any development likely to lead to a material adverse change or crisis in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but without limitation to conditions in the stock market, foreign exchange market, conditions with respect to interest rates and money market, in Singapore or any other jurisdiction) or a combination of any such changes or development or crisis or deterioration thereof; or
- (f) any imminent threat or occurrence or any local, national or international outbreak or escalation of hostilities, insurrection, terrorists attacks or armed conflict (whether or not involving financial markets); or
- (g) any regional or local outbreak of disease that may have an adverse effect on the financial markets; or
- (h) the issue of a stop order by the Authority in accordance with Section 242 of the Securities and Futures Act; or
- (i) any other occurrence of any nature whatsoever,

which event or events shall in the opinion of the Issue Manager or the Underwriter (exercised in good faith) (1) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market in Singapore or elsewhere or (2) be likely to prejudice the success of the offer, subscription or sale of the New Shares (whether in the primary market or in respect of dealings in the secondary market) or (3) make it impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated in the Management and Underwriting Agreements or (4) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole or (5) be such that no reasonable underwriter would have entered into the Underwriting Agreement or (6) make it uncommercial or otherwise contrary to or outside the usual commercial practices of underwriting in Singapore for the Underwriter to observe or perform or be obliged to observe or perform the terms of the Underwriting Agreement, the Issue Manager or the Underwriter may at any time prior to the Closing Date by notice in writing to our Company rescind or terminate the Management or the Underwriting Agreement as the case may be.

Notwithstanding anything herein contained, the Issue Manager or the Underwriter may by notice in writing to our Company terminate the Management and Underwriting Agreements if:

- (a) at any time up to the date of the commencement of trading of the Shares on the Official List of the SGX-ST, a stop order shall have been issued by the Authority in accordance with Section 242 of the SFA;
- (b) at any time after registration of this Prospectus with the Authority but before the Closing Date, our Company fails and/or neglect to lodge a supplementary or replacement prospectus (as the case may be) if the Issue Manager or Underwriter becomes aware of:
 - (i) a false or misleading statement or matter in this Prospectus;

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- (ii) an omission from this Prospectus of any information that should have been included in it under Section 243 of the SFA; or
 - (iii) a new circumstance that has arisen since this Prospectus was lodged with Authority and would have been required by Section 243 of the SFA to be included in this Prospectus if it had arisen before this Prospectus was lodged, that is materially adverse from the point of view of an investor; and
- (c) the Shares (including the New Shares) have not been admitted to the Official List of the SGX-ST on or before 31 January 2010 (or such other date as our Company, the Issue Manager and the Underwriter may agree).

The Placement Agreement is conditional upon the Management and Underwriting Agreements not having been terminated or rescinded pursuant to the provisions of the Management and Underwriting Agreement or on the occurrence of certain events including those specified above.

In the event that the Management and Underwriting Agreements or the Placement Agreement is terminated, we reserve the right, at our absolute discretion, to cancel the Invitation.

Save as disclosed above and in the section entitled "Potential Conflicts of Interest" of this Prospectus, we do not have any material relationship with any of the Issue Manager or the Underwriter and Placement Agent.

RISK FACTORS

Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Prospectus before deciding to invest in our Shares. Before deciding to invest in our Shares, you should seek professional advice from the relevant advisers about your particular circumstances. To the best of our Directors' knowledge and belief, all risk factors which are material to investors in making an informed judgment of our Group have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, our business, financial condition and/or results of operations could be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations, uncertainties or material risks, and investors may lose all or part of their investment in our Shares.

This Prospectus also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Prospectus.

RISKS RELATING TO OUR INDUSTRY

We are dependent on the construction industry in Singapore, which is in turn dependent on the health of the local property market, availability of government's infrastructure projects and general economy

The majority of our revenue is derived from construction projects which contributed 99.9%, 99.9% and 99.8% of the Group's revenue for FY2007, FY2008 and FY2009, respectively. Our business is susceptible to cyclical fluctuations of the economy in Singapore and is dependent on the health of the construction industry and the property market in Singapore as well as the availability of government's infrastructure projects in Singapore. A downturn in the Singapore economy will dampen general sentiments in the property market in Singapore and reduce construction demand. Such downturn would also erode profit margins from available construction projects due to keen competition. During poor market conditions and global economic downturns, our Group may also be more susceptible to increased claims by our customers. For instance, in FY2009, our Group recorded a sudden surge in potential claims. The aforesaid would invariably have a material adverse effect on our business and financial performance.

We face competition from our competitors and new entrants

The local construction industry is highly competitive and such competition may increase in the near future due to the entry of new players in our business. In the event our competitors are able to provide comparable construction services at lower prices or respond to changes in market conditions more swiftly or effectively than we do, our business, results of operations and financial condition will be adversely affected. There is no assurance that we will be able to compete effectively with our existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by us to remain competitive will adversely affect the demand for our business, our results of operations and financial condition.

We are heavily reliant on foreign labour

The construction industry is highly labour intensive. As the pool of local workers employed in the construction industry in Singapore is scarce and the cost of labour is high, we and our sub-contractors have to rely heavily on foreign labour for all our projects. Most of our workers are foreign workers who come mainly from Malaysia and PRC and non-traditional sources such as India, Thailand, Bangladesh

RISK FACTORS

and Myanmar. On this basis, our operations and financial performance are vulnerable to any shortage in the supply of foreign workers and any increase in the cost of foreign labour. Any changes in the policies of the foreign workers' countries of origin may affect the supply and cost of foreign labour and cause disruptions to our operations which may result in a delay in the completion of our projects. The supply of foreign labour and the number of foreign workers that we and our sub-contractors are allowed to employ are further subject to the policies and regulations imposed by the MOM. For example, the MOM imposes a quota on the number of foreign workers that we and our sub-contractors can employ in respect of each of our projects. Depending on the requirements of our projects, such quota on the number of foreign workers could affect our operations and accordingly, our business and financial performance could be adversely affected. If the foreign workers' levy were to increase, our costs will increase correspondingly and such additional costs will affect the profitability of our Group. In addition, if there are any changes in the foreign labour policies imposed by the MOM which may result in restrictions on the supply of foreign labour, we may have to seek alternative and more costly sources of labour for our projects. In such event, our overall costs will increase and our financial performance and financial condition may be materially and adversely affected.

Please refer to "Appendix E — Government Regulations" of this Prospectus for further details.

We may be materially and adversely affected by the economic downturns which would affect construction demand

We may experience a decline in demand for our services due to economic downturns and credit and liquidity crisis such as those brought about by the recent global financial crisis. If, as a result of deteriorating economic and market conditions, property owners and developers who are our existing or potential customers are unable to raise the requisite financing to undertake construction projects, or delay their construction projects, or are unable to promptly make payments for our services, our business, profitability and prospects would be adversely affected.

Changes in government legislation, regulations or policies which affect the construction industry and/or property market in Singapore may adversely affect our business operations and financial performance

Any changes in government legislation, regulations or policies affecting the construction industry and/or property market in Singapore could adversely affect our business operations and/or have a negative effect on the demand for our services. The compliance with such new government legislation, regulations or policies may also increase our costs and any significant increase in compliance costs arising from such new government legislation, regulations or policies may adversely affect our results of operations. There is no assurance that any changes in government legislation, regulations and policies will not have an adverse effect on our financial performance and financial condition.

The property market in Singapore is also subject to various rules, regulations and policies imposed by regulatory authorities in Singapore. The government may introduce new policies or amend or abolish existing policies at any time. These changes may have a material and adverse impact on our operations, financial position and/or performance. For instance, the decision to abolish the Deferred Payment Scheme for property purchases was made by the government in October 2007 in response to calls to cool the property market in Singapore. As the Deferred Payment Scheme was regarded as key to driving growth in the property market, its removal may lead to a decline in demand for our newer projects. In another instance, on 14 September 2009 a joint press release was issued by the Ministry of National Development, Ministry of Finance, Ministry of Law, and Monetary Authority of Singapore. The press release stated that the Singapore government is taking certain measures to ensure a stable and sustainable property market. This includes (i) disallowing, with effect from 14 September 2009, the

RISK FACTORS

“interest absorption scheme” and “interest-only housing loans”, both of which were offered to buyers of uncompleted private residential properties; and (ii) not extending certain property related assistance measures (put in place by the Singapore government in its Budget 2009) when they expire in 2010 (or 2011, as the case may be). These measures are intended to have the effect of cooling sentiment and removing inflated demand in Singapore’s private residential property market. In the event that current measures are insufficient to curb speculative activity in Singapore’s property market, the Singapore government may consider instituting further measures in response. Both the current measures and any possible further measures may have an adverse impact on the demand of property and reduce construction demand in Singapore.

For instance, we are now subject to the provisions of the BCISPA which came into effect on 1 April 2005. With the introduction of the BCISPA, we are exposed to greater liability where we are the main piling contractor as our obligation to pay monies owing to our sub-contractors is now based strictly on progress payments for works completed under the BCISPA and can no longer be made contingent or conditional on payment of the whole or part of such monies to us by our customers. Further, our sub-contractors, suppliers and service providers are now entitled to submit their payment claims against us for adjudication. As such, we may be liable to pay our sub-contractors, suppliers and service providers even when we are not paid at all by our customers. As the BCISPA also confers a right on these sub-contractors, suppliers and service providers to suspend work or exercise a lien over unfixed materials which have been supplied if they are not paid after adjudication, this could have an adverse impact on our operations. Such provisions would generally expose us to greater liability, which could adversely affect our results of operations and financial condition.

Please refer to “Appendix E — Government Regulations” of this Prospectus for further details.

RISK RELATING TO OUR BUSINESS

We may be affected by an increase in the costs or shortage of raw materials, equipment and/or labour

The progress of our projects may be affected by a shortage or reduction in allocation of raw materials, construction equipment and/or labour to us by our suppliers for any reason. For example, the Indonesian government had in early 2007 imposed a ban on sand exports, which created a shortage in the supply of sand, which led to an increase in the cost of our project raw material such as concrete.

The costs of raw materials, equipment and labour may fluctuate due to factors beyond our control. The numerous construction activities which are anticipated to take place during the period of development of the integrated resorts in Singapore may lead to a temporary shortage of construction equipment such as piling machines, and a spike in the demand for construction labourers. As a result, the costs of such raw materials, equipment and labour may increase and our costs may exceed our initial projections, thereby affecting our profitability or even causing us to suffer a loss. If we are unable to pass on such cost increases to our customers or find alternative sources of cheaper supplies, our financial performance and financial condition will be adversely affected.

Our financial performance is dependent on the continuity of our order book for new projects and the value of the projects

Our business is generally undertaken on a project basis and is non-recurring in nature. Our revenue and profit may therefore be subjected to some degree of volatility. Our historical performance may not be an indication of our future performance. In the event that we are not able to continuously and

RISK FACTORS

consistently secure new projects, or projects with substantial contract value, our financial performance and financial condition may be adversely affected.

Loss of our BCA L6 grading will adversely affect our business and our financial performance

Ryobi Singapore is currently registered with the BCA under the construction related category under the workhead CR08 for piling with a financial grading of L6. Such L6 financial grading is currently the highest financial grade for contractors' registration in such category and enables Ryobi Singapore to tender for public sector piling construction projects of unlimited value in Singapore.

To maintain the existing L6 financial grade, there are certain requirements to be complied with (collectively, the "BCA Requirements"). These BCA Requirements include (but are not limited to) the following:

- To secure, over a three-year period, projects with an aggregate contract value of at least \$30.0 million, of which \$7.5 million worth of the projects executed must be projects executed for public sector agencies in Singapore;
- To have a minimum paid-up share capital and a minimum net worth of \$1.5 million; and
- To employ at least two professionals with at least five years of relevant experience with a minimum professional qualifications with a recognised degree in Architecture, Building, Civil/Structural Engineering or the equivalent qualifications approved by the BCA.

A failure to comply with any of the BCA requirements will result in the loss of the L6 grading. While any downgrading of the BCA L6 grading will not affect on-going and secured projects, it will, however, affect any tender for future public sector projects. There is no assurance that we can maintain the L6 grading. In the event that we cannot maintain our L6 grading because we fail to comply with any of the requirements laid down by the BCA in respect thereof or for any other reason, our BCA registration status would be downgraded accordingly. This would not only adversely affect our market reputation but would also imply that we could lose our ability to tender for public sector construction projects of an unlimited contract value in Singapore, thereby reducing our tendering capacity drastically. As private sector projects in Singapore may sometimes adopt the same minimum grading requirements for their tenders, any downgrade in our BCA grading could also affect our tendering capacity in the private sector. In the event that our BCA grading is downgraded, our business, financial performance and financial condition will be adversely affected.

We may not be able to successfully implement our future plans

We intend to use the net proceeds from the issue of the New Shares to finance our continued growth and development as described in the section entitled "Use of Proceeds from the Invitation and Expenses Incurred" of this Prospectus. These plans involve numerous risks, including but not limited to, incurring working capital requirements and will require substantial capital expenditure and financial resources. There is no assurance that these initiatives undertaken will achieve revenue that will be commensurate with our investment costs or that our profitability will increase significantly. Further, we cannot assure you that we will be successful in securing more projects as a result of such initiatives or that we will not incur losses after this expenditure due to a potential increase in our operating costs incurred to finance our growth and expansion. If we fail to manage our operating costs or achieve a sufficient increase in revenue, we will not be able to recover our investment and our operations and future financial performance would be adversely affected.

RISK FACTORS

We are dependent on Ryobi Japan for the execution of our Environmental Protection Engineering projects

Our Environmental Protection Engineering business employs the TRD machine which belongs to Ryobi Japan. The percentages of our Group's total revenue derived using the TRD technology are 2.8%, 3.5% and 6.4% in FY2007, FY2008 and FY2009 respectively. Ryobi Japan is the authorised non-exclusive licensee of the technical know-how and intellectual property relating to the use of the TRD machine. Ryobi Japan does not form part of our Group. Our Subsidiary, Ryobi Singapore has entered into a non-exclusive TRD Services Agreement with Ryobi Japan whereby Ryobi Japan has agreed to provide Ryobi Singapore with TRD machines for a period of 3 years from 5 January 2010. However, there is no assurance that we will be able to renew such agreement upon its expiry. In the event that we are unable to renew the TRD Services Agreement with Ryobi Japan and we are unable to secure alternative sources of supply of the necessary machines and technical know-how for the execution of our Environmental Protection Engineering projects in future, our operations and financial performance and financial condition will be adversely affected.

We are dependent on certain key personnel for our continued success

Our Group's success to date is attributable to the contributions and expertise of our Executive Directors and Executive Officers who have built our Group's business under the guidance and leadership of our Executive Director and CEO, Ong Tiong Siew and our Executive Director, Ong Teng Choon. Our continued success and growth are therefore dependent on the retention of the aforesaid Executive Directors as well as our ability to continue to attract, retain and motivate other qualified personnel. Consequently, the loss of the services of one or more of these individuals without suitable and timely replacement or the inability to attract new qualified personnel could have a material and adverse effect on our results of operations and financial condition. We have not taken out any keyman insurances for our Executive Directors, but we intend to do so after the listing.

We are dependent upon invitations to quote or tender from developers, main contractors and project consultants

Our revenue is dependent upon invitations to quote or tender from developers, main contractors and project consultants such as quantity surveyors, engineers and architects. Most of our revenue is derived from projects obtained from such invitations to quote or tender. If we are unable to maintain our reputation for our good work standards in the market we may not be able to sustain the number of invitations received, then our operations and financial performance and financial condition will be adversely affected.

Any cost overruns will adversely affect the financial performance of our business

In preparation for tenders for projects, we will carry out internal costing and budgeting estimates of labour and material costs, which are based on the quotations given by our suppliers and sub-contractors, if available, as well as our own estimate of costs. Thereafter, the contract value quoted in the tender submission to the developer or main contractor for a project is determined after having evaluated all related costs including the indicative pricing from our suppliers and sub-contractors. However, unforeseen circumstances such as adverse weather conditions, unanticipated construction constraints at the worksite which may arise during the course of construction, or fluctuations in the costs of labour, raw materials, equipment, rental and sub-contracting services, or other costs not previously factored into the contract value may lead to cost overruns which may have to be absorbed by us. An incorrect assessment of the ground conditions may also result in cost escalation arising from

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additional works to be carried out. This may occur especially where soil conditions are not homogenous and the soil investigation reports provided by the project owner do not correctly reflect the actual characteristics of the soil.

As at the Latest Practicable Date, our Group has not suffered any material cost overruns. However, in the event any of the above circumstances shall occur, our profit margin for the project may be reduced or eroded and accordingly, our profitability and financial performance may be adversely affected.

We are liable for delays in the completion of projects, the resulting liquidated damages and additional overheads

The contract between our customers and us would normally include provision for the payment of liquidated damages in the event the project is completed after the stipulated date of completion stated in the contract. Delays in the completion of a project could occur from time to time due to several factors including but not limited to adverse weather conditions, shortages of labour, equipment and construction materials, labour disputes, disputes with suppliers and sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the worksite, delays in the delivery of building materials by the suppliers, or an incorrect assessment of the soil conditions. Such claims may arise when the delays by third parties affects our completion timeline or when the cause of delay was difficult to ascertain, as numerous parties were involved in the projects. In the event of any delay in the completion of the project, we could be liable to pay liquidated damages under the contract and incur additional overheads, and this will adversely affect our earnings and erode our profit margin for the project. In such event, our financial performance and financial condition would be adversely affected. In FY2009, our Group made a provision of \$9.5 million for the potential liquidated damages mainly from our non-major customers in relation to eight projects. There is no assurance that there will not be any delays in the existing and future projects which we undertake resulting in the payment of liquidated damages and additional overheads which could have a material impact on our financial performance and financial condition. Our reputation could also be affected in the event we are unable to complete our contracts on time.

We may be adversely affected by the cancellation of projects or changes in the scale of projects

Cancellation of projects or a drastic scale down of project sizes due to factors such as changes in our customers' businesses, changes in the design of the foundation structure of the development, poor market conditions, lack of funds on the part of the developers or main contractors of projects may adversely affect us. Any cancellation of projects or drastic scale down could lead to idle or excess capacity for us and sunk costs for supplies which we had ordered earlier for the projects and/or taken delivery and may adversely affect our business and financial condition.

We are dependent on obtaining adequate financing to fund our operations

The contract sums for our projects are payable by our customers to us progressively, according to the stage of construction carried out on the relevant project. To carry out a project, we will require adequate funding either from internal resources or borrowings to fund the working capital of the project. If we are unable to secure adequate financing, our business and growth will be adversely affected.

We may require additional funding in the form of equity or debt for our future growth

We may pursue opportunities to grow our business through acquisitions, joint ventures, strategic investments or alliances, shortly after the Invitation. However, there can be no assurance that we will

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be able to obtain additional funding on terms that are acceptable to us or at all. If we are unable to do so, our future plans and growth may be adversely affected.

An issue of Shares or other securities to raise funds will dilute Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of shares is at a premium to the market price. In addition, any additional debt funding may restrict our freedom to operate our business as it may have conditions that:

- (a) limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- (b) increase our vulnerability to general adverse economic and industry conditions;
- (c) require us to dedicate a portion of our cash flow from operations to repayments of our debt, thereby reducing the availability of our cash flow for capital expenditures, working capital and other general corporate purposes; and
- (d) limit our flexibility in planning for, or reacting to, changes in our businesses and our industry.

We are subject to the solvency and credit risks of our customers

We are subject to the solvency and creditworthiness of our customers. Notwithstanding the promulgation of the BCISPA which provides a statutory procedure for the collection of progress payments, we may still face delay or even non-payment in our collection of progress payments from our customers. Any significant delay or inability in collecting payment will impact negatively on our cash flow financial performance and financial condition.

Please refer to "Appendix E — Government Regulations" of this Prospectus for more details of the BCISPA.

Our ability to secure our projects may depend on our ability to secure performance bonds

As some of our projects require a performance bond to be furnished by a bank or an acceptable financial institution to guarantee our contractual performance in the project, our ability to secure such performance bond may be important as it would determine our ability to secure such projects. In the event that we are unable to secure the requisite performance bonds for any reason, we may be unable to secure such projects and this may materially and adversely affect our revenue and profitability.

Our business is dependent on the quality of workmanship and timely delivery of service by our sub-contractors

We are dependent on the quality of workmanship of our sub-contractors and their timely delivery of service. In the event where defects are to be rectified or where there is a delay in the delivery by our sub-contractors, we will be exposed to claims by our customers and to financial losses.

We are exposed to risk of loss, public liability and workmen liability

We face the risk of loss or damage to our properties, equipment and inventories due to fire, theft, accidents and natural disasters such as floods. Such events may cause a disruption or cessation in our operations, and thus adversely affect our financial results and financial condition.

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We maintain insurance for the respective work sites for which we are the main contractor over the duration of the projects up to the end of the maintenance period to protect ourselves against contractors' all risks, claims for workmen's compensation and public liability. Whilst we have insurance policies for damage or loss to our properties, equipment and inventories, contractors' all risks and workmen's compensation insurance policies and have also taken insurance against fire and money in transit for our assets, group personal accident, hospitalisation and surgical for our employees, in the event of any damage or loss to our properties, equipment and inventories, and such loss exceeds the insurance coverage or is not covered by the insurance policies we have taken up, we will be exposed to financial losses.

In relation to our projects where we are the sub-contractor, the main contractors or project owners will take out contractors' all risks and workmen's compensation insurance policies. However, in the event that any public liability or workmen's compensation claims arise in respect of our projects and liability for such claims are attributed to us, we may be exposed to losses which may adversely affect our profitability.

We also do not currently maintain any insurance for business interruptions arising from or relating to our operations. Accordingly, should any of the aforementioned risks materialise, our financial performance and financial condition may be adversely affected.

Please refer to the section entitled "Insurance" of this Prospectus for more details.

We may be affected by accidents at our construction sites and our storage yard

Due to the nature of our business, accidents or mishaps may occur at the construction sites for our projects or at our storage yard even though we have put in place the appropriate safety measures. Such accidents or mishaps may severely disrupt our operations and lead to a delay in the completion of a project and in the event of such delay, we could be liable to pay liquidated damages under the construction contract with the main contractor or developer. In such event, our business, financial performance and financial condition may be materially and adversely affected. Further, such accidents or mishaps may lead to third party claims and any significant claims which are not covered by our insurance policies may materially and adversely affect our results of operations and financial condition. In addition, any accidents or mishaps resulting in significant damage to our storage yard, equipment or inventory may warrant capital expenditure to make good the damage and to the extent that the expenditure is not recoverable from insurance coverage, such expenditure would have a material adverse effect on our business, results of operations and financial condition.

Furthermore, under the debarment scheme for contractors with bad safety record introduced by the MOM, if we were found to have violated safety requirements at our worksites, we will be given demerit points. Once debarred, MOM will freeze the man-year entitlement that has been issued to us for a period of 12 months and MOM will also make a recommendation to the Standing Committee on Debarment, Ministry of Finance, to bar us from tendering for public projects in Singapore. In addition, in the event that our worksites contravene the requisite safety standards imposed by the regulatory authorities, we could be issued stop-work orders in respect of the particular worksite. The issuance of such stop-work orders may severely disrupt our operations and lead to a delay in the completion of a project. These circumstances would not only generate negative publicity and adversely affect our market reputation but would also have a material adverse impact on our business, financial performance and financial condition.

Please see "Appendix E — Government Regulations" of this Prospectus for further details of the debarment scheme.

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On 22 October 2007, our main contractor was issued a stop-work order in respect of all foundation works for one of our projects for about two weeks due to the toppling over of a crawler crane. We were allowed to resume work after the lifting of the stop-work order. Save as disclosed, we have not been issued any stop-work order during the Period Under Review.

We may be exposed to disputes with our customers or our sub-contractors

Disputes may arise between us and our customers for various reasons, such as differences in the interpretation of acceptable quality standards of workmanship and materials used, disagreements over the value or work done and/or disputes over contract specifications. Consequently, it is an industry practice for our customers to withhold an agreed percentage of the contract sum, typically 10.0% of the progress claim is retained during the course of the project subject to an aggregate cap of 5.0% of the total contract value as retention monies to defray the costs of instituting any work for repair, reconstruction or rectification of any imperfection or other fault or defects which may surface or be identified only during the defects liability period of typically 12 to 18 months after our hand-over of our piling works or completion of the whole development project. We may therefore encounter difficulties in collecting the full sum or any part of the retention monies due and may run the risk of incurring additional costs to make good the repair, rectification or reconstruction works under dispute to the extent that our profit margin is eroded or losses are incurred for the project. In such event, our results of operations and financial condition will be adversely affected.

Disputes may also arise from disagreements over the cost of variation orders requested by our customers. This is because the variation orders are normally carried out, in accordance with industry practice, before the additional charges are agreed upon in order that the project may be completed on schedule. However, as the cost of variation orders is not determined beforehand, their basis for such valuation may become a source of dispute after the construction has been completed. In such event, we may not be paid our claims in relation to the variation orders in full, thereby adversely affecting our results of operations and financial condition.

In the course of our business, disputes may also arise between us and our sub-contractors for various reasons including defective works, delays in the completion of a project and disputes over contract specifications and the final amount payable for work done on a project.

It is not uncommon in connection with our business for claims to be made against us from time to time by our sub-contractors and customers arising from such disputes. In the event that any of such claims are successfully made against us, our financial performance and financial condition may be materially and adversely affected. Any legal proceedings relating to such claims may also have an adverse effect on our market reputation and our ability to secure new contracts.

We may be subject to legal action by the management corporations

We are exposed to the risk of legal actions by either the management corporations or be named as third parties by our customers when they are sued by the management corporations in respect of defects in common areas or property. In such events, we may be liable for damages and incur legal costs, which would have an adverse effect on our financial performance.

We are subject to revenue and profit volatility as a result of our policy of revenue recognition

Our revenue and profit are dependent on the number, value and duration of our projects. We recognise revenue based on the percentage of completion method. We do not record the full contract value of our

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projects at the point when the projects are secured. As such, there may be significant volatility in our revenue and profit in any financial reporting period, depending on the duration required to complete our projects.

We, our main contractors, project owners and/or developers require various licences and permits

We are required to obtain various licences and permits in Singapore, Malaysia and Vietnam to conduct our business. Details of these licences and permits are described in “Appendix E — Government Regulations” of this Prospectus.

The licences and permits are generally subject to conditions stipulated in the licences and permits and/or relevant laws or regulations under which such licences and permits are issued. Failure to comply with such conditions could result in the revocation or non-renewal of the relevant licence or permit. As such, we have to constantly monitor and ensure our compliance with such conditions. Should there be any failure to comply with such conditions resulting in the revocation or non-renewal of any of the licences and permits, we may not be able to carry out our operations. In such event, our operations, and financial performance and financial condition may be adversely affected.

In addition, our customers being main contractors and project developers are required to obtain various licences and permits to carry out their business and the relevant projects. In the event that the licences and/or permits of our customers or of the relevant projects are not secured or are revoked, the projects on which we are engaged may be stalled and in such event, our operations, and financial performance and financial condition will be adversely affected. As at the Latest Practicable Date, Ryobi Malaysia and Ryobi Geotechnique Malaysia has not been registered with Construction Industry Development Board (“CIDB”) under the Construction Industry Development Board Act 1994. Ryobi Malaysia had completed four projects (the “Malaysian Projects”) previously in 2000, 2004 and 2005 without such registration under Construction Industry Development Board Act 1994. Ryobi Malaysia may be liable to a fine not exceeding RM50,000 for each of the Malaysian Projects, should the CIDB enforce the fines incurred.

As advised by our Malaysian legal counsel, being foreign owned companies, Ryobi Malaysia and Ryobi Geotechnique Malaysia may apply for registrations as a foreign contractor on a project by project basis, which are, as a matter of policy, granted on a discretionary basis. Any registration as a foreign contractor will be specific to and for the purposes of carrying out the particular project concerned.⁽¹⁾

Our Group does not at present have any ongoing or pending contracts or projects in Malaysia and is not required to apply for registrations with CIDB.

In the future, we will ensure that Ryobi Malaysia and Ryobi Geotechnique Malaysia apply for all necessary licences and approvals to conduct their businesses in Malaysia. Ryobi Malaysia and Ryobi Geotechnique Malaysia incurred losses during the Period Under Review.

Note:

- (1) This paragraph is based on the legal opinion issued by the Legal Adviser to our Company on Malaysian Law, The Law Office of K K Chong & Company, dated 28 January 2009. The said legal opinion was not prepared for the purpose of incorporation in this Prospectus.

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We may not be successful in our future acquisitions and investments in other companies and businesses

As part of our growth strategy, from time to time, we may make acquisitions and investments in companies or businesses. The success of our acquisition and investment strategy depends on a number of factors, including:

- (a) our ability to identify suitable opportunities for investment or acquisition;
- (b) whether we are able to reach an acquisition or investment agreement on terms that are satisfactory to us;
- (c) the extent to which we are able to exercise control over the acquired company or business;
- (d) the economic, business or other strategic objectives and goals of the acquired company or business compared to those of our Group; and
- (e) our ability to successfully integrate the acquired company or business with us.

If we are unsuccessful in our acquisitions and investments, our business, financial condition, results of operations and/or prospects may be materially and adversely affected.

We may face uncertainties associated with the expansion of our business

When the opportunities arise, we may expand overseas in order to grow our business. We may also explore strategic alliances, acquisitions or investment opportunities in businesses that are complementary to our existing business. Overseas expansion involves numerous risks, including but not limited to the financial costs of setting up overseas operations, investment in equipment and working capital requirements as well as operational, business, political, social, economic, legal and regulatory risks. There can be no assurance that our overseas operations will be viable or will achieve a sufficient level of revenue which will cover our operational costs and if we fail to manage our expansion plans and the related risks and costs, our profitability and financial position may be adversely affected.

Participation in strategic alliances, acquisitions, or investments similarly involves numerous risks, including but not limited to difficulties in the assimilation of the management, operations, services and personnel and the possible diversion of management attention from other business concerns. The successful implementation of our growth strategies depends on our ability to identify suitable partners and the successful integration of their operations with ours.

We may be subject to the guidelines in Malaysia concerning ownership of equity interest

The FIC used to regulate and prescribe guidelines (the “FIC Guidelines”) in connection with matters such as acquisition of assets or any interests, mergers and takeovers of companies and businesses incorporated or registered in Malaysia.

The FIC is a committee of the Economic Planning Unit of the Malaysian Prime Minister’s Department. The FIC is not a statutory body and the FIC Guidelines are not issued pursuant to any power granted by legislation. Hence, the Malaysian courts have held that the FIC Guidelines are administrative guidelines and do not have a force of law. However non-compliance may have practical consequences as the FIC liaises closely with other regulatory agencies in Malaysia, and compliance with conditions imposed by FIC, if any, is normally required before other approvals from the regulatory authorities are

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given. For example, if a foreigner wishes to participate in government contracts or attempts to register any land purchases at the relevant land office or registry in Malaysia, FIC approval and compliance with FIC conditions would be required.

On 30 June 2009, the Prime Minister of Malaysia had announced that the FIC Guidelines on acquisition of interest, mergers and takeovers have been repealed, and that the FIC will no longer process such share transactions, nor impose equity conditions on such transactions.

In the event that we shall, at any time in the future, be compelled by change of policy, laws, interpretation or regulations to comply with the FIC Guidelines, we may have to dilute our shareholding in our Malaysian Subsidiaries and divest the requisite shareholding percentages within the time stipulated by the FIC. In such an event, our financial performance and financial condition may be adversely affected.

We are subject to the foreign exchange legislation and regulations in Malaysia and Vietnam

Local and foreign investors are subject to Foreign Exchange Administration Rules in Malaysia. The rules are aimed to influence capital flows and facilitate currency risk management to promote financial and economic stability of Malaysia. These rules are reviewed regularly by Bank Negara Malaysia, the central bank of Malaysia, in line with the changing environment. As at the Latest Practicable Date, foreign investors are free to repatriate capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investments in Malaysia.

Vietnam has implemented exchange control mechanisms which were designed to limit foreign currency outflows — generally requiring the use of the VND for domestic transactions and channelling the flow of foreign currencies into the banking system. The State Bank of Vietnam is the primary authority to formulate and administer the exchange control policy in Vietnam. Dividends and capital gains from the transfer of shares in Vietnam can be remitted overseas through certain registered accounts an accredited credit institution after payment of applicable Vietnam taxes. As the VND is not a freely convertible currency, conversion of dividends paid to non-residents into foreign currency is necessary prior to the outward remittance from Vietnam.

Any future restriction on repatriation of funds may limit our ability on dividends distribution to our Shareholders or business expansion outside Malaysia or Vietnam.

Any natural disasters and other events outside our control that affect our worksites or the place where our equipment or properties, or those of our suppliers or customers, are located, would materially and adversely affect our business activities

The occurrence of floods, droughts, disruption in water supply and other events where our worksites or the place where our equipment, storage yard, workshop or office building, or those of our customers or suppliers, are located in Singapore or elsewhere, could damage our equipment or properties and disrupt our business. Should any disastrous event beyond our control, including but not limited to riots and fire, occur at our worksites or affect any of our customers, suppliers or our equipment or properties, or those of our customers or suppliers, located in Singapore or elsewhere, our business activities would be materially and adversely affected.

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We are exposed to risk in respect of outbreaks of H1N1 influenza, bird flu, virus and/or other communicable diseases which, if uncontrolled, could affect our financial performance and prospects

An outbreak of the H1N1 influenza, bird flu, and/or other communicable diseases, if uncontrolled could affect our operations, as well as the operations of our customers, main contractors and suppliers. Further, in the event that any of our employees is infected with other communicable diseases, we may be required to shut down part of our operations to prevent the spread of the disease. This would result in longer lead-time for completion of projects. Failure to meet our customers' expectations could damage our reputation, and may as a result, lead to loss of business and affect our ability to attract new business. An outbreak of the bird flu and/or other communicable diseases could therefore have an adverse impact on our business and operations.

RISKS RELATING TO OUR SHARES

The prices of our Shares may be adversely affected by any future sale of our Shares by our Company or existing shareholders

Any future sale or availability of Shares can have a downward pressure on our Share price. The sale of a significant amount of Shares in the public market after the Invitation, or the perception that such sales may occur, could adversely affect the market price of Shares. These factors also affect our ability to sell additional equity securities. Except as otherwise described under the section entitled "Moratorium" of this Prospectus, there are no restrictions imposed on our Substantial Shareholders to dispose of their shareholdings.

Investors in our Shares would face immediate and substantial dilution to the book value per Share and may experience future dilution

The Invitation Price of our Shares is substantially higher than the NAV per Share of approximately \$0.12 as at 30 June 2009 after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation issued share capital. If we were liquidated for NAV immediately following the Invitation, each shareholder subscribing to the Invitation would receive less than the price they paid for their Shares. Details of the immediate dilution of our Shares incurred by new investors are described under the section entitled "Dilution" of this Prospectus.

Further, if we were to raise funds in the future by way of a placement of Shares or rights issue or other equity-linked securities, if any Shareholders are unable or unwilling to participate in such fund-raising, such Shareholders will suffer dilution in their shareholdings.

There has been no prior market for our Shares

Prior to this Invitation, there has been no public market for our Shares. There can be no assurance that an active trading market for our Shares will develop or, if developed, will be sustained, or that the market price for the Shares will not decline below the Invitation Price.

Accordingly, you may be unable to sell your Shares at or above the Invitation Price. The Invitation Price may not be indicative of the market price for our Shares after the completion of this Invitation.

RISK FACTORS

The prices of our Shares may be volatile, which could result in substantial losses for investors purchasing Shares in this Invitation

The market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond our control:

- (a) variations in our results of operations;
- (b) success or failure of our management team in implementing business and growth strategies;
- (c) gain or loss of an important business relationship;
- (d) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (e) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- (f) changes in market valuations and share prices of companies with similar businesses to our Company that may be listed in Singapore;
- (g) additions or departures of key personnel;
- (h) fluctuations in stock market prices and volume; and
- (i) involvement in material litigation.

Negative publicity may adversely affect our Share price

Any negative publicity or announcement involving our Group, any of our Directors, Controlling Shareholders or key personnel may adversely affect the market perception of our Company or performance of our Share price, whether or not this is justifiable. Such negative publicity or announcement may include, *inter alia*, involvement in insolvency proceedings, failed attempts in takeovers and joint ventures.

Ong Tiong Siew, Ong Teng Choon, Ong Huay Chin and Tanglin Capital will collectively retain majority control over our Group after the Invitation, which will allow them, whether jointly or severally, to influence the outcome of matters submitted to Shareholders for approval

Upon the completion of the Invitation, Ong Tiong Siew, Ong Teng Choon, Ong Huay Chin and Tanglin Capital will each beneficially own in aggregate approximately 4.9%, 3.5%, 1.0% and 61.8% of our Company's post-Invitation share capital respectively. Collectively, Ong Tiong Siew, Ong Teng Choon, Ong Huay Chin and their Associates will own, directly and indirectly, approximately 72.2% of our Company's post-invitation share capital. As a result, they will, jointly or severally be able to exercise significant influence over all matters requiring Shareholders' approval, including the election of Directors and the approval of significant corporate transactions. The shareholders of Tanglin Capital are Ong Tiong Siew (46.0%), Ong Teng Choon (33.0%) and Ong Huay Chin (21.0%) who is the sister of Ong Tiong Siew and Ong Teng Choon.

They will, jointly or severally also have veto power with respect to any Shareholders' action or approval requiring a majority vote except where they are each required by the rules of the Listing Manual to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may benefit our Shareholders.

INVITATION STATISTICS

ISSUE PRICE 26.0 cents

NET ASSET VALUE

NAV per Share based on an audited consolidated balance sheet of our Group as at 30 June 2009:

- (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 573,268,240 Shares 7.6 cents
- (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 765,268,240 Shares 11.8 cents

Premium of the Issue Price over our Group's NAV per Share:

- (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 573,268,240 Shares 243.8%
- (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 765,268,240 Shares 120.0%

EARNINGS

Historical net EPS based on the audited combined profit for the year attributable to equity holders for FY2009 and the pre-Invitation share capital of 573,268,240 Shares 6.0 cents

Historical net EPS based on the audited combined profit for the year attributable to equity holders for FY2009 and the pre-Invitation share capital of 573,268,240 Shares, assuming that the Service Agreements had been in place from the beginning of FY2009 6.0 cents

PRICE EARNINGS RATIO

Historical net PER based on the historical net EPS of our Group for FY2009 and the pre-Invitation share capital of 573,268,240 Shares 4.3 times

Historical net PER based on the historical net EPS of our Group for FY2009 and the pre-Invitation share capital of 573,268,240 Shares, assuming that the Service Agreements had been in place from the beginning of FY2009 4.3 times

INVITATION STATISTICS

NET OPERATING CASH FLOW

Historical net operating cash flow from operating activities per Share for FY2009 based on the pre-Invitation share capital of 573,268,240 Shares 9.4 cents

Historical net operating cash flow from operating activities per Share for FY2009 and the pre-Invitation share capital of 573,268,240 Shares, assuming that the Service Agreements had been in place from the beginning of FY2009 9.4 cents

PRICE TO NET OPERATING CASH FLOW

Issue Price to historical net operating cash flow per Share for FY2009 based on the pre-Invitation share capital of 573,268,240 Shares 2.8 times

Issue Price to historical net operating cash flow per Share for FY2009 based on the pre-Invitation share capital of 573,268,240 Shares, assuming that the Service Agreements had been in place from the beginning of FY2009 2.8 times

MARKET CAPITALISATION

Market capitalisation based on the Issue Price and our post-Invitation share capital of 765,268,240 Shares \$199.0 million

DILUTION

Dilution is the amount by which the Issue Price to be paid by the new investors for the New Shares exceeds the NAV per Share immediately after the issue of the New Shares. Our NAV per Share as at 30 June 2009, before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 573,268,240 Shares, was 7.6 cents.

Based on the issue of the New Shares at the Issue Price pursuant to the issue of the New Shares, our NAV per Share after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 765,268,240 Shares, would be 11.8 cents. This represents an immediate increase in NAV per Share of 4.2 cents to our existing Shareholders and an immediate dilution in NAV per Share of 14.2 cents to new investors. The following table illustrates such dilution on a per Share basis:

| | Cents |
|---|--------------|
| Issue Price | 26.0 |
| NAV per Share based on pre-Invitation share capital of 573,268,240 Shares | 7.6 |
| Increase in NAV per Share attributable to existing Shareholders | 4.2 |
| NAV per Share after the Invitation ⁽¹⁾ | 11.8 |
| Dilution in NAV per Share to new investors | 14.2 |

Note:

- (1) The computed NAV does not take into account our actual financial performance from 1 July 2009 up to the Latest Practicable Date. Depending on our actual financial results, our NAV per Share may be higher or lower than the computed NAV.

The following table summarises the total number of Shares acquired by the existing Shareholders (adjusted for the Restructuring Exercise and the Sub-Division) during the period of three years prior to the date of this Prospectus, the total consideration paid by them and the average effective cost per share paid by the Shareholders and by our new investors pursuant to the Invitation:

| Shareholders | Number of Shares | Total Consideration (\$) | Average effective cost per Share (cents) |
|--|-----------------------------|---|---|
| Existing Shareholders⁽¹⁾ | 573,268,240 | 28,663,412 | 5.0 |
| New investors | 192,000,000 | 49,920,000 | 26.0 |

Note:

- (1) Does not take into account the nominal consideration of the transfer of shares between the parties referred to in the section entitled "Restructuring Exercise" of this Prospectus.

CAPITALISATION AND INDEBTEDNESS

The following table shows our cash and cash equivalents, indebtedness and capitalisation as at 31 October 2009, based on our unaudited management accounts:

- (a) on an actual basis as adjusted for Special Dividend'09; and
- (b) as adjusted for the net proceeds from the issue of the New Shares, after deducting estimated listing expenses.

| \$'000 | On actual basis as adjusted for Special Dividend'09 | As adjusted for the net proceeds from the issue of the New Shares |
|---|---|---|
| Cash and cash equivalents | 31,583 | 78,503 |
| Indebtedness | | |
| <u>Short-term</u> | | |
| Secured and guaranteed — | | |
| Obligations under finance leases ⁽¹⁾ | 3,952 | 3,952 |
| Term loans ⁽²⁾ | 3,406 | 3,406 |
| <u>Long-term</u> | | |
| Secured and guaranteed — | | |
| Obligations under finance leases ⁽¹⁾ | 7,031 | 7,031 |
| Term loans ⁽²⁾ | 5,750 | 5,750 |
| Total Indebtedness | 20,139 | 20,139 |
| Shareholders' equity | 51,817 | 98,737 |
| Total capitalisation and indebtedness | 71,956 | 118,876 |

Notes:

- (1) Our finance leases are secured against certain machinery and equipment, corporate guarantee from Kiso Engineering, personal guarantee of Ong Tiong Siew and corporate guarantees from our subsidiaries and personal guarantees from the directors of our subsidiaries.
- (2) Our term loans are secured by certain machinery and equipment and legal mortgages over our leasehold property at 58A Sungei Kadut Loop, Ryobi Industrial Building, Singapore 729505 and corporate guarantee from Kiso Engineering and personal guarantee of Ong Tiong Siew.

CAPITALISATION AND INDEBTEDNESS

Details of our borrowings as at Latest Practicable Date are as follows:

| Type | Facilities granted (\$'000) | Used (\$'000) | Unused (\$'000) | Interest rates p.a. (%) | Maturity Profile | Securities |
|--|-----------------------------------|------------------|--------------------|----------------------------------|---------------------|---|
| Overdraft Facility, Letter of Credit, Trust Receipt, Accounts Receivable Financing, Invoice Financing, Bankers Guarantee | 16,300 | 3,211 | 13,089 | 0.50 – 6.00 | Repayable on demand | Personal guarantee from Ong Tiong Siew, corporate guarantee from Kiso Engineering |
| Overdraft Facility, Letter of Credit, Trust Receipt, Accounts Receivable Financing, Invoice Financing, Bankers Guarantee | 9,300 | 1,152 | 8,148 | 0.50 – 6.00 | Repayable on demand | Personal guarantee from Ong Tiong Siew, charge over deposits |
| Bankers' Guarantee | 800 | 645 | 155 | 0.50 – 1.25 | — | Charge over deposits, personal guarantee from Ong Tiong Siew |
| Term Loan ⁽¹⁾ | 3,500 | 1,406 | 2,094 | 4.80 | 60 months | Deed of debenture on equipment, personal guarantee from Ong Tiong Siew |
| Term Loan ⁽²⁾⁽⁴⁾ | 10,000 | 5,377 | 4,623 | 2.87 – 4.75 | 48 months | Deed of debenture on equipment, personal guarantee from Ong Tiong Siew, corporate guarantee from Kiso Engineering |
| Term Loan ⁽³⁾⁽⁴⁾ | 2,500 | 1,530 | 970 | 2.88 – 5.00 | 12 years | Mortgage charge, personal guarantee from Ong Tiong Siew, corporate guarantee from Kiso Engineering |
| Hire Purchase | 205 | 73 | 132 | 6.00 – 7.00 | 12 – 84 months | Charge over fixed assets |
| Hire Purchase | 4,465 | 2,402 | 2,063 | 4.60 – 7.00 | 36 – 48 months | Personal guarantee from Ong Tiong Siew, corporate guarantee from Kiso Engineering |
| Hire Purchase | 16,650 | 7,816 | 8,834 | 4.60 – 5.85 | 48 – 60 months | Personal guarantee from Ong Tiong Siew |
| Hire Purchase | 908 | 343 | 565 | 5.00 | 36 – 48 months | Personal guarantee from Ong Tiong Siew, corporate guarantee from Ryobi Geotechnique |
| TOTAL | 64,628 | 23,955 | 40,673 | | | |

CAPITALISATION AND INDEBTEDNESS

Notes:

- (1) The term loan refers to loans drawn down from a facility granted by OCBC Bank with maturity in October 2012. The loans were utilised for the purchase of piling equipment and machinery.
- (2) The term loan refers to loans drawn down from two facilities granted by Standard Chartered Bank with maturity dates ranging from June 2011 to June 2012. The loans were utilised for the purchase of piling equipment and machinery.
- (3) The term loan refers to a refinancing term loan granted by DBS Bank relating to the construction of our factory at 58A Sungei Kadut Loop Singapore 729505 maturing in July 2016.
- (4) We intend to utilise part of proceeds from the issue of New Shares towards the full repayment of the loan in (3) above and partial repayment of the loan in (2) above.

To the best of the knowledge of our Directors, our Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group's financial position and results or business operations.

The guarantors have indicated that they intend to obtain a release and discharge of those joint and several personal guarantees currently securing the aforementioned banking facilities from the respective banks after the admission of our Company to the Official List of the SGX-ST. In the event that the relevant financial institutions does not agree to release the personal guarantees, and we are unable to secure alternative credit facilities on similar terms, both Ong Tiong Siew and Ong Teng Choon have undertaken to continue to provide the guarantees until such time when we are able to secure alternative facilities from other financial institutions.

Operating Lease Commitments

As at the Latest Practicable Date, our operating lease commitments are as follows:

| | |
|----------------------------|---------------|
| | \$'000 |
| Within 1 Year | 390 |
| Within 2 to 5 Years | 579 |
| After 5 Years | 1,428 |
| Total | <u>2,397</u> |

The operating lease commitments of our Group relate to the leased properties of our Group as described under the section entitled "Properties and Fixed Assets" of this Prospectus.

We intend to finance the above operating lease commitments using internally generated funds.

Saved as disclosed above, our Group has no material lease commitments as at the Latest Practicable Date.

Capital Commitments

As at the Latest Practicable Date, we have capital commitments of approximately \$4.1 million comprising a hydraulic rig and two motor vehicles.

We intend to finance the above capital commitments using bank borrowings and/or internally generated funds.

CAPITALISATION AND INDEBTEDNESS

Saved as disclosed above, our Group has no material capital commitments as at the Latest Practicable Date.

Contingent Liabilities

As at the Latest Practicable Date, our Group has no contingent liability.

Save as disclosed above, our Group has no other borrowings or indebtedness (direct and indirectly) or liabilities (including contingent liabilities) as at the Latest Practicable Date.

Save as disclosed above, since 30 June 2009 and up to the Latest Practicable Date, there were no material changes in our total capitalisation and indebtedness except for changes in our retained earnings arising from the day-to-day operations in the ordinary course of our business.

Our Directors are of the opinion that, after taking into account our present credit facilities, cash and cash equivalents, and net cash to be generated from our operating activities, our Group has adequate working capital for our present requirements.

DIVIDEND POLICY

Our Company has not distributed dividends since its incorporation on 28 February 2008.

The aggregate dividends paid by Ryobi Singapore for FY2007, FY2008 and FY2009 were \$1.0 million, \$15.0 million (being the Special Dividend'08) and \$25.0 million (being the Special Dividend'09), respectively.

The aggregate dividends paid by Ryobi Geotechnique for FY2007, FY2008 and FY2009 were \$284,560, \$800,000 and \$605,000 respectively.

The aggregate dividends paid by Ryobi Geotechnique International for FY2007, FY2008 and FY2009 were \$556,400, \$1,179,100 and \$980,000 respectively.

Save as disclosed, our Group has not paid any dividends during the Period Under Review.

We currently do not have a dividend policy. The dividend that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other relevant factors deemed relevant by our Board:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and other investment plans; and
- (d) restrictions on payment of dividends imposed on us by our financing arrangements (if any).

Any final dividends paid by us must be approved by an ordinary resolution of our Shareholders at a general meeting and must not exceed the amount recommended by our Board. Our Board may, without the approval of our Shareholders, also declare an interim dividend. We must pay all dividends out of profits pursuant to the Companies Act.

No inference should or can be made from any of the foregoing statements as to our actual profitability or our ability to pay dividends in the future.

Our Directors intend to recommend at least 25.0% of our net profits attributable to Shareholders in respect for profits achieved in FY2010 as final dividends, subject to the factors outlined above. However, investors should note that the intention to recommend the aforesaid dividends should not be treated as a legal obligation on our Company nor should it be treated as an indication of our Company's future dividend policy. In determining future dividends, our directors would take into account factors, including those listed in (a) to (d) above. In the event our Directors deem that it would be prudent to retain profits in our Group for its operations, especially when economic conditions are not favourable, a lower dividend or no dividend may be declared. There can be no assurance that dividends will be paid in future or of the amount or timing of any dividends that will be paid in the future.

Information relating to taxes payable on dividends is set out in "Appendix B — Taxation" of this Prospectus.

SELECTED COMBINED FINANCIAL INFORMATION

The following selected combined financial information should be read in conjunction with the full text of this Prospectus, including “Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” as set out in Appendix A of this Prospectus.

COMBINED RESULTS OF OPERATIONS OF OUR GROUP⁽¹⁾

| \$'000 | Audited | | |
|--|---------|---------|----------|
| | FY2007 | FY2008 | FY2009 |
| Revenue | 56,630 | 125,112 | 160,317 |
| Cost of sales | 40,263 | 78,202 | 107,925 |
| Gross profit | 16,367 | 46,910 | 52,392 |
| Other income | 2,563 | 1,817 | 1,364 |
| Administrative expenses | (5,243) | (9,812) | (11,527) |
| Selling and distribution expenses | (81) | (107) | (106) |
| Other operating expenses | (207) | (264) | (479) |
| Finance expenses | (604) | (683) | (858) |
| Share of results of associated company | — | 618 | (45) |
| Profit before income tax | 12,795 | 38,479 | 40,741 |
| Income tax expense | (2,231) | (7,073) | (6,145) |
| Total profit⁽⁴⁾ | 10,564 | 31,406 | 34,596 |
| Attributable to: | | | |
| Equity holders of our Company | 10,139 | 30,246 | 34,297 |
| Minority interests | 425 | 1,160 | 299 |
| | 10,564 | 31,406 | 34,596 |
| EPS (cents) ⁽²⁾⁽⁴⁾ | 1.8 | 5.3 | 6.0 |
| Adjusted EPS (cents) ⁽³⁾⁽⁴⁾ | 1.3 | 4.0 | 4.5 |

Notes:

- (1) The combined financial results for the Period Under Review have been prepared on the basis that our Group has been in existence throughout the Period Under Review, save for Ryobi Machinery which was consolidated as a 50.0% subsidiary of the Group for FY2007.
- (2) For comparative purposes, the EPS for the Period Under Review has been computed based on profit after tax attributable to equity holders and pre-Invitation share capital of 573,268,240 Shares.
- (3) For comparative purposes, the adjusted EPS for the Period Under Review has been computed based on profit after tax attributable to equity holders and post-Invitation share capital of 765,268,240 Shares.
- (4) There would be no significant change to the profit before taxation of our Group for FY2009 had the Service Agreements been in place on 1 July 2008.

SELECTED COMBINED FINANCIAL INFORMATION

COMBINED BALANCE SHEET OF OUR GROUP

| \$'000 | Audited As at 30 June 2009 |
|---|---|
| ASSETS | |
| Current Assets | |
| Cash and cash equivalents | 40,522 |
| Trade and other receivables | 22,894 |
| Inventories | 89 |
| Construction contract work-in-progress | 1,448 |
| Other current assets | 553 |
| Total Current Assets | 65,506 |
| Non-Current Assets | |
| Investment in associated company | 715 |
| Club memberships | 220 |
| Financial assets, available-for-sale | 1,883 |
| Property, plant and equipment | 42,550 |
| Deferred income tax assets | 183 |
| Total Non-Current Assets | 45,551 |
| Total Assets | 111,057 |
| LIABILITIES | |
| Current Liabilities | |
| Trade and other payables | 39,959 |
| Current income tax liabilities | 5,866 |
| Derivative financial instruments | 28 |
| Borrowings | 6,521 |
| Total Current Liabilities | 52,374 |
| Non-Current Liabilities | |
| Borrowings | 12,196 |
| Deferred income tax liabilities | 3,137 |
| Total Non-Current Liabilities | 15,333 |
| Total Liabilities | 67,707 |
| Net Assets | 43,350 |
| EQUITY | |
| Capital and reserves attributable to equity holders of our Company | |
| Share Capital | 2,500 |
| Other reserve | (897) |
| Retained earnings | 39,991 |
| | 41,594 |
| Minority interest | 1,756 |
| Total Equity | 43,350 |
| NAV per Share (cents)⁽¹⁾ | 7.6 |

Note:

- (1) The NAV per Share as at 30 June 2009 has been computed based on the combined net asset value and the pre-Invitation share capital of 573,268,240 Shares.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our results of operations and financial condition should be read in conjunction with the “Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” as set out in Appendix A of this Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in the section entitled “Risk Factors” of this Prospectus. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Issue Manager, the Underwriter and Placement Agent, the Adviser or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Prospectus.

OVERVIEW

We are a leading group of engineering solutions provider specialising in Bored Piling and Eco-friendly Piling and Geoservices.

Our Group’s principal businesses are:

- (a) Bored Piling; and
- (b) Eco-friendly Piling and Geoservices comprising:
 - Eco-friendly Piling;
 - Environmental Protection Engineering;
 - Geotechnical Engineering Services; and
 - Sale of Geoproducts.

Please refer to the section entitled “Business Overview” of this Prospectus for further details of our Group’s principal businesses.

Revenue

Our revenue is primarily project-based in nature for both our principal businesses. Revenue is recognised by reference to the stage of completion of a contract and is referred to as the percentage of completion method. The stage of completion is assessed by reference to the value of work done certified by consultants or customers. Each of our projects may take three months to 18 months to complete. Some of our projects may also involve both our principal businesses.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our revenue is driven by contribution from our two business segments. A breakdown of our revenue by business segments from FY2007 to FY2009 is set out as below:

| Revenue | FY2007 | | FY2008 | | FY2009 | |
|-------------------------------------|--------|-------|---------|-------|---------|-------|
| | \$'000 | % | \$'000 | % | \$'000 | % |
| Bored Piling | 46,099 | 81.4 | 96,064 | 76.8 | 128,633 | 80.2 |
| Eco-friendly Piling and Geoservices | 10,531 | 18.6 | 29,048 | 23.2 | 31,684 | 19.8 |
| Total | 56,630 | 100.0 | 125,112 | 100.0 | 160,317 | 100.0 |

Our Bored Piling segment accounted for 81.4%, 76.8% and 80.2% of our revenue in FY2007, FY2008 and FY2009 respectively, whilst our Eco-friendly Piling and Geoservices segment accounted for 18.6%, 23.2% and 19.8% of our revenue in FY2007, FY2008 and FY2009 respectively. The increase in our revenue is largely attributable to the contribution from Bored Piling segment. Our revenue was derived entirely from Singapore during the Period Under Review.

Our revenue could be affected, *inter alia*, by these key factors:

- (i) Outlook of the construction industry, particularly developments in the private and public residential as well as commercial buildings (for example hotels, warehouses, offices and entertainment facilities) and infrastructure-related developments;
- (ii) Our ability to secure projects;
- (iii) Our ability to compete effectively against existing and new competitors;
- (iv) Size of projects that we secure; and
- (v) Imbalance of supply and demand for our services.

The above should be read in conjunction with the section entitled "Risk Factors" of this Prospectus.

Cost of Sales

Our Group's cost of sales comprises project material costs, direct labour costs, sub-contracting costs, and project overhead costs. A breakdown of our cost of sales by business segments from FY2007 to FY2009 is set out as below:

| Cost of Sales | FY2007 | | FY2008 | | FY2009 | |
|-------------------------------------|--------|-------|--------|-------|---------|-------|
| | \$'000 | % | \$'000 | % | \$'000 | % |
| Bored Piling | 33,639 | 83.5 | 60,289 | 77.1 | 84,378 | 78.2 |
| Eco-friendly Piling and Geoservices | 6,624 | 16.5 | 17,913 | 22.9 | 23,547 | 21.8 |
| Total | 40,263 | 100.0 | 78,202 | 100.0 | 107,925 | 100.0 |

Our Bored Piling segment accounted for 83.5%, 77.1% and 78.2% of our cost of sales in FY2007, FY2008 and FY2009 respectively, whilst our Eco-friendly Piling and Geoservices segment accounted

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

for 16.5%, 22.9% and 21.8% of our cost of sales in FY2007, FY2008 and FY2009 respectively. The increase in our cost of sales is in line with the increase of revenue that was largely attributable to Bored Piling segment.

Our project material costs, which comprise mainly cost of concrete, cement, rebar and piles, is the largest component of our cost of sales, which averaged approximately 53.1% of our cost of sales from FY2007 to FY2009.

Our direct labour costs include salaries and wages, and other staff-related costs for crane operators, technicians and those who are directly involved in the work at our project sites. Our direct labour costs accounted for, on average, approximately 7.3% of our cost of sales from FY2007 to FY2009.

Our sub-contractors provide labour services for our site piling works. Our project overheads comprise mainly depreciation, rental of machinery and equipment, repair, maintenance and transportation of machinery and equipment, freight charges and other site expenses. Our sub-contractor charges and project overheads accounted for, on average, approximately 11.4% and 28.2%, respectively, of our cost of sales from FY2007 to FY2009.

Key factors affecting our cost of sales include, *inter alia*:

- (i) Our ability to manage our project costs and resources deployment to avoid costs overrun;
- (ii) Fluctuations in the prices of project materials;
- (iii) Our ability to secure sub-contractors to supply the requisite skills at competitive terms;
- (iv) Increase in costs of repairs and maintenance due to the age of our plant and machinery;
- (v) Increase in depreciation charges due to our equipment renewal policy; and
- (vi) Project progress schedules and consequential cost overruns in the event of projects delays.

Gross Profit and Gross Profit Margin

Our gross profit is determined after deducting cost of sales incurred on projects from our revenue. A breakdown of our gross profit and gross profit margin by business segments from FY2007 to FY2009 is set out as below:

| Gross Profit | FY2007 | | FY2008 | | FY2009 | |
|-------------------------------------|--------|-------|--------|-------|--------|-------|
| | \$'000 | % | \$'000 | % | \$'000 | % |
| Bored Piling | 12,460 | 76.1 | 35,775 | 76.3 | 44,255 | 84.5 |
| Eco-friendly Piling and Geoservices | 3,907 | 23.9 | 11,135 | 23.7 | 8,137 | 15.5 |
| Total | 16,367 | 100.0 | 46,910 | 100.0 | 52,392 | 100.0 |

| Gross Profit Margin | FY2007 | FY2008 | FY2009 |
|-------------------------------------|--------|--------|--------|
| | % | % | % |
| Bored Piling | 27.0 | 37.2 | 34.4 |
| Eco-friendly Piling and Geoservices | 37.1 | 38.3 | 25.7 |
| Group | 28.9 | 37.5 | 32.7 |

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Group's overall gross profit margin is affected by different gross profit margin of each project and the mixed revenue contribution of our Group's business segments. The gross profit margin for our Bored Piling segment was 27.0%, 37.2% and 34.4% for FY2007, FY2008 and FY2009 respectively. The gross profit margin for our Eco-friendly Piling and Geoservices segment was 37.1%, 38.3% and 25.7% for FY2007, FY2008 and FY2009 respectively.

The gross profit margin of our Group is determined by the gross profit margin of each project which is dependent on the final contract value secured after the competitive project tendering process. We provide value-added ancillary services in some projects which will result in different project-based gross profit margin and thus affecting the gross profit margin of the respective business segments.

Other Income

Other income comprises mainly rental income for premises, write-back of trade payables, interest income, gain on disposal of financial assets, available-for-sale, gain on disposal of machinery and equipment, income from sale of materials and foreign exchange gain. The foreign exchange gain is derived from the foreign currency forward contracts that were hedged against purchases of machinery and equipment that are denominated in a foreign currency.

Administrative Expenses

Our administrative expenses comprise mainly staff payroll and related expenses (which include Directors' remuneration and fees), depreciation, professional fees and rentals for the use of premises.

Staff payroll and related expenses are our largest component of our administrative expenses. In FY2007, staff payroll and related expenses accounted for approximately 48.6% of total administrative expenses. In FY2008, staff payroll and related expenses, as a proportion of administrative expenses, increased to 65.9%. In FY2009, staff payroll and related expenses accounted for approximately 65.6% as a proportion of administrative expenses.

Depreciation expenses, as a percentage of total administrative expenses, decreased from 11.1% in FY2007 to 7.4% in FY2008 and further declined to 6.5% in FY2009. Rental expenses, as a percentage of total administrative expenses, decreased from 5.8% in FY2007 to 3.3% in FY2008 and remained at 3.3% in FY2009.

Selling and Distribution Expenses

Our selling and distribution expenses comprise advertising and marketing expenses.

Other Operating Expenses

Our other operating expenses include allowance for impairment of trade receivables, write-off of trade receivables, unrealised losses from foreign exchange forward contracts and write-off of machinery and equipment.

Finance Expenses

Our finance expenses comprise mainly interest expenses incurred on bank borrowings, finance leases and loan from related party.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Income Tax

| \$'000 | FY2007 | FY2008 | FY2009 |
|--------------------------|--------|--------|--------|
| Income tax expense | 2,231 | 7,073 | 6,145 |
| Profit before income tax | 12,795 | 38,479 | 40,741 |
| Effective tax rate (%) | 17.4 | 18.4 | 15.1 |

The effective tax rates in FY2007 of 17.4% and FY2008 of 18.4% were comparable to the statutory tax rate of 18.0%. Our effective tax rate of 15.1% in FY2009 was lower than the statutory tax rate of 17.0% due mainly to an over provision of \$0.8 million in prior years.

REVIEW OF PAST FINANCIAL PERFORMANCE

FY2008 vs FY2007

Revenue

Riding on the boom of the construction industry in FY2008, our Group's revenue improved significantly by approximately \$68.5 million or 121.0% from \$56.6 million in FY2007 to \$125.1 million in FY2008. The improvement in our Group's revenue resulted mainly from higher value piling projects which were substantially completed in FY2008.

Our top eight projects which contributed to the revenue for FY2008 were HDB Ang Mo Kio Redevelopment Contract 10, HDB Queenstown Redevelopment Contract 17, Aalto, Pioneer Walk Warehouse, The Trillium, HDB Jurong West, Aircraft Hangar 6 and University Town Development, contributing in aggregate \$63.1 million or 50.4% to our Group's revenue.

Bored Piling

Our Bored Piling segment increased by \$50.0 million or 108.5% from \$46.1 million in FY2007 to \$96.1 million in FY2008. The number of our Bored Piling projects which contributed to our revenue increased substantially from 41 in FY2007 to 51 in FY2008. In FY2008, some of our major Bored Piling projects included HDB Ang Mo Kio Redevelopment Contract 10, HDB Queenstown Redevelopment Contract 17 and University Town Development.

Eco-friendly Piling and Geoservices

Our Eco-friendly Piling and Geoservices segment increased by \$18.5 million or 176.2% from \$10.5 million in FY2007 to \$29.0 million in FY2008. The number of our Eco-friendly Piling and Geoservices projects which contributed to our revenue increased modestly from 14 in FY2007 to 18 in FY2008. In FY2008, some of our major Eco-friendly Piling and Geoservices projects included our Environmental Protection Engineering project for Pollution Control at Sungei Serangoon using TRD method and The Trillium project using a combination of Grout-Mix Piling and Press Grouted Spun Piling techniques.

Cost of Sales

Our cost of sales increased by approximately \$37.9 million or 94.0% from \$40.3 million in FY2007 to \$78.2 million in FY2008. The increase in cost of sales by 94.0% was in line with the increase in revenue by 121.0%. Although our project material costs increased by \$20.2 million from \$21.7 million in FY2007

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

to \$41.9 million in FY2008, the proportion of project material costs was maintained at approximately 53.6% of our total cost of sales. The increase of our Group's operational capacity, in order to cope with the increase in number of projects under execution, has increased our sub-contracting costs by \$5.2 million, our direct labour by \$2.3 million (the number of our construction workers increased from 125 in FY2007 to 209 in FY2008), our machinery and equipment related expenses (including depreciation, repair and maintenance, and rental and upkeep of machinery and equipment expenses) by \$6.5 million, transportation by \$1.9 million and other project overheads of \$1.7 million.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately \$30.5 million or 186.0% from \$16.4 million in FY2007 to \$46.9 million in FY2008. We were able to record increases in gross profit for our businesses with the Bored Piling segment contributing approximately \$23.3 million and Eco-friendly Piling and Geoservices segment contributing approximately \$7.2 million to the increase in our Group's gross profit.

Our Group's gross profit margin also improved significantly from 28.9% in FY2007 to 37.5% in FY2008. In line with the boom in the construction industry, we enjoyed higher gross profit margins in FY2008 due to the continuing imbalanced supply and demand for our piling business. In addition, we also enjoyed improvement in allocation of resources amongst our projects with the employment of new project management staff as well as improvement in efficiency of our project operations from acquisition of a new fleet of machinery and equipment.

The gross profit margin of our Bored Piling segment improved by 10.2% point from 27.0% in FY2007 to 37.2% in FY2008. We also enjoyed higher gross profit margin of approximately 38.3% for our Eco-friendly Piling and Geoservices segment in FY2008, an increase of 1.2% point from 37.1% in FY2007 mainly due to the high demand for such services with the improved construction industry outlook.

Other Income

Other income amounted to approximately \$2.6 million in FY2007 and comprised mainly gain on disposal of financial assets, available-for-sale of approximately \$1.4 million, rental income of approximately \$0.6 million and write-back of trade payables of \$0.3 million. This write-back of trade payables was a one-time exercise, mainly for trade payables that had been outstanding for more than seven years. In accordance with our Company's accounting policy, we do not write-back our trade payables until the expiry of the statutory limitation period of 6 years. The remaining other income of \$0.3 million in FY2007 comprised gain on disposal of plant and equipment, claims from insurance, foreign exchange gain, dividend income and interest income.

Other income in FY2008 amounted to approximately \$1.8 million and comprised mainly gain from sale of sheet pile materials which were in excess of our project requirements of approximately \$0.6 million, rental income of approximately \$0.3 million, foreign exchange gain of approximately \$0.3 million from the realisation of foreign currency forward contract that were entered into to hedge against acquisition of machinery and equipment that were denominated in foreign currency and interest income of approximately \$0.1 million. The remaining other income of \$0.5 million in FY2008 comprised gain on disposal of financial assets, available-for-sale, dividend income, negative goodwill arising from the acquisition of a subsidiary, gain on disposal of plant and equipment and others.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Administrative Expenses

Our Group's administrative expenses increased by approximately \$4.6 million or 88.5% from \$5.2 million in FY2007 to \$9.8 million in FY2008, mainly attributed to the increase in staff payroll and related expenses of approximately \$3.9 million, increase in professional fees (such as audit fees, public relations fees and IT consultancy fees) of approximately \$0.3 million, increase in depreciation expense of approximately \$0.1 million, increase in maintenance of office equipment of \$0.1 million and increase in other administrative expenses of \$0.2 million such as insurance and upkeep of motor vehicles. Our directors' remuneration increased from \$1.1 million in FY2007 to \$1.9 million in FY2008 and our staff costs increased from \$1.4 million in FY2007 to \$4.5 million in FY2008. The increase in staff payroll and related expenses was due mainly to an increase in non-construction staff strength from 71 employees in FY2007 to 108 employees in FY2008 in order to cope with the improvement in our business operations and higher staff bonuses to reward our staffs for achieving the strong financial performance of our Group in FY2008. The increase in professional fees, depreciation and maintenance expenses of office equipment was to support our operations.

Selling and Distribution Expenses

Our Group's selling and distribution expenses increased by approximately \$26,000 or 32.1% in FY2008 from \$81,000 in FY2007 to \$107,000 in FY2008.

Other Operating Expenses

Other operating expenses in FY2007 amounted to approximately \$0.2 million due to trade receivables written off.

Other operating expenses in FY2008 amounted to approximately \$0.3 million due mainly to write-off of our machinery and equipment.

Finance Expenses

Finance expenses increased by approximately \$0.1 million or 16.7% from \$0.6 million in FY2007 to \$0.7 million in FY2008, attributed to increase in bank borrowings and finance leases to finance our acquisition of machinery and equipment to support the improvement in business from the positive construction industry outlook, partially offset by a reduction in interest on loan for Kiso Engineering, which has been fully repaid.

Share of Profit from Associated Company

In FY2008, we recorded share of profit from Seafco-Ryobi of approximately \$0.6 million.

Profit before Income Tax

Our profit before income tax increased significantly by approximately \$25.7 million or 200.8%, from \$12.8 million in FY2007 to \$38.5 million in FY2008, mainly attributable to the increase in gross profit, which was marginally offset by increases in administrative expenses, selling and distribution expenses and finance expenses.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FY2009 vs FY2008

Revenue

Our Group's revenue improved by approximately \$35.2 million or 28.1% from \$125.1 million in FY2008 to \$160.3 million in FY2009, due mainly to higher value piling projects completed in FY2009.

Our top eight projects which contributed to our revenue for FY2009 were University Town Development, HDB Clementi Neighbourhood 4 Contract 8, HDB Punggol East Contract 20, Pollution Control at Sungei Serangoon, Goodwood Residences, Jurong Data Centre Complex, The Peak and Trevisa, contributing in aggregate approximately \$96.8 million, approximately 60.4% of our Group's revenue.

Bored Piling

Our Bored Piling segment increased by \$32.5 million or 33.8% from \$96.1 million in FY2008 to \$128.6 million in FY2009. The number of our Bored Piling projects which contributed to our revenue reduced from 51 in FY2008 to 41 in FY2009. The number of Bored Piling projects reduced mainly due to our concentration of resources on our high value projects in FY2009 and the reduction of construction projects in Singapore due to the impact of the global economic crisis since the last quarter of 2008. In FY2009, some of the high value Bored Piling projects included University Town Development, HDB Clementi Neighbourhood 4 Contract 8 and HDB Punggol East Contract 20, each contributing revenue in the range of approximately \$14.6 million to \$27.4 million. The major portion of our revenue in some of our high value projects that started in FY2008 such as University Town Development were recognised in FY2009.

Eco-friendly Piling and Geoservices

Our Eco-friendly Piling and Geoservices segment increased by \$2.7 million or 9.3% from \$29.0 million in FY2008 to \$31.7 million in FY2009. The number of our Eco-friendly Piling and Geoservices projects which contributed to our revenue maintained at 18 in FY2009. In FY2009, some of our major Eco-friendly Piling and Geoservices projects included our Environmental Protection Engineering project for Pollution Control at Sungei Serangoon using TRD method and The Viva project using Grout-Mix Piling technique. The major portion of our revenue from our Environmental Protection Engineering projects for pollution control at Sungei Serangoon that was started in FY2008 was recognised in FY2009.

Cost of Sales

Our cost of sales increased by approximately \$29.7 million or 38.0% from \$78.2 million in FY2008 to \$107.9 million in FY2009. The increase in cost of sales by 38.0% was in line with the increase of revenue by 28.1%. Although our project material costs increased by \$8.7 million from \$41.9 million in FY2008 to \$50.6 million in FY2009. The proportion of project material costs against our total cost of sales decreased from approximately 53.6% in FY2008 to approximately 46.9% in FY2009 due to the increase in other cost of sales. The continuous increase of our Group's operational capacity, in order to cope with the number of projects under execution in our Group, has increased our sub-contracting costs by \$2.3 million, our direct labour by \$2.1 million (the number of our construction workers increased from 209 in FY2008 to 252 in FY2009), our machinery and equipment related expenses (including depreciation, repair and maintenance, rental and upkeep of machinery and equipment expenses) by \$5.4 million and transportation by \$2.0 million. In FY2009, our Group made a provision of \$9.5 million for the potential liquidated damages mainly from our non-major customers in relation to

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

eight projects. The provision for potential liquidated damages was primarily made for delays caused by third parties involved in the same projects as our Group. In other instances, the cause of delay was difficult to ascertain, as numerous parties were involved in the projects. The provision made was based on contractual assessment on the letters of claim from customers and accounting policy of our Group. The claims are subject to further negotiation with customers. Based on our track records, we did not receive any material claims from our customers in the past few years. However, we noticed that there was a sudden surge of such potential claims during the current poor market condition and global economy downturn. As at the Latest Practicable Date, the provision of \$9.5 million for the potential liquidated damages has been reduced to \$4.8 million after we negotiated and signed off the statement of final account with our customers. We will write back the unutilised provision of \$4.7 million for the potential liquidated damages in FY2010.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately \$5.5 million or 11.7% from \$46.9 million in FY2008 to \$52.4 million in FY2009, due mainly to the increase in gross profit of \$8.5 million from our Bored Piling segment offset by a decrease in gross profit of \$3.0 million of our Eco-friendly Piling and Geoservices segment. Our Group's gross profit margin declined from 37.5% in FY2008 to 32.7% in FY2009, mainly due to the lower gross profit margin projects that we secured and executed in FY2009, as a result of a more competitive pricing environment during the global economy downturn since 2008, and the provision of \$9.5 million made for the potential liquidated damages. Also, the high gross profit margin projects that were completed by our Group in FY2008 are non-recurrent as all our projects are project-based in nature. Further, the gross profit margin of our Eco-friendly Piling and Geoservices segment was affected by our competitive pricing strategy for our first Environmental Protection Engineering project using TRD method at Sungei Serangoon. The provision for potential liquidated damages was primarily made for delays caused by third parties involved in the same projects as our Group. In other instances, the cause for delays was difficult to ascertain, as numerous parties were involved in the projects. Although our Group has made provisions for liquidated damages, the claims are subject to further negotiation with the respective customers.

Other Income

Other income in FY2009 amounted to \$1.4 million and comprised mainly interest income from short term bank deposits of \$0.7 million, sales of sheet piles of \$0.2 million, rental income of approximately \$0.2 million, gain on disposal of financial assets, available-for-sale, dividend income of \$0.1 million and others of \$0.2 million.

Administrative Expenses

Our administrative expenses increased by approximately \$1.7 million or 17.3% from \$9.8 million in FY2008 to \$11.5 million in FY2009, mainly resulted from the \$0.5 million paid for professional fees in connection with our initial public offering exercise, increase in directors' remuneration of \$0.8 million and increase in staff's remuneration of \$0.4 million in FY2009.

Selling and Distribution Expenses

Selling and distribution expenses declined marginally by \$2,000 in FY2009 as compared to FY2008.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Other Operating Expenses

Other operating expenses in FY2009 amounted to \$0.5 million which comprised mainly foreign exchange losses.

Finance Expenses

Our finance expenses increased by approximately \$0.2 million or 28.6% from \$0.7 million in FY2008 to \$0.9 million in FY2009 due mainly to an increase in interest paid in relation to additional term loans and finance leases for our additional working capital required for the increase in the projects' size and to finance our capital expenditure for machinery and equipment in FY2009.

Share of Loss from Associated Company

For FY2009, we recorded share of loss from Seafco-Ryobi of approximately \$45,000.

Profit before Income Tax

Our profit before income tax increased by approximately \$2.2 million or 5.7% from \$38.5 million in FY2008 to \$40.7 million in FY2009, mainly attributable to the increase in gross profit, which was partially offset by increases in administrative expenses, other operating expenses and finance expenses.

REVIEW OF PAST FINANCIAL POSITION

Current Assets

As at 30 June 2009, we had current assets of approximately \$65.5 million which accounted for 59.0% of total assets. As at 30 June 2009, our current assets comprised cash and cash equivalents of approximately \$40.5 million, trade and other receivables of approximately \$22.9 million, construction contract work-in-progress of approximately \$1.4 million, inventories of approximately \$0.1 million and other current assets (prepayment and deposits) of approximately \$0.6 million. The trade and other receivables comprise mainly trade receivables of approximately \$13.1 million, amounts due from customers on construction contracts and retention monies of approximately \$9.8 million. As at the Latest Practicable Date, our Company has received monies due from the customers to the amount of approximately \$7.2 million, and retention monies to the amount of approximately \$0.3 million. The balance of the retention monies will be paid progressively as and when they become due. The retention monies are usually payable after 12 months upon completion of projects.

Non-current Assets

As at 30 June 2009, we had non-current assets of approximately \$45.5 million, which constituted approximately 41.0% of our total assets. As at 30 June 2009, our non-current assets comprised mainly property, plant and equipment of approximately \$42.5 million, financial assets, available-for-sale (comprising quoted securities and unit trusts) of approximately \$1.9 million, investment in associated company of approximately \$0.7 million, club membership of \$0.2 million and deferred income tax asset arising from financial assets, available-for-sale of \$0.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Current Liabilities

Our current liabilities amounted to approximately \$52.4 million which accounted for approximately 77.4% of total liabilities as at 30 June 2009. As at 30 June 2009, our current liabilities comprised mainly trade and other payables of approximately \$40.0 million, current income tax liabilities of approximately \$5.9 million as well as bank borrowings and finance lease obligations of approximately \$6.5 million. The trade and other payables comprised mainly trade payables of approximately \$11.4 million and other payable and accruals for operating expenses of approximately \$28.6 million that comprised mainly the accrued Special Dividend'09 of \$10.0 million (which has been fully paid out in September 2009), provision for liquidated damages from non-major customers of \$9.5 million (as described in the "Cost of Sales" of the sub-section entitled "Review of Financial Performance — FY2009 vs FY2008" in the section entitled "Management Discussion and Analysis of the Financial Condition and Results of Operations" of this Prospectus), accrued staff cost of \$3.1 million, accrued directors' fees of \$1.5 million and provision for material back charges of \$1.2 million. The accrued staff cost comprised of provisions for employee bonuses. The provision for material back charges of \$1.2 million is a provision for uncertified sums of progress claims submitted to our customers as at the end of the financial year. The provision is based on our Company's assessment derived from past dealings with customers.

Non-current Liabilities

As at 30 June 2009, our non-current liabilities amounted to approximately \$15.3 million and accounted for approximately 22.6% of total liabilities. As at 30 June 2009, our non-current liabilities comprised bank borrowings and finance lease obligations of approximately \$12.2 million and deferred tax liabilities of approximately \$3.1 million.

Shareholders' Equity

Our shareholders' equity as at 30 June 2009 stood at approximately \$43.3 million and comprised share capital of \$2.5 million, retained earnings of approximately \$40.0 million (after the Special Dividend'09 of \$25.0 million) and minority interests of approximately \$1.7 million and partially offset by negative reserves (which represents allowance for changes in market value of quoted securities and unit trusts) of approximately \$0.9 million.

LIQUIDITY AND CAPITAL RESOURCES

Our Group's growth has been financed principally from a combination of shareholders' equity, retained earnings as well as credit facilities from various financial institutions.

Our principal uses of cash have mainly been for working capital, capital expenditures as well as repayment of bank borrowings and finance expenses.

As at the Latest Practicable Date, our Directors are of the view that the working capital available to our Company as at the date of lodgement of the Prospectus is sufficient for our present requirements, after taking into account our Group's internal resources, cash flow generated from operating activities, and our banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table sets out a summary of our Group's cash flows for FY2007, FY2008 and FY2009:

| \$'000 | FY2007 | FY2008 | FY2009 |
|--|--------------|---------------|---------------|
| Net cash generated from operating activities | 3,433 | 38,610 | 54,132 |
| Net cash used in investing activities | (1,708) | (9,034) | (4,913) |
| Net cash used in financing activities | (1,332) | (5,085) | (37,089) |
| Net increase in cash and cash equivalents | 393 | 24,491 | 12,130 |
| Cash and cash equivalents at the beginning of the relevant period | 2,706 | 3,099 | 27,590 |
| Cash and cash equivalents at the end of the relevant period | 3,099 | 27,590 | 39,720 |

FY2007

We recorded a net cash inflow from operating activities of approximately \$3.4 million which comprised mainly cash generated from operating activities before working capital changes of approximately \$13.8 million and offset by net working capital outflow of approximately \$10.0 million and income tax paid of \$0.3 million. We had working capital outflows arising mainly from an increase in trade and other receivables of approximately \$13.3 million, which was in turn mainly due to an increase in receivables in line with the increase in our revenue. The working capital outflows were partially offset by working capital inflows arising mainly from an increase in trade and other payables of approximately \$2.3 million, a decrease in contracts work-in-progress of approximately \$0.5 million, a decrease in inventories of approximately \$0.1 million and a decrease in other current assets of approximately \$0.3 million.

Net cash used in investing activities amounted to approximately \$1.7 million due mainly to net payments for purchase of machinery and equipment of approximately \$3.4 million (offset by the proceeds received from the disposal of machinery and equipment of \$0.2 million) and purchase of financial assets, available-for-sale of approximately \$2.6 million. This was partially offset by net proceeds from sale of financial assets, available-for-sale of approximately \$3.6 million, rental income of approximately \$0.6 million and interest income of \$0.1 million. The purchase of machinery and equipment amounted to \$6.6 million that was partially financed by borrowings as part of our ongoing machinery and equipment upgrading plan to meet the needs of our business operations.

Net cash used in financing activities amounted to approximately \$1.3 million due mainly to dividends paid to shareholders of approximately \$1.3 million, interest paid of approximately \$0.6 million, partially offset by proceeds (net of repayments) from borrowings of approximately \$0.5 million.

As at end of FY2007, our Group's cash and cash equivalent stood at \$3.1 million.

FY2008

We recorded a net cash inflow from operating activities of approximately \$38.6 million which comprised mainly cash generated from operating activities before working capital changes of approximately \$43.1 million and net working capital outflows of approximately \$4.0 million and income tax paid of \$0.5 million. The working capital outflows were due mainly to an increase in trade and other receivables of approximately \$17.1 million, increase in construction contract work-in-progress of approximately \$1.3

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

million and an increase in other current assets of approximately \$0.8 million. The working capital outflows were partially offset by working capital inflows arising mainly from an increase in trade and other payables of approximately \$15.3 million.

Net cash used in investing activities amounted to approximately \$9.0 million due mainly to net payments for purchase of machinery and equipment of approximately \$8.3 million (offset by the proceeds received from the disposal of machinery and equipment of \$61,000), purchase of financial assets, available-for-sale of approximately \$2.0 million and investment in our associated company and subsidiaries of approximately \$0.2 million. These were partially offset by proceeds from disposal of financial assets, available-for-sale of approximately \$1.0 million and rental income of approximately \$0.3 million. The purchase of machinery and equipment amounted to \$20.4 million that was partially financed by borrowings as part of our ongoing machinery and equipment's upgrading and acquisition plan to meet the needs of our business operations.

Net cash used in financing activities amounted to approximately \$5.1 million due mainly to repayment of borrowings of \$3.5 million, interest paid of approximately \$0.6 million, bank deposits pledged of approximately \$0.6 million and dividends paid of approximately \$0.4 million.

As at end of FY2008, our Group's cash and cash equivalent increased by \$24.5 million to \$27.6 million from \$3.1 million in FY2007.

FY2009

We recorded a net cash inflow from operating activities of approximately \$54.1 million which comprised mainly cash generated from operating activities before working capital changes of approximately \$46.4 million, net working capital inflow of approximately \$14.9 million and offset by income tax paid of \$7.2 million. The working capital inflows were due mainly to a decrease in trade and other receivables of approximately \$15.7 million, a decrease in other current assets of approximately \$0.4 million and a decrease in inventory of \$0.5 million. The working capital inflows were partially offset by working capital outflows arising mainly from a decrease in trade and other payables of \$1.7 million.

Net cash used in investing activities amounted to approximately \$4.9 million due mainly to net payments for purchase of machinery and equipment of approximately \$5.2 million, purchase of financial assets, available-for-sale of approximately \$0.5 million and purchase of club membership of \$0.2 million. This was offset by net proceeds from interest income of \$0.7 million, rental income of \$0.2 million and dividend income of \$0.1 million. The purchase of machinery and equipment amounted to \$11.7 million that was partially financed by borrowings as part of our ongoing machinery and equipment's upgrading and acquisition plan to meet the needs of our business operations.

Net cash used in financing activities amounted to approximately \$37.1 million due mainly to dividend of \$30.4 million paid to shareholders, interest paid of approximately \$0.9 million and repayment of borrowings of \$6.3 million. This was offset by the withdrawal of short term bank deposits of \$0.5 million.

As at end of FY2009, our Group's cash and cash equivalent further increased by \$12.1 million to \$39.7 million from \$27.6 million in FY2008.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MATERIAL CAPITAL EXPENDITURE AND DIVESTMENT

The material capital expenditure and divestments of our Group in FY2007, FY2008 and FY2009 and from 1 July 2009 to the Latest Practicable Date were as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|-------------------------------|--------------|---------------|---------------|---|
| <u>Acquisition</u> | | | | |
| Leasehold property | — | — | — | — |
| Computer and office equipment | 56 | 205 | 120 | 8 |
| Machinery and equipment | 6,592 | 20,426 | 11,675 | 7,383 |
| Motor vehicles | 244 | 412 | 236 | 44 |
| Furniture and fittings | 41 | 261 | 1 | 24 |
| Leasehold improvement | — | 169 | — | 63 |
| Total | 6,933 | 21,473 | 12,032 | 7,522 |
| <u>Divestment</u> | | | | |
| Leasehold property | — | — | — | — |
| Computer and office equipment | (15) | — | (3) | — |
| Machinery and equipment | (772) | (230) | (137) | (158) |
| Motor vehicles | (71) | (92) | — | — |
| Furniture and fittings | (36) | — | (5) | — |
| Leasehold improvement | — | — | — | — |
| Total | (894) | (322) | (145) | (158) |

The above capital expenditure was mainly for the acquisition of machinery and equipment that was financed by bank borrowings and internally generated funds.

FOREIGN EXCHANGE EXPOSURE

We operate principally in Singapore and have a presence in Malaysia and Vietnam. Our operating expenses incurred in these countries are denominated mainly in the respective currencies of these countries. Our sales and purchases of project raw materials for carrying out our projects are mainly denominated in Singapore Dollars. From time to time, we also purchase machinery and equipment in other currencies such as Eurodollars, United States Dollars and Japanese Yen.

As our revenue, costs and expenses are presently largely transacted in Singapore Dollars, our Directors believe that our Group has limited foreign exchange risk.

We are subject to foreign currency translation exposure as our Group's financial statements are presented in Singapore Dollars while the financial statements of certain subsidiaries are presented in foreign currencies, which are the currencies of the primary economic environment in which the entities operate. Any significant change in the exchange rate of the relevant currency against the Singapore Dollars may adversely affect our financial performance and financial condition.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As at the end of the Period Under Review, almost all our borrowings were denominated in Singapore Dollars.

Currently, we do not have any formal policy for hedging against foreign currency exposure. However, we selectively hedge our foreign currency exposure for our purchases of machinery and equipment by entering into foreign currency forward contracts and options. We will continue to monitor our foreign currency exposure and may employ hedging instruments to manage our foreign exchange exposure should the need arise.

As a condition for the listing on Official List of the Mainboard of the SGX-ST, our Company is required to submit an undertaking to the SGX-ST that:

- (i) our Company will seek the approval of our Directors on its policy for entering into any foreign exchange hedging transactions;
- (ii) our Company will put in place adequate procedures which will be reviewed and approved by our Audit Committee; and
- (iii) our Audit Committee will monitor the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy approved by our Directors.

Our foreign exchange gains/(losses) in each of FY2007, FY2008 and FY2009 was as follows:

| \$'000 | FY2007 | FY2008 | FY2009 |
|---|---------------|---------------|---------------|
| Foreign exchange gains/(losses) | 18 | 329 | (477) |
| As a percentage of Group's profit before income tax (%) | 0.1 | 0.9 | (1.2) |

GENERAL INFORMATION ON OUR GROUP

SHARE CAPITAL

Our Company was incorporated in the Republic of Singapore on 28 February 2008 under the Act as a private company limited by shares, under the name, “Ryobi-Kiso Holdings Pte. Ltd.”. Our Company’s name was subsequently changed to “Ryobi Kiso Holdings Pte. Ltd.” on 23 November 2009. Our Company was converted into a public limited company and the name of our Company changed to “Ryobi Kiso Holdings Ltd.” in connection therewith on 24 November 2009.

As at the date of incorporation, the issued and paid-up share capital of our Company was \$2 comprising two Shares.

On 23 November 2009, our Shareholders approved (i) the change of our Company’s name to Ryobi Kiso Holdings Pte. Ltd.; (ii) the conversion of our Company into a public company limited by shares; and (iii) the adoption of new Articles of Association. Following the conversion, our Company changed its name to “Ryobi Kiso Holdings Ltd.”.

On 12 January 2010, our Shareholders approved the issue and allotment of an aggregate of 28,663,410 Shares pursuant to the Restructuring Exercise, as follows:

- (a) 12,669,979 Shares to Ong Tiong Siew;
- (b) 1,629,361 Shares to Ong Teng Choon; and
- (c) 14,364,070 Shares to Tanglin Capital.

The details of which are set out under the section entitled “Restructuring Exercise” of this Prospectus.

Pursuant to the completion of the Restructuring Exercise, our issued and paid-up share capital was increased to \$41,053,773 comprising 28,663,412 Shares.

At an extraordinary general meeting held on 13 January 2010, our Shareholders approved, *inter alia*, the following:

- (a) the subdivision of every one Share to 20 Shares (“Sub-Division”);
- (b) the issue of New Shares pursuant to the Invitation which when allotted and issued and fully paid will rank *pari passu* in all respects with the existing issued Shares;
- (c) that authority be given, pursuant to Section 161 of the Act, to our Directors to (i) issue and allot Shares (other than the New Shares) in our Company; and (ii) convertible securities and any Shares in our Company pursuant to the convertible securities, (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as our Directors shall in their absolute discretion deem fit, provided that the aggregate number of Shares and/or convertible securities to be issued pursuant to such authority shall not exceed 50.0% of the number of Shares in the post-Invitation share capital of our Company and that the aggregate number of Shares and/or convertible securities to be issued other than on a pro-rata basis to the then existing shareholders of our Company shall not exceed 20.0% of the number of Shares in the post-Invitation share capital of our Company. Unless revoked or varied by our Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of our Company or the date by which the next Annual General Meeting is required by law or by our Articles of Association to be held, whichever is earlier, except that our Directors shall be authorised to allot and issue new Shares pursuant to the convertible securities notwithstanding that such authority has ceased.

GENERAL INFORMATION ON OUR GROUP

For the purposes of this resolution and pursuant to Rules 806(3) and 806(4) of the Listing Manual, “post-Invitation share capital” shall mean the enlarged share capital of our Company after the Invitation, after adjusting for (i) new Shares arising from the conversion or exercise of convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, providing the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent consolidation or subdivision of shares; and

(d) the adoption of the RKSAS.

As at the date of this Prospectus, there is only one class of issued shares in the capital of our Company, being ordinary shares. The rights and privileges of our Shares are stated in our Articles of Association, which is set out in Appendix D of this Prospectus. There is no founder, management or deferred shares reserved for issuance for any purpose. No person has been, or is entitled to be, given an option to subscribe for or purchase any securities of our Company or our subsidiaries.

As at the date of this Prospectus, the issued and paid-up share capital of our Company is \$41,053,773 divided into 573,268,240 Shares. Upon the issue and allotment of the New Shares, the resultant issued and paid-up share capital of our Company will be \$90,973,773 divided into 765,268,240 Shares. Details of the changes in the issued and paid-up share capital of our Company since our incorporation and immediately after the Invitation are as follows:

| Purpose of Issue | Resultant number of Shares | Resultant issued and paid-up share capital (\$) |
|--|---|--|
| Issued and paid-up Shares as at our incorporation | 2 | 2 |
| Issue of 249,284 Shares to Ong Tiong Siew | 249,286 | 249,286 |
| Issue of 249,284 Shares to Ong Teng Choon | 498,570 | 498,570 |
| Issue of 12,420,695 Shares to Ong Tiong Siew pursuant to the share swap agreement dated 11 January 2010 | 12,919,265 | 18,383,414 |
| Issue of 1,380,077 Shares to Ong Teng Choon pursuant to the share swap agreement dated 11 January 2010 | 14,299,342 | 20,370,619 |
| Issue of 14,364,070 Shares to Tanglin Capital pursuant to the share swap agreement dated 11 January 2010 | 28,663,412 | 41,053,773 |
| Sub-Division | 573,268,240 | 41,053,773 |
| Issue of 192,000,000 New Shares pursuant to the Invitation | 765,268,240 | 90,973,773 |
| Post-Invitation issued and paid-up share capital | 765,268,240 | 90,973,773 |

GENERAL INFORMATION ON OUR GROUP

The issued share capital and the shareholders' equity of our Company as at 30 June 2009, and after adjustments to reflect the Restructuring Exercise, Sub-division and the Invitation are set forth below. This should be read in conjunction with "Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and Its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009" in Appendix A of this Prospectus.

| | As at 30 June 2009 (\$) | After adjusting for the Restructuring Exercise and Sub-division (\$) | After the Invitation (\$) |
|----------------------|-------------------------------|---|---------------------------------|
| Shareholders' Equity | 2 | 41,053,773 | 90,973,773 |

RESTRUCTURING EXERCISE

In 2008 and 2009, we undertook the following restructuring exercise:

(a) Incorporation of our Company

On 28 February 2008, our Company was incorporated in the Republic of Singapore as the investment holding company of our Group with an initial paid up capital of \$2 comprising of one share held by our CEO and Executive Director, Ong Tiong Siew and one share held by our Executive Director, Ong Teng Choon.

(b) Acquisition of Ryobi Ground Engineering

On 22 May 2008, our Company acquired the 100% shareholding of Ryobi Ground Engineering comprising one share from Ong Tiong Siew and one share from Ong Huay Chin, for a consideration of a nominal sum of \$1 per share, pursuant to a sale and purchase agreement dated 22 May 2008. Ong Huay Chin is the sister of Ong Tiong Siew and Ong Teng Choon. Ryobi Ground Engineering had negative NTA of \$4,508 as at 31 March 2008. Accordingly, Ryobi Ground Engineering became a wholly owned subsidiary of our Company. Ryobi Ground Engineering is currently a dormant company, and was acquired into the Group for future expansion purposes and to mitigate any potential conflict of interest.

(c) Acquisition of Ryobi Machinery

On 30 June 2008, Ryobi Singapore acquired the 50,000 shares in the capital of Ryobi Machinery from YK Industrial, representing 50.0% of the shareholding of Ryobi Machinery, for a cash consideration of \$82,503, pursuant to a sale and purchase agreement dated 27 June 2008. The consideration was based on the NTA of Ryobi Machinery as at 31 March 2008 of \$165,006. Accordingly, Ryobi Machinery became a wholly owned subsidiary of Ryobi Singapore. The shareholders of YK Industrial are Ong Yee Khong, Lim Seow Him and Ong Siew Hoon. Lim Seow Him is the wife of Ong Yee Khong and both Ong Yee Khong and Ong Siew Hoon are the siblings of Ong Tiong Siew and Ong Teng Choon.

GENERAL INFORMATION ON OUR GROUP

(d) Acquisition of Ryobi Malaysia

On 26 September 2008, our Company acquired the shareholding of Ryobi Malaysia that were held by Liew Chin Kiong @ Tjin Kiong and Liew Choon Siong (who each held one share) for nominal total consideration of RM2. Ryobi Malaysia had negative NTA of \$95,413 as at 31 March 2008. On 29 September 2008, the debt of RM199,998 owing to our Company was capitalised and the Company was allotted 199,998 ordinary shares in Ryobi Malaysia. Accordingly, Ryobi Malaysia became a wholly owned subsidiary of our Company. Liew Choon Siong is the brother-in-law of Ong Tiong Siew and Ong Teng Choon. Liew Chin Kiong @ Tjin Kiong is the father of Liew Choon Siong. Ryobi Malaysia is currently dormant, and was acquired by the Group for the purpose of undertaking projects in Malaysia and to mitigate any potential conflict of interest.

(e) Transfer of Shares from Kiso Engineering to Tanglin Capital

On 30 December 2008, Kiso Engineering transferred 1,275,000 shares in Ryobi Singapore, representing 51.0% of the shareholding in Ryobi Singapore, to Tanglin Capital for a nominal aggregate consideration of \$1. Both Kiso Engineering and Tanglin Capital are the investment vehicles of Ong Tiong Siew, Ong Teng Choon and Ong Huay Chin.

(f) Issue of shares in our Company

On 12 January 2010, our Company issued 249,284 Shares to Ong Tiong Siew and 249,284 Shares to Ong Teng Choon for consideration of \$249,284 and \$249,284 respectively. The proceeds from the issuance of Shares were used to acquire Raffles Piling Singapore.

(g) Acquisition of Raffles Piling Singapore

On 12 January 2010, our Company acquired 100% shareholding of Raffles Piling Singapore comprising of 250,000 shares from Ryobi Singapore, for a total consideration of \$1,004,572, pursuant to a sale and purchase agreement dated 11 January 2010. The consideration is based on the NTA of Raffles Piling Singapore of \$1,004,572 as at 30 June 2009. Part of the consideration amounting to \$498,566 was paid in cash, whereas the balance of \$506,006 was settled by advances from Ryobi Singapore.

(h) Acquisition of Ryobi Singapore

On 12 January 2010, our Company acquired the 100% shareholding of Ryobi Singapore from Ong Tiong Siew, Ong Teng Choon and Tanglin Capital, pursuant to a share swap agreement dated 11 January 2010.

The swap was based on the audited consolidated NTA (less minority interests) of Ryobi Singapore of \$40,555,203 as at 30 June 2009 after adjusting for the sale of Raffles Piling. In consideration of the 1,102,500 shares from Ong Tiong Siew, 122,500 shares from Ong Teng Choon and 1,275,000 shares from Tanglin Capital in the capital of Ryobi Singapore, we issued 12,420,695, 1,380,077 and 14,364,070 Shares in our Company at approximately \$1.44 per Share to Ong Tiong Siew, Ong Teng Choon and Tanglin Capital respectively. Accordingly, Ryobi Singapore became a wholly owned subsidiary of our Company.

GENERAL INFORMATION ON OUR GROUP

(i) Transfer of Shares to several persons

On 13 January 2010, the following transfers were carried out:

- (i) Ong Tiong Siew transferred 9,275,733 Shares (which after the Sub-Division represents approximately 32.4% of the pre-Invitation share capital of the Company) to Tanglin Capital for a nominal aggregate consideration of \$1. Together with 14,364,070 Shares issued in paragraph (h) above, Tanglin Capital would, after the Sub-Division, own 82.5% of the pre-Invitation share capital of the Company;
- (ii) Ong Tiong Siew transferred 376,088 Shares (which after the Sub-Division represents approximately 1.3% of the pre-Invitation share capital of the Company) to Ong Huay Chin for a nominal aggregate consideration of \$1;
- (iii) Ong Teng Choon transferred 286,468 Shares (which after the Sub-Division represents approximately 1.0% of the pre-Invitation share capital of the Company) to Shuntaro Shiga for a nominal aggregate consideration of \$1;
- (iv) Ong Tiong Siew transferred 250,000 Shares (which after the Sub-Division represents approximately 0.9% of the pre-Invitation share capital of the Company) to Ong Yee Khong for a nominal aggregate consideration of \$1;
- (v) Ong Tiong Siew transferred 156,250 Shares (which after the Sub-Division represents approximately 0.5% of the pre-Invitation share capital of the Company) to Ong Siew Hoon for a nominal aggregate consideration of \$1;
- (vi) Ong Tiong Siew transferred 160,000 Shares (which after the Sub-Division represents approximately 0.6% of the pre-Invitation share capital of the Company) to Lee Yiok Seng for a nominal aggregate consideration of \$1; and
- (vii) Ong Tiong Siew transferred 579,997 Shares (which after the Sub-Division represents approximately 2.0% of the pre-Invitation share capital of the Company) to Shuntaro Shiga for a nominal aggregate consideration of \$1.

Ong Yee Khong and Ong Siew Hoon are the siblings of Ong Tiong Siew and Ong Teng Choon.

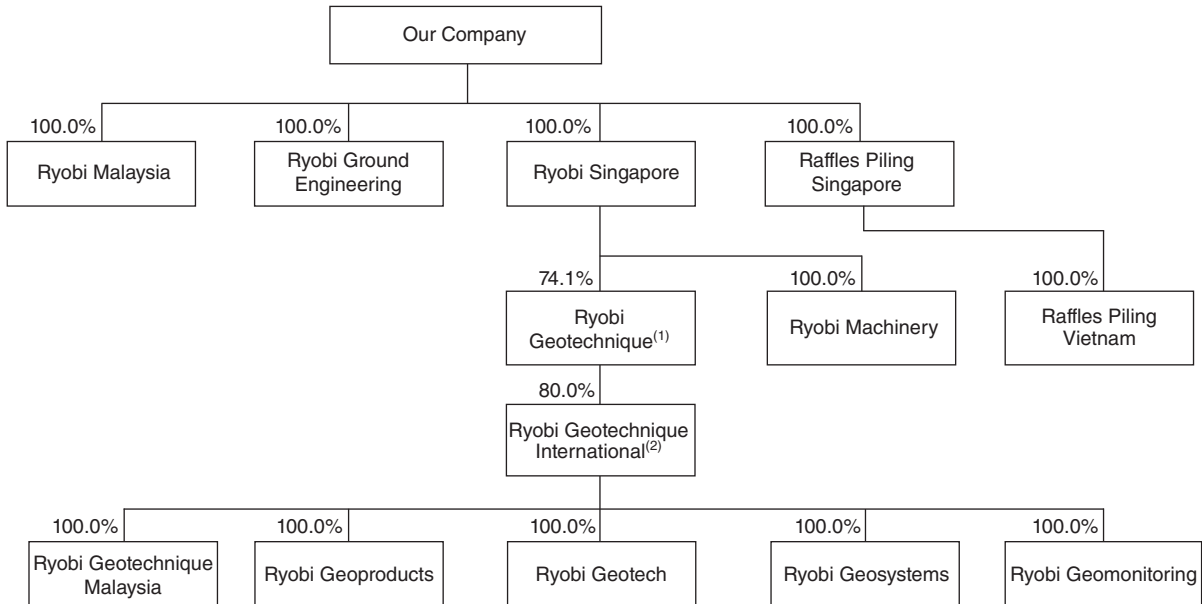
Ong Tiong Siew and Ong Teng Choon have transferred 579,997 and 286,468 Shares to Shuntaro Shiga respectively as recognition of his past contribution to our Group for introducing Japanese piling techniques to our Group. Shuntaro Shiga currently continues to provide his expertise and knowledge to our Group as a non-executive director of Ryobi Singapore.

Following the Restructuring Exercise, the structure of our Group is set out in the section entitled "Group Structure" of this Prospectus.

GENERAL INFORMATION ON OUR GROUP

GROUP STRUCTURE

Our Group structure as at the date of this Prospectus is as follows:



Notes:

- (1) The remaining 25.9% shareholding in Ryobi Geotechnique Pte Ltd is held by Dr Wang Hou, an unrelated third party.
- (2) The remaining 20.0% shareholding in Ryobi Geotechnique International Pte Ltd is held by Luo Changwei, an unrelated third party.

SUBSIDIARIES

The details of each subsidiary of our Company as at the date of this Prospectus are as follows:

| Name of Company | Principal Activities | Date and Place of Incorporation/ Principal Place of Business | Effective Equity Held by Group | Issued Capital/ Registered Capital |
|-----------------|---|---|--------------------------------|---------------------------------------|
| Ryobi Singapore | Civil engineering and piling contractors | 10 August 1990, Singapore | 100.0% | \$2,500,000 |
| Ryobi Machinery | 1. Trading in machinery and equipment and provision of equipment services 2. Manufacturers and dealers of machinery, equipment and provision of engineering services | 22 September 1999, Singapore | 100.0% | \$100,000 |

GENERAL INFORMATION ON OUR GROUP

| Name of Company | Principal Activities | Date and Place of Incorporation/ Principal Place of Business | Effective Equity Held by Group | Issued Capital/ Registered Capital |
|----------------------------------|---|---|--------------------------------|---------------------------------------|
| Ryobi Geotechnique | <ol style="list-style-type: none"> 1. Business of instrumentation and Geotechnical Engineering 2. Soil investigation, stabilisation and civil works | 10 July 2000, Singapore | 74.1% | \$250,000 |
| Ryobi Malaysia | Construction works, piling and soil improvements | 28 August 2000, Malaysia | 100.0% | RM200,000 |
| Ryobi Ground Engineering | Trading of machinery, building materials and commodities | 14 August 2004, Singapore | 100.0% | \$2 |
| Ryobi Geotechnique International | <ol style="list-style-type: none"> 1. Instrumentation and Geotechnical Engineering 2. Soil investigations, treatment, stabilisation and civil works | 19 January 2005, Singapore | 59.3% | \$1,000,000 |
| Ryobi Geotechnique Malaysia | <ol style="list-style-type: none"> 1. Soil investigation and geophysical survey 2. Geotechnical engineering, instrumentation, soil investigation, stabilisation and civil works | 11 September 2005, Malaysia | 59.3% | RM150,000 |
| Ryobi Geoproducts | <ol style="list-style-type: none"> 1. Electronical components wholesaling 2. Soil investigations, stabilisations and civil works 3. Sale of geotechnical products | 8 January 2007, Singapore | 59.3% | \$20,000 |
| Raffles Piling Singapore | Civil engineering and piling contractor | 3 September 2007, Singapore | 100.0% | \$250,000 |
| Ryobi Geotech | Instrumentation and geotechnical engineering geo-engineering works - soil nailing and geophysical survey | 18 September 2008, Singapore | 59.3% | \$100,000 |
| Ryobi Geosystems | Automatic real-time monitoring works and system development such as tremor monitoring | 18 September 2008, Singapore | 59.3% | \$20,000 |

GENERAL INFORMATION ON OUR GROUP

| Name of Company | Principal Activities | Date and Place of Incorporation/ Principal Place of Business | Effective Equity Held by Group | Issued Capital/ Registered Capital |
|------------------------|--|---|--------------------------------|---------------------------------------|
| Ryobi Geomonitoring | Geotechnical instrumentation and monitoring works, tunnel monitoring, etc | 18 September 2008, Singapore | 59.3% | \$20,000 |
| Raffles Piling Vietnam | General construction services in relation to civil construction, foundation work, building completion work | 29 July 2009, Vietnam | 100.0% | VND3.6 billion |

Ryobi Singapore is the significant subsidiary in our Group that generated 93.1%, 94.1% and 95.7% of our Group's total revenue in FY2007, FY2008 and FY2009 respectively.

Ryobi Singapore and Raffles Piling Singapore both carry on piling business. Raffles Piling Singapore currently focuses on bored piling projects and was formed to extend our Group's market reach in different market segments through a different branding, especially for overseas expansion. On 29 July 2009, Raffles Piling Singapore incorporated Raffles Piling Vietnam. On the other hand, Ryobi Singapore provides bored piling and eco-friendly piling services in Singapore. The Company had incorporated Raffles Piling Singapore with the intention to create brand recognition — using the term "Raffles" to represent a high standard of quality from Singapore.

None of our subsidiaries is listed on any stock exchange.

ASSOCIATED COMPANY

The details of the associated company of our Company as at the date of this Prospectus are as follows:

| Name of Company | Principal Activities | Date and Place of Incorporation | Effective Equity Held by Group | Issued Capital |
|-----------------|---|---------------------------------|--------------------------------|----------------|
| Seafo-Ryobi | <ol style="list-style-type: none"> 1. Civil engineering and piling contractors 2. Soil investigation, treatment and stabilisation | 8 June 2007, Singapore | 47.5% | \$300,000 |

The remaining 52.5% shareholding in Seafo-Ryobi Pte Ltd is held by unrelated third parties, namely, Lim Seck Mow (5.0%) and SEAFCO Public Company Limited (47.5%), a company listed in Thailand.

Seafo-Ryobi is not listed on any stock exchange.

GENERAL INFORMATION ON OUR GROUP

SHAREHOLDERS

Our Shareholders and their respective shareholdings immediately before and after the Invitation are set out below:

| | Before the Invitation | | | | After the Invitation | | | | |
|--|-----------------------|--------------|-----------------|----------|----------------------|--------------|-----------------|----------|--|
| | Direct Interest | | Deemed Interest | | Direct Interest | | Deemed Interest | | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | |
| Directors | | | | | | | | | |
| Lee Yiok Seng | 3,200,000 | 0.6 | — | — | 3,200,000 | 0.4 | — | — | |
| Ong Tiong Siew | 37,438,240 | 6.5 | 472,796,060 | 82.5 | 37,438,240 | 4.9 | 472,796,060 | 61.8 | |
| Ong Teng Choon | 26,857,880 | 4.7 | 472,796,060 | 82.5 | 26,857,880 | 3.5 | 472,796,060 | 61.8 | |
| Lai Chin Yee | — | — | — | — | — | — | — | — | |
| Lau Teik Soon | — | — | — | — | — | — | — | — | |
| Substantial Shareholders | | | | | | | | | |
| Tanglin Capital ⁽¹⁾ | 472,796,060 | 82.5 | — | — | 472,796,060 | 61.8 | — | — | |
| Ong Huay Chin ⁽¹⁾ | 7,521,760 | 1.3 | 472,796,060 | 82.5 | 7,521,760 | 1.0 | 472,796,060 | 61.8 | |
| Other Shareholders (less than 5.0%) | | | | | | | | | |
| Shuntaro Shiga | 17,329,300 | 3.0 | — | — | 17,329,300 | 2.3 | — | — | |
| Ong Yee Khong ⁽²⁾ | 5,000,000 | 0.9 | — | — | 5,000,000 | 0.6 | — | — | |
| Ong Siew Hoon ⁽²⁾ | 3,125,000 | 0.5 | — | — | 3,125,000 | 0.4 | — | — | |
| Public | — | — | — | — | 192,000,000 | 25.1 | — | — | |
| TOTAL | 573,268,240 | 100.0 | — | — | 765,268,240 | 100.0 | — | — | |

Notes:

(1) Tanglin Capital is an investment holding company incorporated in Singapore. The shareholders of the company are Ong Tiong Siew (46.0%), Ong Teng Choon (33.0%), and Ong Huay Chin (21.0%) who is the sister of Ong Tiong Siew and Ong Teng Choon. By virtue of Section 7 of the Companies Act, Ong Tiong Siew, Ong Teng Choon, and Ong Huay Chin are deemed interested in the Shares held by Tanglin Capital.

(2) Ong Yee Khong and Ong Siew Hoon are the siblings of Ong Tiong Siew and Ong Teng Choon.

Save as disclosed in this Prospectus, there are no family relationships among our Directors and Substantial Shareholders.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares which are the subject of the Invitation.

Save as disclosed above, our Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person whether severally or jointly. There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust which has occurred between 1 July 2009 and the Latest Practicable Date.

GENERAL INFORMATION ON OUR GROUP

Significant Changes in the Percentage of Ownership

Save as disclosed under the sections entitled “Restructuring Exercise” and “Share Capital” of this Prospectus, there had been no significant changes in the percentage of ownership of the Shares in the Company in the last three years, prior to the Latest Practicable Date.

MORATORIUM

To demonstrate their commitment to our Group, each of Tanglin Capital, Ong Tiong Siew and Ong Teng Choon who in aggregate hold 537,092,180 Shares, representing approximately 70.2% of our Company’s post-Invitation share capital, has undertaken not to dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their respective interests in our Company for a period of six months commencing from the date of admission of our Company to the Official List of the SGX-ST, and each of them will not dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of 50.0% or more of their abovementioned interests in our Company in the six months thereafter.

Ong Tiong Siew, Ong Teng Choon and Ong Huay Chin, who in aggregate hold the entire issued and paid-up share capital of Tanglin Capital in the proportion of 46.0%, 33.0% and 21.0% respectively, have each undertaken not to dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of his respective interests in Tanglin Capital for a period of 12 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

To demonstrate their commitment to our Group, each of Ong Huay Chin, Shuntaro Shiga, Ong Yee Khong, Ong Siew Hoon and Lee Yiok Seng, who in aggregate hold 36,176,060 Shares, representing 4.7% of our Company’s post-Invitation share capital, has undertaken not to dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their respective interests in our Company for a period of six months commencing from the date of admission of our Company to the Official List of the SGX-ST.

GENERAL INFORMATION ON OUR GROUP

OUR HISTORY AND DEVELOPMENT

Our Company was incorporated in Singapore under the Companies Act on 28 February 2008 as a private limited company under the name of “Ryobi-Kiso Holdings Pte. Ltd.”. Our Company’s name was subsequently changed to “Ryobi Kiso Holdings Pte. Ltd.” on 23 November 2009. Pursuant to the Restructuring Exercise, our Company became the holding company of our Group. On 24 November 2009, our Company was converted into a public limited company and the name of our Company was changed to “Ryobi Kiso Holdings Ltd.”.

Our history can be traced back to 1988, when our CEO and Executive Director, Ong Tiong Siew and our Executive Director, Ong Teng Choon, together with their sister, Ong Huay Chin and two unrelated investors, established Kiso Engineering. It was at this time that Ong Tiong Siew and Ong Teng Choon became acquainted with Shuntaro Shiga, the founder of Ryobi Japan, during their negotiations to acquire machinery and equipment, *inter alia*, specialised rock boring equipment, from Ryobi Japan that had become available with Ryobi Japan’s decision to withdraw its operations in Singapore in order to consolidate its resources to cater to the growing construction industry in Japan.

This specialised rock boring equipment enabled Kiso Engineering to become the only Singapore company, then, to possess large diameter rock boring capabilities. As part of its after-sales service, Shuntaro Shiga continued from time to time to provide Kiso Engineering, on a goodwill basis, with technical advice in respect of the operation of the specialised rock boring equipment.

From 1988 to 1989, Kiso Engineering was awarded further contracts to carry out pre-boring and piling works for the Central Tunnel Expressway Phase 2 project, to build the foundation for a two-storey factory for SITA at Loyang Way, as well as other projects. Kiso Engineering had leased bored piling equipment from equipment leasing companies to carry out the bored pile foundation work. Its business continued to grow as it was awarded further projects to carry out piling works for factories, condominiums and bridges.

In 1990, Shuntaro Shiga and Ong Tiong Siew formed Ryobi Singapore, with each holding one share in the company.

In 1991, Ong Tiong Siew transferred his interest in Ryobi Singapore to Kiso Engineering. In the same year, to provide funding for the operation of Ryobi Singapore, each of Kiso Engineering and Shuntaro Shiga subscribed for 127,499 and 122,499 new shares respectively in Ryobi Singapore. Following the subscription, Kiso Engineering and Shuntaro Shiga each held 51.0% and 49.0% interest respectively in the issued share capital of Ryobi Singapore.

Upon the transfer of Ong Tiong Siew’s interest in Ryobi Singapore to Kiso Engineering, Kiso Engineering ceased its operations and became an investment holding company of Ryobi Singapore. To enable Ryobi Singapore to commence its operations, Kiso Engineering sold and leased some of its equipment to Ryobi Singapore.

The establishment of Ryobi Singapore allowed us to leverage on the strengths of both Japanese and Western piling technologies. Ryobi Singapore was able to enjoy the benefits derived by synergising the strengths of Japanese piling technologies with Ong Tiong Siew’s knowledge of the local soil conditions and Western piling technology. Furthermore, with the increased availability of working capital, Ryobi Singapore purchased advanced equipment of higher capacity, such as hydraulic operated piling rig, rotary piling rig and high frequency vibratory hammer, to undertake projects of a higher value. Following its incorporation, Shuntaro Shiga was appointed as a non-executive director of Ryobi Singapore, a post that he continues to hold to this date.

GENERAL INFORMATION ON OUR GROUP

Immediately following its formation, Ryobi Singapore secured its first piling project for the construction of Hitachi Tower and Chevron House (formerly known as Caltex House) and utilised our then newly purchased large diameter down-the-hole hammer. We believe we were among the pioneers to utilise the large diameter down-the-hole hammer in Singapore.

In 1992, we were registered with the Construction & Industrial Development Board in Singapore, as the BCA was formerly known, with a financial grade of G3 for piling work, qualified to handle piling works for public projects of up to \$3 million in contract value.

In 1992, we started our first Eco-friendly Piling project at the Gold Coast Condominium project at West Coast Road where we introduced the large diameter non-reinforced Grout-Mix Piling technique to construct the temporary earth retaining structure. We believe we were among the pioneers to utilise such eco-friendly technique in Singapore.

In 1994, we were upgraded from G3 financial grade to G5 financial grade for piling works. This allowed us to tender for public projects with a contract value of up to \$10 million.

In 1996, Shuntaro Shiga disposed 12,250 shares in Ryobi Singapore to Ong Teng Choon. In the same year, each of Kiso Engineering, Shuntaro Shiga and Ong Teng Choon subscribed for 255,000, 220,500 and 24,500 shares respectively in Ryobi Singapore. Following the subscription, each of Kiso Engineering, Shuntaro Shiga and Ong Teng Choon held 51.0%, 44.1% and 4.9% interest respectively in the issued capital of Ryobi Singapore.

In 1998, we obtained ISO 9001:2000 certification for Geotechnical Design and Piling Installation Services, which attested to our dedication for providing quality services to our customers.

In line with our plans to expand and diversify our business, our wholly owned subsidiary Ryobi Machinery was initially incorporated as a 50:50 joint venture company with YK Industrial in 1999, for the purpose of reducing our reliance on other equipment leasing companies. YK Industrial was involved in the design, fabrication and wholesale of industrial machinery and equipment. Tapping on the expertise of YK Industrial, Ryobi Machinery was able to enhance and customise our Group's equipment and machinery used for piling works resulting in improved efficiency and capabilities.

In 1999, each of Kiso Engineering, Shuntaro Shiga and Ong Teng Choon subscribed for 382,500, 330,750 and 36,750 shares respectively in Ryobi Singapore. Following the subscription, the interest of each of Kiso Engineering, Shuntaro Shiga and Ong Teng Choon in Ryobi Singapore remained unchanged.

In 2000, we acquired our 74.1% owned subsidiary, Ryobi Geotechnique (formerly known as Macsoil Engineering Private Limited) to expand our range of services to include geotechnical engineering, geophysical survey and vibration/seismic monitoring.

In 2000, Ryobi Malaysia was incorporated to undertake our first overseas project in Penang, Malaysia in respect of the construction of the EPF Building. We were engaged to carry out piling works to construct temporary earth retaining structures.

In 2001, we introduced the Screwed Spun Piling technique, which is another eco-friendly technique, for a private apartment development at Changi Road Lorong 104, by improving the soil around the spun pile to increase its pile load carrying capacity using a low noise and low vibration method. We have refined this technique over the years and as far as our Directors are aware, we are currently the only piling specialist in Singapore utilising this technique for our projects.

GENERAL INFORMATION ON OUR GROUP

In the same year, Shuntaro Shiga disposed his entire interest in Ryobi Singapore, comprising 661,500 shares, to Ong Tiong Siew. Notwithstanding the disposal, Shuntaro Shiga had maintained his association with our Group, and continues to provide technical advice to our Group during his regular visits to Singapore. After the disposal, the shareholding in Ryobi Singapore comprised Kiso Engineering, Ong Tiong Siew and Ong Teng Choon each holding 51.0%, 44.1% and 4.9% interest respectively.

In 2002, Ong Teng Choon was appointed as the general manager of Ryobi Singapore. In the same year, Ryobi Singapore's financial grading was changed from G5 to L5, in line with the reclassification by BCA of its grading system for contractors registered with it. In 2003, the BCA upgraded us from an L5 financial grading to L6, thereby allowing us to handle piling works for public projects of unlimited value. As at the Latest Practicable Date, we are one of only 15 piling contractors to have been registered with an L6 financial grading with the BCA.

In 2003, each of Kiso Engineering, Ong Tiong Siew and Ong Teng Choon subscribed for 510,000, 441,000 and 49,000 shares respectively in Ryobi Singapore. Following the subscription, the interest of each of Kiso Engineering, Ong Tiong Siew and Ong Teng Choon in Ryobi Singapore remained unchanged.

In 2004, Ryobi Ground Engineering was formed for the purpose of tendering for additional projects.

In 2005, Ryobi Geoengineering was established to extend our geotechnical engineering services, *inter alia*, in the areas of instrumentation and geotechnical engineering works, automatic real-time monitoring works and system development and expand this aspect of our business into South-East Asia. Its name was subsequently changed to Ryobi Geotechnique International in 2007. In the same year, in line with our aforesaid expansion plans, Ryobi Geotechnique Malaysia was also incorporated to undertake the sale of the geotechnique products used for the provision of our geotechnical engineering services in Malaysia.

In 2006, as part of our ongoing commitment towards the advancement of Eco-friendly Piling techniques, we developed the eco-friendly Press Grouted Spun Piling technique, which is based on our Screwed Spun Piling technique. The Press Grouted Spun Piling technique was utilised for Le Reve Condominium at Upper Changi. We believe that this has resulted in heightened efficiency in pile installation and a higher load bearing capacity of the piles.

In 2007, leveraging on Ryobi Japan's capabilities and the technical know-how, we were awarded the Sungei Serangoon project and we entered into a cooperative joint venture with Ryobi Japan to utilise the TRD machine for the Sungei Serangoon project utilising the TRD method to build a cut-off wall to prevent pollutants from seeping into the proposed new Sungei Serangoon reservoir. Our Directors believe that we are one of the first companies to commercially utilise this method outside Japan.

In 2007, Ryobi Geoproducts was formed to undertake the sale of geotechnique products such as strong motion seismic equipment, geophysical survey equipment and geotechnical sensors used for the provision of our geotechnical engineering services.

In 2007, we entered into a joint venture with SEAFCO Public Company Limited ("SEAFCO"), a company listed in Thailand, to form Seafco-Ryobi. Leveraging on the experience and expertise of SEAFCO, being one of the largest foundation company in Thailand, we undertook the construction of a part of the diaphragm walls for the Marina Bay integrated resort project in Singapore.

In 2007, we incorporated Raffles Piling Singapore as part of our efforts to broaden our market reach, in line with our strategy for expansion.

GENERAL INFORMATION ON OUR GROUP

In 2008, Ryobi Geotech was formed to undertake the provision of instrumentation and geotechnical engineering services; as well as geoengineering works, such as soil nailing works and geophysical survey services. Ryobi Geomonitoring was formed to undertake the provision of geotechnical instrumentation and monitoring works, as well as tunnel monitoring services. Ryobi Geosystems was formed to undertake the provision of automatic real-time monitoring works and system development services, as well as services such as tremor monitoring. New projects in these respective areas will be progressively channelled into these subsidiaries.

On 6 January 2009, our Group through Ryobi Geotechnique International incorporated MSI Measuring Solutions International AG, a company incorporated in Switzerland, through a joint venture with Terra Vermessungen AG and GeoSIG AG to explore geotechnical engineering opportunities in Europe and Asia. Under the joint venture, Ryobi Geotechnique International held a 33.3% interest in MSI Measuring Solutions International AG. Our Group subsequently disposed off its interest in MSI Measuring Solutions International AG on 2 June 2009 when the joint venture was terminated.

On 29 July 2009, our Group expanded its reach into Vietnam with the incorporation of Raffles Piling Vietnam, a wholly-owned subsidiary of Raffles Piling Singapore. Raffles Piling Vietnam was incorporated to provide general construction services in Vietnam. As at the date of this Prospectus, Raffles Piling Vietnam has secured one project each in Ho Chi Minh City and Hanoi.

Over the years, our Group has diversified its capabilities and has become a leading ground engineering solutions provider specialising in Bored Piling and Eco-friendly Piling and Geoservices. Our range of capabilities includes constructing earth retaining structures for basement works, and carrying out foundation works, underground obstruction removal, slope protection and stabilisation, ground improvement works using Grout-Mix piles, chemical grouting, as well as other geotechnical work. At the same time, our Group has built a strong reputation as specialist contractors specialising in the use of eco-friendly construction methodologies and equipment such as the TRD method, the Grout-Mixed Piling technique, the Screwed Spun Piling technique and Press Grouted Spun Piling technique and the utilisation of large diameter “down-the-hole” hammers.

As a testament to our achievement and performance, our Group has been listed in the “Singapore SME 500” rankings since 2003 and the “Singapore 1000” rankings in 2005, 2008 and 2009 by DP Information Group. In 2004 and 2005, we were conferred the “Fastest Growing 50” (FG50) Award by DP Information Group, an award given to the top 50 companies that have attained the highest 3-year compounded annual growth rate. In November 2009, our Subsidiary, Ryobi Singapore, came in second place in the 2009 Enterprise 50 Awards, an award organised by The Business Times and KPMG LLP (Singapore).

BUSINESS OVERVIEW

Our Business

We are a leading ground engineering solutions provider specialising in Bored Piling and Eco-friendly Piling and Geoservices. We are registered under the construction related category under the workhead CR08 for piling with a financial grading of L6 and this qualifies us to tender for public sector piling contracts without limitation to the contractual value.

Currently, all our projects are located in Singapore. We have established Ryobi Malaysia and Ryobi Geotechnique Malaysia to undertake projects and sale of Geoproducts used for the provision of our geotechnical engineering services in Malaysia respectively. Ryobi Malaysia had carried out several projects in Malaysia since 2000. We presently do not have any on-going projects in Malaysia. In July 2009, we incorporated Raffles Piling Vietnam to provide general construction services in Vietnam. As at the date of this Prospectus, Raffles Piling Vietnam has secured one project each in Ho Chi Minh City and Hanoi. In the future, we may consider expanding our project capabilities and presence as well as pursuing other strategic business opportunities in other fast growing cities in South-East Asia.

GENERAL INFORMATION ON OUR GROUP

Our Group's principal businesses are:

- (a) Bored Piling; and
- (b) Eco-friendly Piling and Geoservices comprising:
 - Eco-friendly Piling;
 - Environmental Protection Engineering;
 - Geotechnical Engineering Services; and
 - Sale of Geoproducts.

Our Directors believe that we are an established and reputable major player in the Bored Piling and Eco-friendly Piling and Geoservices businesses in Singapore. Our range of capabilities also includes constructing earth retaining structures for basement works, and carrying out foundation works, underground obstruction removal, slope protection and stabilisation, ground improvement works using Grout-Mix piles, chemical grouting, as well as other geotechnical work. By the Latest Practicable Date, we have completed more than 300 projects in Singapore since our inception in 1990.

Bored Piling

Bored Piling is piling work to carry heavy vertical loads from structures (such as buildings and bridges) and horizontal loads in earth retaining structures for deep excavation (such as MRT tunnels and basements of buildings).

Bored Piling involves boring and the simultaneous removal of soil from the ground to form a circular hole through the use of an excavating tool consisting of either a mechanical rotary rig mounted on a crawler crane or a hydraulic drilling rig. Different tools are utilised depending on the various soil conditions. The excavating tools are capable of reaching a depth of about 70 metres and are capable of boring holes with diameters ranging from 500 mm to 2,400 mm.

While boring, a recoverable steel casing may be pushed into the ground. In order to avoid any penetration of soil or of water into the bored hole, a hydrostatic excess pressure can be maintained inside the hole and casing by the use of polymer or bentonite slurry. This avoids decompression or erosion of the soil surrounding the pile.

When a founding layer is reached, the pile base is cleaned by cleaning buckets or an air-lifting method using high pressure air compressors and the slime and muddy polymer or bentonite slurry are delivered into special discharged tanks.

The reinforcement cage is installed in the pile, using a service crane. The pile is concreted using a tremmie pipe to avoid concrete segregation and to form a pile foundation.

The recoverable steel casings will be extracted upon the completion of concreting and suitable soil is used to backfill the excavation up to ground level.

Large diameter bored piles were developed principally to cope with higher building loads and have the economic advantage of reducing pile cap construction. The piles are effective in a wide range of soils but are particularly economical when bearing on a firm founding strata.

Bored Piling activities generate less noise and vibration compared with the traditional driven piling method where the pile is driven into the ground by means of a pile driver.

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In addition to conventional mechanical rotary rigs, we also employ the more advanced hydraulic drilling rigs to carry out our bored piling works. Approximately 75.0% of our rotary rigs are hydraulically-operated and approximately 25.0% are mechanically-operated. Hydraulic rotary rigs increase our rate of production and efficiency. Depending on the onsite soil composition and quality, various combinations of rotary rigs are used for our projects.

To enable boring into hard rock strata, we also have ancillary equipment such as the “down-the-hole” hammer which is able to bore into rock.

Eco-friendly Piling and Geoservices

Eco-friendly Piling

We specialise in Eco-friendly Piling. Similar to Bored Piling, Eco-friendly Piling is piling work to carry heavy vertical loads from structures (such as buildings and bridges) and horizontal loads in earth retaining structures for deep excavation (such as MRT tunnels and basements of buildings), except that Eco-friendly Piling involves eco-friendly and low pollution piling works with minimal noise, vibration and soil removal/disposal and use of lesser raw materials.

The techniques set out below are employed or combined with the bored pile method in our projects where there is a need for a reduction of noise and vibration or where soil conditions do not favour conventional bored piles.

These Eco-friendly Piling techniques allow us to achieve lower noise and vibration levels as compared to Bored Piling. These techniques also allow us to use *in-situ* soil to boost the load bearing and frictional capacity of the pile, thereby resulting in the use of less concrete and the creation of minimum spoil.

The following are techniques utilised in Eco-friendly Piling:

(i) **Grout-Mix Piling**

Grout-Mix Piling is an innovative, efficient and economical soil improvement technique which involves drilling into the ground using a top drive electrical auger while simultaneously pumping cement grout into the bore. The rotation of the auger serves as a form of mechanical agitation which mixes the cement grout with the *in-situ* soil. Upon reaching the desired depth, the auger is withdrawn by rotating in the reverse direction leaving a cement slurry column.

The Grout-Mix Piling technique is versatile and can be used in ground improvement works, such as foundational support for light structures, for the prevention of ground heaving, such as earth retaining walls and for strengthening of embankments.

(ii) **Screwed Spun Piling**

Screwed Spun Piling is an evolutionary step forward from the Grout-Mix Piling technique and involves lowering spun piles into the cement slurry column and screwing it to the desired depth using the top drive electrical auger before the cement slurry column sets. Screwed Spun Piling reduces noise levels to 75 decibels at a distance of 15 metres from the pile centre. Vibration measured from four metres of the pile centre is no more than four mm per second. Screwed Spun Piling results in no ground heave and eliminates soil collapse or the lowering of the ground water table, while at the same time increase pile capacities (in comparison with RC piles and H-piles) and increase pile end bearing capacities.

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Due to the enhanced friction and load bearing capacities resulting from the use of this technique, less concrete is used as compared to Bored Piling.

(iii) Press Grouted Spun Piling

Press Grouted Spun Piling is a technique evolved from Screwed Spun Piling and it involves a similar process as Screwed Spun Piling except that after the electrical auger is removed, the spun piles are tapped to the desired depth using a hydraulic hammer.

Similar to the Screwed Spun Piling technique, the Press Grouted Spun Piling technique also significantly reduces noise pollution and excessive vibration as compared to conventional methods of piling. Due to the tapping of the spun pile into the grouted soil, shaft friction and end bearing capacity is enhanced, resulting in higher load carrying capacities of the pile as compared to the Screwed Spun Piling technique. This means that the Press Grouted Spun Piling technique allows us to use less concrete for the same load as compared to the Bored Piling, thereby resulting in greater ecological preservation and higher cost savings.

Geoservices

Our Geoservices segment comprises (i) Environmental Protection Engineering; and (ii) Geotechnical Engineering Services and Sale of Geoproducts. The following is a summary of each of the services and products:

(i) Environmental Protection Engineering

Ground water contamination arises from the inappropriate or inadequate handling and disposal practices for industrial chemicals, products and wastes. In their dissolved form, these contaminants are highly mobile in ground water, resulting in contamination in the plume zone of a far larger area than that of the source zone. Historically, ground water remediation has proven to be a difficult task with little or no successes, in cases where the full restoration of the ground water system to a suitable condition for unrestricted water supply use is required.

Environmental Protection Engineering emphasises the prevention of contamination beyond the polluted areas, by isolating the same with non-permeable vertical cut-off walls anchored in low permeability soil or rock, away from the water tables commonly found in permeable soil, effectively creating an enclosure in which long term *in-situ* bio-mediation may take place safely. The vertical cut-off walls are generally made from slurry walls, jet grouting, soil mixing or grout curtains. The selection of the appropriate technology is dependent on the geology of the site, the type of contaminant and the degree of water-tightness required.

The slurry diaphragm walls can act as a cut-off wall for use in pollution control by preventing polluted ground water and other contaminants from seeping into the protected areas including reservoirs, drain canals and rivers. Similarly, the cut-off wall can also serve to contain the contaminants within the specified area cordoned by the cut-off wall.

Our Environmental Protection Engineering employs the TRD which involves cutting a trench using a chain cutter mounted on a crawler while simultaneously pumping cement grout into the trench. Besides cutting the soil, the rotation of the chain cutter serves as a mechanical agitator which mixes the cement grout with the *in-situ* soil to form a high quality slurry diaphragm wall. In essence, the TRD operates like a big chain saw which cuts and mixes the soil while moving horizontally across the treatment area without lifting the chain saw up and it is a continuous operation. The slurry diaphragm wall can be reinforced by the insertion of steel sections or

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pre-cast reinforced concrete panels if required. On the other hand, other deep soil mixing equipment that are commonly used, carry out soil treatment work from ground level to the required depth, and area of treatment is limited to the width of the auger tool. Once work is completed in an area, it has to be lifted above ground and move to the next treatment area. In terms of speed and efficiency, the TRD far outstrips conventional wall construction techniques which rely on mechanical or hydraulic grabs. Only a single grab may be used at any one time, resulting in jointed wall consisting of panels caused by the interface between panels created by each grab, in contrast with the chain cutter employed in the TRD, which uses many cutters simultaneously in place of a single grab, essentially creating a single, continuous wall.

This enables the cut-off walls to be constructed more speedily, a factor that would be crucial in averting greater ecological damage.

The slurry diaphragm walls created by the TRD are more impermeable than slurry diaphragm walls created by conventional wall construction techniques relying on mechanical or hydraulic grabs, as the walls created by the TRD have less joints in the wall where seepages of the contaminants may occur.

The use of the TRD is in line with our Group's commitment to environmentally friendly methods of construction and pollution control as noise and vibrational pollution is kept to a minimal. This is also an efficient and effective method for the construction of high quality, uniform and homogeneous cut-off walls which are suitable for various types of soil condition. This method will also enable us to use less raw materials to construct the cut-off walls and will also generate less spoils in the process.

As at Latest Practicable Date, we have completed one Environmental Protection Engineering project and have secured another project.

(ii) Geotechnical Engineering Services and Sale of Geoproducts

We also provide Geotechnical Engineering Services and the sale of Geoproducts. The Geoproducts sold by our Group are manufactured by third parties. Under the contracts with such third parties, the Geoproducts will be supplied to us for resale in various South East Asian countries. Our Group does not manufacture any Geoproducts.

Geotechnical Engineering Services include micro-piling, ground anchoring, slope protection and stabilisation works such as soil nailing (for the purpose of earth retaining such as slopes or excavation), and grouting (which is the spraying of concrete onto slope surface to prevent soil erosion), soil investigation, geophysical surveying and vibration/seismic monitoring (which is the measuring of movements associated with vibrations or earthquakes).

The Geoproducts sold include strong motion seismic equipment, geophysical survey equipment and geotechnical sensors.

OUR PROJECT CYCLE

The following events in chronological order represent a typical cycle in a project undertaken by us:

- (a) sourcing for business opportunities;
- (b) preparation of quotation and review of tender documentation;

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- (c) submission of tenders and quotations;
- (d) interviews and negotiations;
- (e) award of project;
- (f) assembling of project team;
- (g) formulation of project execution and project quality plans;
- (h) appointment of sub-contractors and suppliers;
- (i) site manpower and machinery deployment;
- (j) project implementation and management;
- (k) completion and handover; and
- (l) maintenance after handover.

(a) *sourcing for business opportunities*

Our Contracts Department would source for business opportunities from information available from the industry and also via the wide network of business contacts established over the past 19 years. Our Contracts Department also maintains constant contacts with our Company's previous, existing and potential customers including developers, main contractors and project consultants such as quantity surveyors, engineers and architects. Projects and business opportunities may also be sourced through the following means:

- (i) public tenders based on advertisements in the mass media such as publications, newspapers and internet notices;
- (ii) private tenders based on invitations to tender; or
- (iii) invitation for quotations from developers, main contractors and project consultants.

(b) *preparation of quotation and review of tender documentation*

Based on the current commitments and available resources of our Group, our Assistant General Manager (Contracts) of our Contracts Department, in consultation with our Executive Directors, would decide on whether our Group intends to participate in each potential project.

Upon arriving at the decision to participate in a project, we would undertake the following steps to tender and quote:

- (i) review and clarify if necessary, the terms of the tender documents or the request for quotation and the requirements from the drawings, soil reports and specifications;
- (ii) evaluation and estimation of project costing, with regard to bill of quantity, quotations from sub-contractors, raw materials costing, required manpower and machinery deployment;
- (iii) determine profit margins, risks arising from the complexity of the project;

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- (iv) finalise tender, quotation price, having regard to items (i), (ii) and (iii) above;
- (v) if applicable, enter into pre-bid agreements with suppliers or sub-contractors in order to secure their commitment to the project and to lock in prices and terms; and
- (vi) prepare tender documents or quotation including sketches, drawings, method statements, construction work programmes and alternative designs if applicable.

The entire process for the above would typically take between one to three weeks.

(c) submission of tenders and quotations

Submission of tender documents or quotations, including sketches, drawings, method statements, construction work programmes and alternative designs if applicable.

(d) interviews and negotiations

In relation to tenders submitted, our Contracts Department and/or our Executive Directors may be required to attend tender interviews after we are short-listed, to clarify and verify our submission. In relation to quotations, our Contracts Department and/or our Executive Directors may enter into negotiations to finalise the terms of the contract including the project contract price.

(e) award of project

Notification of award would typically take place within one to three months after the close of the tender or the date of the quotation, as the case may be.

(f) assembling of project team

Once we are awarded the project, a project operation team (comprising of the project managers, operation managers, supervisors and engineers) from our Project & Operations Department would be selected from our operation team to take over the project from our Contracts Department. The composition and size of the project operation team would depend largely on specific requirements of the project, including its size, complexity and duration. The project team is headed by a project manager.

(g) formulation of project execution and project quality plans

The project team is responsible for the formulation of the project execution as well as safety and project quality plans. The project execution plan would specify the functions and responsibilities of all parties involved (including the sub-contractors to be appointed by us), construction schedules, plant and equipment utilisation requirements, manpower projection plan, approvals from authorities to be obtained, specific safety, quality, technical and other requirements imposed by customers, schedules for the mobilisation of resources for the construction site and the financial budget of the project. The project quality plan, which includes the project safety plan, will be established to ensure that the project complies with ISO requirements. With proper planning, we aim to complete and deliver projects with high standards of quality within the budgeted cost and timing.

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(h) appointment of sub-contractors and suppliers

We maintain a list of sub-contractors and suppliers pre-approved by our Executive Directors based on their past performance, related working experience in the industry and competitiveness in pricing. This list of approved sub-contractors and suppliers is reviewed on an annual basis. The project manager would select the suppliers and sub-contractors from the approved list and submit his recommendations to our Executive Directors for approval.

(i) site manpower and machinery deployment

In accordance with the requirements of the project, the project operation team would arrange the necessary manpower for the site team and machinery deployment. Typically, a site team comprises a supervisor (who reports directly to the project operation team), assistant supervisor, charge hand, operators, skilled, semi-skilled and general workers, safety personnel, land surveyors, mechanics, all of whom report directly to the supervisor. Our operations manager, who is in charge of the logistics of the projects, would decide the types and quantity of plants and equipment to be deployed from our pool of plant and equipment or as the case may be, to be hired from approved suppliers.

(j) project implementation and management

The project starts with the establishment of the site, which may involve marking the site boundary, the setting up of the site office, workers' premises, guardhouse, hoarding, washing bays, plant and equipment, sanitary amenities and utilities.

Our project operation team constantly monitors the performance and suitability of the equipment in view of the actual site and soil conditions and would make necessary adjustments, modifications or additional deployment if necessary.

The team also constantly monitors the manpower requirement of the project works so as to ensure that sufficient resources and appropriate skill sets have been and continue to be deployed for the project.

The team also monitors progress of the project works and ensures that it is in accordance with the milestones set in the project execution plan. The project operation team also ensures compliance with the safety plan and the project quality plan.

Daily productivity reports are prepared by the on-site supervisors and reviewed by Loh Chye Aik, our General Manager of our Group while weekly productivity reports are prepared by the project engineers and reviewed by Ong Teng Choon, our Executive Director in charge of operations.

Our project operation team attends to the pile testing, which are carried out in the various stages of the project works.

Our project operation team may submit alternative designs to meet actual soil conditions encountered on site.

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(k) completion and handover

Upon satisfactory completion of the project works, the 'as built' drawings will be drafted by our Group's design department and submitted by the project operation team to the Qualified Person for the project and the first half of the retention sum is released to us.

The project operation team ensures the clearing of the site, which is followed up by the site inspection and the physical handover.

(l) maintenance after handover

There is usually a defects liability period, of between 12 to 18 months after the completion and handover of the project.

During the defects liability period, we will be responsible for any defects found in the project works and would be required to either make good the defects or be responsible for the cost of rectification or damages suffered.

Usually, the remaining half of the retention sum is retained till the end of the defects liability period. The performance bonds, if provided, would be discharged three months after the end of the defects liability period.

MAJOR PROJECTS

Some of the major piling projects which have been completed by our Group and our major projects currently in progress as at the Latest Practicable Date, arranged in order of contract sum, are set out below:

Completed Projects

| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|--|--|---------------------|---------------------------------------|
| University Town Development Bored Piling Works & Contiguous Bored Piling Works For Proposed Two Blocks Of Graduate Residences, Five Blocks of Residences Colleges & Edu Sports At University Town, National University Of Singapore | National University of Singapore | October 2008 | 36 |
| HDB Clementi Neighbourhood 4 Contract 8 Bored Piling Works For Proposed Public Housing Development Comprising Four Blocks of 40-Storey, Four Blocks Of 20-Storey, Two Blocks Of 28-Storey Residential Building (Total 2,234 Units) With One Block Of Two-Storey Commercial/Community Facilities Building, Two-Storey Podium Carpark With Landscape Deck At Clementi Avenue 1/Clementi Road | Straits Construction Singapore Pte Ltd | May 2009 | 23 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|---|--|---------------------|---------------------------------------|
| <p>HDB Punggol East Contract 20 Bored Piling Works For Proposed Public Housing Development Comprising Three Blocks Of 17-Storey, Five Blocks Of 16-Storey Residential Building (Total 738 Units) & One Block Of Multi-Storey Carpark With Commercial Facilities, ESS & Precinct Pavilion At Punggol East Contract 20</p> | Straits Construction Singapore Pte Ltd | June 2009 | 19 |
| <p>Pollution Control At Sungei Serangoon Proposed Cut-Off Wall / Landfill Sites At Sungei Serangoon</p> | Downer Edi Works Pte Ltd | April 2009 | 17 |
| <p>HDB Ang Mo Kio Redevelopment Contract 10 Bored Piling Works For Proposed New Public Housing Development For Ang Mo Kio Redevelopment Contract 10 At Ang Mo Kio Avenue 1 And Avenue 6</p> | HDB | April 2008 | 14 |
| <p>Goodwood Residences Bored Piling Works For Proposed New Erection Of 12-Storey Condominium Housing Development On Lot 598 TS 26 At Bukit Timah Road</p> | Goodwood Residence Development Pte Ltd | April 2009 | 13 |
| <p>The Centris Bored Piling Works And Secant Bored Pile Wall (With Grade Two Grout Mix Pile As Soft Interlocking Pile) For Proposed Mixed Use Development Of The Centris At Jurong West P3 Boon Lay Interchange</p> | Woh Hup (Private) Ltd | December 2006 | 12 |
| <p>Aalto Bored Piling Works, Press Grouted Spun Piling And Grout-Mix Piling Works To Proposed Erection Of Condominium Housing Development Comprising Two Blocks Of 27-Storey Condominium Flats (Total 196 Units) Development With One Basement Carpark, Clubhouse</p> | Hup Soon Construction Co (Pte) Ltd | October 2008 | 11 |
| <p>The Trillium Bored Piling Works, Press Grouted Spun Piling And Grout Mix Piling Works To Proposed Erection Of Condominium Housing Development Comprising Three Towers Of 29-Storey Residential Flat (Total 231 Units) With Basement Carpark, Swimming Pool & Communal Facilities At Kim Seng Road</p> | Poh Lian Construction Pte Ltd | December 2008 | 10 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|--|--|---------------------|---------------------------------------|
| <p>Oasia Hotel Bored Piling And Contiguous Bored Piling Works To Proposed Mixed Development Comprising One Block Of 16-Storey Hotel Tower With A Six-Storey Podium Of Medical Centre, Retail Cum F & B, Elevated Car Park, Three Basement And A 2nd Storey Link Bridge At Sinaran Drive</p> | China Construction (South Pacific) Development Co. Pte Ltd | August 2008 | 8 |
| <p>Jurong Data Centre Complex Bored Piling Works For Proposed Seven-Storey Data Centre On Plot 1B International Business Park, MK05-08080M, Jurong Town Hall Road, Singapore</p> | Jurong Data Centre Development Pte Ltd | November 2008 | 8 |
| <p>Park Regis Singapore Bored Piling Works To Proposed Seven-Storey Hotel/ Office Development With One Basement Car Park At Merchant Road/New Market Road & Keng Cheow Street</p> | Park Regis Investments Pte Ltd | August 2008 | 7 |
| <p>Helios Residences Contiguous Bored Piling And Bored Piling Works To Proposed Erection Of Two Blocks Of 20-Storey Residential Flat Building (Total 132 Units) With Basement Carparks, Tennis Court, Swimming Pool, Clubhouse & Communal Facilities At Cairnhill Circle</p> | Thian Sung Construction Pte Ltd | April 2009 | 7 |
| <p>Ang Mo Kio Hub Bored Piling Works, Contiguous Bored Piling Works & Grout Mix Piles For Proposed Erection Of A Four-Storey Mixed Development & Bus Interchange With Two Basements Retail & One Basement Carpark At Ang Mo Kio Avenue 3/ Ang Mo Kio Avenue 8</p> | Lum Chang Building Contractors Pte Ltd | October 2005 | 6 |
| <p>HDB Punggol West Contract 5 Bored Piling Works For Proposed New Erection Of Public Housing Development Comprising One Block Of 14-Storey, Five Blocks Of 16-Storey Residential Building (Total 365 Units) & One Block Of Multi-Storey Carpark At Punggol West Contract</p> | Straits Construction Singapore Pte Ltd | April 2007 | 6 |
| <p>The Marq at Paterson Hill Bored Piling Works To Proposed Erection Of Two Blocks Of 24-Storey Condominium Development (Total 83 Units) With A Basement Carpark, Swimming Pool & Communal Facilities At Paterson Hill</p> | Obayashi Corporation | June 2009 | 6 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|---|--|---------------------|---------------------------------------|
| <p>HDB Punggol West Contract 6 Bored Piling Works For Proposed Public Housing Development Comprising One Block Of 14-Storey, Five Blocks Of 16-Storey Residential Building (Total 369 Units) With Commercial, Community Facilities, Multi Storey Carpark Precinct Pavilion & ESS At Punggol West Contract C6 & Common Green</p> | Straits Construction Singapore Pte Ltd | August 2006 | 6 |
| <p>Singapore Institute Of Management Extension Bored Piling Works For Proposed Six-Storey Extension & Additions & Alterations To Existing Singapore Institute Of Management On Lot No. 7006N MK 05 At 461 Clementi Road Singapore 599491</p> | Singapore Institute of Management | June 2009 | 6 |
| <p>The Peak Bored Piling Works For Proposed Public Housing Development Under Design, Build & Sell Scheme Comprising Erection Of Two Blocks Of 42-Storey Residential Flat With Sky Terrace At 22nd Storey & Three Blocks Of 40-Storey Residential Flats (Total 1,203 Units) With A Block Of Part 6 / Part 7 Storey Multi-Storey Carpark With Roof Terrace Above & One Block Of Pavilion At Lorong 1A Toa Payoh</p> | Straits Construction Singapore Pte Ltd | June 2009 | 6 |
| <p>The Jardin Bored Piling Works For Proposed Condominium Development Comprising One Block Of Ten-Storey Apartments (Total 140 Units) With Two Basement Carpark, Sky Terraces, Swimming Pool & Ancillary Facilities On Lots 2230X MK16 At Dunearn Road</p> | China Construction (South Pacific) Development Co. Pte Ltd | December 2008 | 6 |
| <p>HDB Punggol West Contract 17 Bored Piling Works For Proposed Public Housing Development Comprising Six Blocks Of 16-Storey Residential Building (Total 503 Units) & One Block Of Multi-Storey Carpark With Roof Garden, ESS & Precinct Pavilion At Punggol West Contract 17</p> | A Pacific Construction & Development (S) Pte Ltd | October 2009 | 6 |
| <p>Lakeshore Bored Piling Works For Proposed Condominium Development At Boon Lay Way/Jurong West Street</p> | Lakeshore Pte Ltd | March 2006 | 5 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|--|-----------------------------------|---------------------|---------------------------------------|
| <p>Singapore Island Country Club Demolition Works & Bored Piling Works To Proposed Additions & Alterations To Existing Clubhouse & New Two & Three-Storey Recreation Clubhouse With Car Park Facilities To The Existing Singapore Island Country Club</p> | The Singapore Island Country Club | October 2008 | 5 |
| <p>Trevista Bored Piling Works For Proposed Condominium Housing Development Comprising Three Blocks Of 43-Storey Residential Building (Total 586 Units) With A Basement Carpark, Electric Substation, Swimming Pools & Communal Facilities At Toa Payoh Lorong 2 / Lorong 3</p> | Dragages Singapore Pte Ltd | March 2009 | 5 |
| <p>The Vermont Bored Piling Works To Proposed Erection Of Residential Flat Development (Total 123 Units) Comprising One Block Of 17-Storey, One Block Of 19-Storey & One Block Of 20-Storey With Two Levels Of Basement Carparks, Tennis Court, Swimming Pool & Communal Facilities On Lots 715L, 780L, 717M(PT) & 716C(PT) TS 27 At Cairnhill Rise</p> | Kimly Construction Pte Ltd | December 2008 | 5 |
| <p>Singapore Flyer Bored Piling Works To Proposed Erection Of Singapore Flyer Comprising Of A Giant Observation Wheel On A Three-Storey Terminal Building Linked To A Two-Storey Car Park Building On Lot 550n (Pt) Ts 11 At The Marina Promontory</p> | Takenaka Corporation | April 2006 | 4 |
| <p>The St. Regis Singapore Bored Piling Works To Proposed Mixed Development Comprising A Block 20-Storey Hotel Building, A Block 20-Storey Service Apartment & A Block 20-Storey Strata Apartment With Three Basement At Tanglin Road / Tomlinson Road / Cuscaden Road</p> | Kajima Overseas Asia Pte Ltd | July 2005 | 4 |
| <p>City Square Bored Piling Works For Proposed City Square Development Comprising One Block Of Six-Storey Commercial / Retail Podium With Three Basements Car Parking & Six Blocks Of 30-Storey Condominium (Total 946 Units) With Provision For Three Basement Car Parking.</p> | Woh Hup (Private) Ltd | January 2006 | 4 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|--|---|---------------------|---------------------------------------|
| <p>Aircraft Hangar 6 Bored Piling And Press Grouted Spun Piling Works To Proposed Erection Of Aircraft Hangar 6 With Basement & Ancillary Offices Abutting Existing Hangar 5 At Airline Road (Changi Planning Area)</p> | Eng Lim Construction Co. Pte Ltd | December 2007 | 4 |
| <p>Resorts World @ Sentosa Construction & Completion (Supply & Installation) Of Reinforcement Concrete Contiguous Board (Cast-In-Place Concrete) Pile Walls & Reinforced Concrete Capping Beams To Flume Ride 1 At Universal Studios Singapore</p> | China Jingye Engineering Corporation Limited (Singapore Branch) | December 2008 | 4 |
| <p>Orchid Hotel Bored Piling Works, Secant Bored Piling Works & Contiguous Bored Piling Works For Proposed 20-Storey Hotel Development Consisting Of 17 Guestroom Floors (Total 272 Rooms) Sitting Over A Three-Storey Shopping Podium With Two Levels Of Basement Carparks On Lot 00753P TS 03 At Tanjong Pagar/Tras Street For M/s Orchid Hotel Pte Ltd</p> | TPS Construction Pte Ltd | May 2009 | 4 |
| <p>Miro Bored Piling Works For Proposed Erection Of A Block Of 32-Storey Flat Development (Total 85 Units) With Basement Car Park, Sky Terrace, Swimming Pool & Communal Facilities On Lots 00728L, 00729C, 00730X, 01073P & 99842N TS 28 At Keng Lee Road/Lincoln Road</p> | Arts Associate Company Pte Ltd | February 2009 | 4 |
| <p>The Arte Bored Piling Works For Proposed Erection Of Two Blocks Of 36-Storey Condominium Development (Total 336 Units) With One Level Of Carpark, Swimming Pool & Communal Facilities At Jalan Datoh / Jalan Raja Undang</p> | Dragages Singapore Pte Ltd | April 2008 | 4 |
| <p>Viva Temporary Earth Retaining Structure Using Grout Mix Piles For Proposed New Erection Of Three Blocks 30-Storey Condominium Housing Development (Total 235 Units) Comprising Of Basement Carpark At Suffolk Road / Thomson Road</p> | Tiong Aik Construction Pte Ltd | May 2009 | 4 |
| <p>Draycott 8 Bored Piling Works To Proposed One Block Of 36-Storey Residential Block (60 Units) With A Basement Carpark, Swimming Pool And Ancillary Facilities At 5 Draycott Drive</p> | Tiong Seng Contractor Pte Ltd | April 2006 | 3 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|---|--|---------------------|---------------------------------------|
| <p>Newton One Bored Piling Works, Contiguous Bored Piling Works & Secant Bored Piling Works For Proposed Condominium Housing Development Comprising One Block Of 29-Storey Residential Building (Total 91 Units) With Two Basement Carparks At 1 Newton Road</p> | Poh Lian Construction Pte Ltd | June 2007 | 3 |
| <p>Hong Kah Secondary School Bored Piling Works For Proposed Additions & Alterations To Hong Kah Secondary School Involving The Erection Of Three Blocks Of Two-Four Storey Buildings & Other Ancillary Buildings On Lot 03032M MK 06 At 931 Jurong West Street 42</p> | ACLM Engineering & Construction Pte Ltd | January 2009 | 3 |
| <p>The Orange Grove Bored Piling Works To Proposed Condominium Housing Development Comprising One Block Of 12-Storey Residential Apartments (Total 72 Units) With A Basement Carpark At Steven Road/ Orange Grove Road</p> | Kim Seng Heng Engineering Construction (Pte) Ltd | March 2009 | 3 |
| <p>Cintech IV Press Grouted Spun Piling Works To Proposed Erection Of A Block Of Six-Storey Business Park Development With One Basement Car Park With Amalgamation To Existing Road At 77 Science Park Drive Road</p> | Eng Lim Construction Co. Pte Ltd | May 2008 | 2 |
| <p>Ardmore II Temporary Earth Retaining Structure To Proposed Condominium Housing Development Comprising Two Blocks Of 36-Storey Residential Flats (Total 118 Units) With Basement Carparks, Swimming Pool & Communal Facilities At Ardmore Park / Anderson Road</p> | Poh Lian Construction Pte Ltd | September 2007 | 2 |
| <p>Domain 21 Bored Piling Works & Secant Bored Piles Wall For Proposed Erection Of Two Blocks 24-Storey Condominium Development (Seiclene House) At 25 Delta Road</p> | Low Keng Huat (Singapore) Pte Ltd | July 2005 | 2 |
| <p>Credit Suisse Singapore Branch Bored Piling Works For Proposed Credit Suisse Singapore Branch Regional Data Centre Facility At Serangoon North Avenue 5 & 6</p> | Obayashi Corporation | August 2007 | 2 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|--|---|---------------------|---------------------------------------|
| <p>Science Park 3 Press Grouted Spun Piling Works To Proposed Erection Of A Block Of Six-Storey Business Park Development With One Basement Car Park At Science Park Road</p> | Eng Lim Construction Co. Pte Ltd | September 2008 | 2 |
| <p>Duke-NUS Bored Piling Works For Duke-NUS Graduate Medical School At College Road</p> | Ministry Of Health / Duke-NUS Graduate Medical School | April 2007 | 2 |
| <p>Le Reve Press-In Plus Spun Piles & Grout Mix Piles Works For Proposed Condominium Housing Development Comprising One Block Of Five-Storey Residential Flats With Attic & One Block Of Three-Storey Strata Houses With Attic (Total 65 Units) With Communal Facilities</p> | Hup Soon Construction Co. (Pte) Ltd | August 2006 | 2 |
| <p>Charlton Villas Secant Bored Piling Works (Hard Bored Pile With Grout Mix Pile As Soft Interlocking Piles) & Grout Mix Piling Works At Temporary Earth Retaining Structure (TERS) To Proposed Strata Housing Development Comprising 39 Units Of Three-Storey Strata Terrace Houses & Four Units Of Three-Storey Strata Semi-Detached Houses With A Basement Car Park & Provision For A Swimming Pool At Charlton Lane / Upper Serangoon Road</p> | Straits Construction Singapore Pte Ltd | June 2009 | 2 |
| <p>Martin Road No. 38 Bored Piling Works For Proposed Erection Of One Block Of 15-Storey, Three Blocks Of Nine-Storey Residential Development (Total 91 Units) & One Block Commercial On The 1st & 2nd Storey With One Basement Carpark, Swimming Pool & Communal Facilities On Lot TS 21, Lots 00587V, 00682A, 00985V, 99329X, & 99331N At Narayanan Chetty Road, Muthuraman Chetty Road & Martin Road</p> | Kimmingston Pte Ltd | February 2009 | 2 |
| <p>Service Tunnel For Marina Bay Financial Center Phase 3a Jet Grouting Works To Proposed Common Service Tunnel (Cst) Phase 3a On Lots TS30-00287a, TS30-00055c, TS 30-00201I & TS30-00204w At Downtown Core</p> | Singapore Piling & Civil Engineering Pte Ltd | February 2009 | 2 |
| <p>University Town Development (Additional BP) Additional Bored Piling Works At Cinnamon Block & Tembusu Block At The Proposed University Town Development At Dover Road</p> | National University of Singapore | July 2009 | 2 |

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| Project Description | Customer | Month of Completion | Approximate Contract Sum (\$'million) |
|---|-------------------------------------|---------------------|---------------------------------------|
| Yong Loo Lin School Of Medicine Bored Piling Works To Proposed Reconstruction Of Existing Block Md2 For Yong Loo Lin School Of Medicine Within National University Of Singapore At Kent Ridge Crescent | Lian Soon Construction Pte Ltd | January 2008 | 1 |
| The Tanglin Club Bored Piling Works For Proposed Additions & Alternations, Extension To Sports Complex & New Covered Linkbridge To Existing Tanglin Club At Stevens Road | The Tanglin Club | December 2005 | 1 |
| De Centurion Bored Piling Works To Proposed Erection Of A 16-Storey Residential Flat (42 Units) Development With Sky Terrace & Gym On The 2 nd -Storey, A Two-Storey Annexe Block With Swimming Pool & Pool Deck On 2 nd -Storey & Car Park On The 1 st -Storey On Lots 04645k & 06143T (PT) MK25 At 64 Tanjong Rhu Road | Conquer Construction Pte Ltd | May 2008 | 1 |
| The Amery Temporary Earth Retaining Structure Using Grout Mix Piles For Proposed Erection Of A Condominium Development Comprising Two Blocks Of Five-Storey (Total 79 Units) With Sub Basement Carpark At Lorong K Telok Kurau | Sim Lian – Koru Bena JV Pte Ltd | February 2009 | 1 |
| The Jardin Grout Mix Piles As Temporary Retaining Structure For Proposed Condominium Development Comprising One Block Of Ten-Storey Apartments (Total 140 Units) With Two Basement Carpark, Sky Terraces Swimming Pool & Ancillary Facilities On Lots 2230X MK16 At Dunearn Road | China Construction Builders Pte Ltd | April 2009 | 1 |

Projects in Progress (As at Latest Practicable Date)

| Project Title | Customer | Expected Completion | Approximate Contract Sum (\$'million) |
|--|---|---------------------|---------------------------------------|
| Punggol Waterway (Part I – DSM) Deep Soil Mixing (DSM) Column For Proposed Construction Of Punggol Waterway (Part I) | Koh Brothers Buildings & Civil Engineering Contractor (Pte) Ltd | April 2010 | 17 |
| Punggol Waterway (Part I) Bored Piling Works, Contiguous Bored Piling Works & Deep Soil Mixing Column For Proposed Construction Of Punggol Waterway (Part I) | Koh Brothers Buildings & Civil Engineering Contractor (Pte) Ltd | April 2010 | 7 |

GENERAL INFORMATION ON OUR GROUP

| Project Title | Customer | Expected Completion | Approximate Contract Sum (\$'million) |
|---|---|---------------------|---------------------------------------|
| <p>MRT Contract 912 Diaphragm Wall Construction For Design & Construction Of Station At Bukit Panjang (Petir) & Tunnels For Downtown Line Stage 2 At Woodlands Road / Upper Bukit Road</p> | Lum Chang Building Contractors Pte Ltd | November 2010 | 5 |
| <p>Silversea Bored Piling Works For Proposed Condominium Development Comprising Four Blocks Of 21-Storey Residential Flats (Total 383 Units) With Two Basement Carparks, Two Sky Terraces, One Swimming Pool, Landscape Deck & Ancillary Facilities On Lot 3975L MK 25 At Amber Road</p> | China Construction (South Pacific) Development Co Pte Ltd | February 2010 | 5 |
| <p>HDB Bukit Panjang Neighbourhood 6 Contract 9 Deep Mix Soil Mixing Columns For Proposed Public Housing Development Comprising Two Blocks (633B & 633C) Of 31-Storey, Two Blocks (633A & 633D) Of 25-Storey, One Block (632A) Of Part 11/Part Eight-Storey, One Block (632B) Of Part 14/Part Eight-Storey (Total 771 Units), One Block Of Multi-Storey Carpark With Landscape Deck & Precinct Pavilion At Senja Road / Senja Way / Woodlands Road</p> | Qingjian Group Co. Ltd (Singapore Branch) | March 2010 | 4 |
| <p>Meier Suites Bored Piling Works For Proposed Erection Of A Block Of 19-Storey Condominium Housing Development (Total 54 Units) With Sky terraces, Swimming Pool, Communal & Ancillary Facilities On Lot 4925A & 96387X MK 25 At 10, 12 Margate Road</p> | SB (Meyer) Development Pte Ltd | February 2010 | 3 |
| <p>Singapore Institute of Management Extension Contiguous Bored Piling Works For Proposed Six-Storey Extension & Additions & Alterations To Existing Singapore Institute Of Management On Lot No. 7006N MK 05 At 461 Clementi Road Singapore 599491</p> | Keong Hong Construction Pte Ltd | December 2009 | 2 |
| <p>Kim Eng Security Building Temporary Earth Retaining Structure Using Grout Mix Pile For Proposed Erection Of A Block Of Six Storey Office Building With One Basement Automated Merchandised Car Park On Lot 00346T TS 07 At New Bridge Road / North Canal Road</p> | Takenaka Corporation | January 2010 | 2 |

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| Project Title | Customer | Expected Completion | Approximate Contract Sum (\$'million) |
|---|---|---------------------|---------------------------------------|
| Elliot Bored Piling Works For Proposed Erection Of Eight Blocks Of Five-storey Condominium Housing Development (Total 119 Units) With Attic, Basement Carpark, Swimming Pool And Communal Facilities On Lots 5394A, 5395K And 10132C PT MK 27 At Elliot Road / Marine Parade Road | Elliot Development Pte. Ltd. | February 2010 | 2 |
| Anderson 18 Bored Piling Works For Proposed Condominium Housing Development Comprising Two Blocks Of 36-Storey Residential Building (Total 112 Units) With Basement Carpark, Swimming Pool & Club House Facilities On Lot 01366L TS 25 At 18 Anderson Road | Summervale Properties Pte Ltd | March 2010 | 2 |
| Silversea Grout Mix Piles As Temporary Earth Retaining Structures For Proposed Condominium Development Comprising Four Blocks Of 21-Storey Residential Flats (Total 383 Units) With Two Basement Carparks, Two Sky Terraces, One Swimming Pool Landscape Deck & Ancillary Facilities On Lot 3975L MK 25 At Amber Road | China Construction (South Pacific) Development Co Pte Ltd | March 2010 | 2 |
| D'Mira Bored Piling Works & Grout Mix Piling Works As Temporary Earth Retaining Structure To Proposed Erection Of A Block Of 17-Storey Residential Flat Building (Total 65 Units) With Basement Carpark, Swimming Pool & Clubhouse Facilities On Lot 6185M & 9866T MK 17 At 31 Boon Teck Road | TPS Construction Pte Ltd | April 2010 | 1 |

PRODUCTION FACILITIES AND CAPACITY

We do not undertake any manufacturing or production activities as the nature of our business does not require us to do so.

SEASONALITY

We do not experience any significant seasonality in the course of our business.

SALES AND MARKETING

Our Executive Directors, each having more than 21 years of experience in the Bored Piling and Eco-friendly Piling and Geoservices businesses, possess extensive knowledge of the industry. They have also cultivated a network of contacts with major developers, main contractors and project consultants. They have thus established a wide customer base for our Group. Our Contracts

GENERAL INFORMATION ON OUR GROUP

Department which is headed by our Assistant General Manager (Contracts), Lau Chin Choo, is tasked with the formulation and planning of marketing strategies and activities for our Group. Lau Chin Choo is supported by the sales team comprising of six staff members from our Contracts Department.

Our Sales and Marketing Approach

We adopt a multi-pronged approach in our sales and marketing efforts. Besides sourcing for new projects through public tenders based on advertisements in the mass media such as publications, newspapers and internet notices, private tenders and quotations through invitations from developers, main contractors and project consultants, our Contracts Department maintains constant contacts with our previous, existing and potential customers including developers, main contractors and project consultants such as quantity surveyors, engineers and architects to maintain and develop good relationships. Our Contracts Department also makes presentations to our existing and potential customers on services offered by us as well as new developments in piling techniques undertaken by us.

Since 2002, we have participated in adhoc public lectures organised by government authorities and organisations, such as BCA, HDB and IES, on a regular basis. We also undertake advertisements and advertorials in trade magazines such as the Singapore Engineer's Magazine which is a trade journal published by IES.

Our Contracts Department also handles and manages the constant invitations and enquiries received as a result of our established track record for the past 19 years. As at the Latest Practicable Date, we have completed more than 300 piling projects in Singapore and have a constant market presence of between 15 to 20 projects a year.

QUALITY CONTROL AND ASSURANCE

We believe that our commitment in providing high quality products and services is one of the major factors of our success. As such, we have implemented quality control procedures which cover our entire project cycle. For further information, please refer to section entitled "Our Project Cycle" of this Prospectus. As at the Latest Practicable Date, we have a quality control team consisting of the ISO management representative and the various heads of department for Contracts, Resources Planning, Procurement, Finance/Administration, Human Resource, Technical and Project & Operations Departments ("HODs").

Our quality control team meets on a regular basis to monitor and resolve any operational issues relating to compliance with quality control standards. In addition, our quality control team and the management of our Group meet on an annual basis for the management review meeting, during which the manual and procedures for compliance are reviewed or amended in relation to the qualitative aspects of the manuals and procedures.

ISO Certification

On 11 May 1999, Ryobi Singapore obtained certifications under ISO 9002:1994 and SSISO 9002:1994 (Bored Pile Installation Services) and the certifications were upgraded to ISO 9001:2000 and SSISO 9001:2000 (Geotechnical Design and Piling Installation Services) in 2003. To meet the requirements of the certifications, we implemented a Quality Management System (the "System") in accordance with the prescribed standards.

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The scope of the System covers all piling, civil engineering construction and geotechnical design services and provides for the documentation, monitoring, checking and control of work activities by management and staff at our main office and project sites, as well as to ensure that we meet the specified requirements of all customers.

The System provides, *inter alia*, the following:

- (a) consolidation and formalisation of all relevant instructions and work procedures at our main office and project sites through the development and documentation of formal quality and procedures manuals.

The quality and procedures manuals facilitate effective implementation and continual improvement of the System and standardise all instructions, sequence and work procedures at our main office and project sites.

- (b) creation and maintenance of quality awareness of our Group's employees and sub-contractors engaged by our Group.
- (c) ensure the availability of resources and information to support the work procedures.
- (d) ensure, monitor, measure and analyse the work procedures.
- (e) ensure implementation of actions necessary to achieve planned results and continual improvement of work procedures.
- (f) enhance the customer satisfaction in our capability of delivery of quality products based on customer requirements.

The System is reviewed annually by our management and is subject to regular internal audits. We confirm that there are no processes undertaken by us where the resulting output cannot be verified by subsequent measurement, testing or monitoring.

The HODs are each responsible for ensuring that the designated management and supervisory staff carry out the appropriate quality planning activities in order to ensure that customer requirements for each project or contract shall be met.

Our entire management and staff are fully committed to the development, implementation and continual effectiveness of the System described herein to assure all customers that the best services will be provided. This is done by ensuring the following tasks are carried out:

- communicating the importance of meeting our customers' requirements as well as statutory and regulatory requirements to all relevant staff.
- ensuring that quality objectives are established and in-line with our quality policy and our customers' needs and expectations.
- conducting management reviews to ensure the suitability, adequacy and effectiveness of our quality management system.
- ensuring that enough and adequate resources are available to achieve conformity to product requirements.

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On 1 January 2008, BCA implemented a requirement providing that all contractors graded L2 and C2 and above must conform to the requirements under the Safety Management Certification System for Small and Medium Construction Firm before they can renew their financial gradings from BCA. We obtained certification under the Safety Management Certification System for Small and Medium Construction Firm on 25 February 2008. The said certification is subject to an audit by BCA to ensure compliance once every three years.

Currently, we are adopting the Total Construction Management System (“TCMS”) that integrates and complies with ISO 9001:2000 (for quality management system), ISO 14001:2004 (for environmental management system) and OHSAS 18001:1999 (for occupational health and safety management system) standards. As part of the TCMS, we will prepare a project quality plan for every project that we are awarded. A project quality plan is a document that outlines all necessary procedures, schedules and controls to ensure that the project is executed in accordance with the contractual requirements and drawings. Our project management teams have to ensure that the project quality plan is being complied with and meets the objectives of completing the project with high quality under safe conditions within the stipulated time and budgeted cost.

Use of approved suppliers or sub-contractors

In order to maintain a reliable quality in the raw materials and sub-contracted works, we maintain a list of sub-contractors and suppliers which is pre-approved by our Executive Directors based on their past performance, reputation and related experience in the industry. This list of approved sub-contractors and suppliers is reviewed by our Executive Directors on an annual basis. For each project, the project manager in charge would select the suppliers and sub-contractors from the approved list and submit his recommendations to our Executive Directors for approval.

In-house inspection

All materials and products delivered to site must be checked by the project engineer in charge and/or foreman in charge against the supporting documents e.g. delivery orders to ensure the following:

- correct description of the material/product;
- right quantity being delivered; and
- right quality being delivered, i.e. compliance with specifications.

Where possible, the delivered materials/products shall be off-loaded directly to the final location of use. They shall be checked entirely, where possible. For materials/products in bulk form or of large quantity e.g. diesel and rebar, etc. where it is not possible to examine completely upon delivery, appropriate random visual checking shall be carried out by the appointed foreman, who shall identify any non-conforming materials due to damages, deficiencies in quantity, lack of supporting documentation, etc..

The nature of the non-conforming materials shall be recorded in the delivery orders and subsequently reported to the project manager and the purchaser. The project engineer/foreman will then follow-up on any non-conformance in delivery and ensure that the required corrective action is taken. Site staff and sub-contractors may also inform the project engineer/foreman of any non-conforming materials that they may encounter during the course of using any delivered materials/products in their works.

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The project engineer/foreman, in consultation with the project manager shall decide on whether they may be rectified and used or discarded and replaced by new and acceptable materials/products. The project manager shall forward such feedback to the purchaser for necessary action with the relevant suppliers.

The project manager shall also record such adverse information into the assessment report of the particular supplier. If the company intends to verify the purchased product or procured work, e.g. pre-cast panels and fabricated steel structures at the supplier's/subcontractor's premises, the project manager shall ensure that the verification requirements and method of release of the product or procured work are specified in the purchase order/written agreements or other relevant purchasing documents.

In the event that delivered items are to be returned to the supplier for replacement with conforming items, such items shall be properly identified, segregated and documented, pending return to the supplier.

All delivery orders shall be duly signed and dated by the receiving site staff and shall be forwarded to our Procurement and our Finance/Administration Departments for their necessary action.

Vocational/skills improvement training and on-the-job training

We utilise the following steps in developing our Group's human resources:

- Orientation and training of new staff;
- Identify and analyse training needs;
- Conduct internal and/or external training; and
- Training feedback and evaluation

BCA GRADINGS

As at the Latest Practicable Date, the piling sector in Singapore is serviced by a total of 86 BCA registered piling contractors. These piling contractors are segmented by different financial gradings accorded by BCA. These financial gradings range from Level 1 ("L1") to Level 6 ("L6"), and are essentially based on performance track record, contracts profile as well as financial strength. The different financial grading determines the size of the public sector contracts that piling contractors can bid for as set out in the table below, namely, L1 piling contractors are allowed to bid for public sector contracts not exceeding \$750,000 while there is no limit on contract size for L6 contractors.

| Classification of Piling Contractors | Limit on Contract Size (\$) | No of Registered Companies in Singapore |
|---|------------------------------------|--|
| L1 | 750,000 | 31 |
| L2 | 1,500,000 | 5 |
| L3 | 4,500,000 | 8 |
| L4 | 7,500,000 | 6 |
| L5 | 15,000,000 | 21 |
| L6 | Unlimited | 15 |

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Note:

- (1) The above information was extracted from the website of BCA at <http://www.bca.gov.sg> on the Latest Practicable Date. We have not sought the consent of BCA, nor has BCA provided their consent to the inclusion of the relevant information extracted from the relevant website and disclaim any responsibility in relation to reliance on these statistics and information. While reasonable actions have been taken by our Directors to ensure that the relevant statements from the relevant information are reproduced in their proper form and context, and that the information is extracted accurately and fairly from the relevant website, all other parties and ourselves have not conducted an independent review of the information contained in the relevant website and have not verified the accuracy of the contents of the relevant statements.

As at the Latest Practicable Date, Ryobi Singapore is registered with the financial grading of L6.

AWARDS AND CERTIFICATIONS

Our commitment to excellence is evidenced by the following awards and certifications which we have received:

| Award Authority | Award / Certification | Expiry/Period |
|----------------------|---|------------------|
| BCA | CW02 Civil Engineering (C3) | 01 June 2011 |
| BCA | CR08 Piling (L6) | 01 June 2011 |
| BCA | CR12 Soil Investigation and Stabilisation | 01 June 2011 |
| BCA | SSISO 9001:2000 Geotechnical Design and Piling Installation Services | 11 May 2011 |
| BCA | Safety Management Certification System for Small and Medium Construction Firm for Piling Installation and Civil Engineering Construction Services | 25 February 2011 |
| DP Information Group | Fastest Growing 50 (FG 50) 2004 and 2005 | Not applicable |

As a testament to our achievement and performance, our Group has been listed in the “Singapore SME 500” rankings since 2003 and the “Singapore 1000” rankings in 2005, 2008 and 2009 by DP Information Group. In November 2009, our Subsidiary, Ryobi Singapore, came in second place in the 2009 Enterprise 50 Awards, an award organised by The Business Times and KPMG LLP (Singapore).

MAJOR SUPPLIERS

The major suppliers who accounted for 5.0% or more of our purchases for FY2007, FY2008 and FY2009 are as follows:

| Name of Supplier | Raw Material | As a percentage of our purchases ⁽¹⁾ | | |
|--|-----------------|---|---------------|---------------|
| | | FY2007 (%) | FY2008 (%) | FY2009 (%) |
| Island Concrete (Pte) Ltd ⁽²⁾ | Concrete | 23.3 | 10.4 | 12.4 |
| G&W Ready-Mix Pte Ltd / G&W Industries Pte Ltd | Concrete/Cement | 1.9 | 5.0 | 8.2 |
| Natsteel Asia (S) Pte Ltd | Rebar | 4.4 | 6.5 | 5.5 |
| Straits Construction Singapore Pte Ltd | Concrete | 2.8 | 0.2 | 5.5 |
| Pan-United Concrete Pte Ltd | Concrete | 5.9 | 4.1 | 2.2 |
| Angkasa Hong Leong Pte Ltd ⁽²⁾ | Rebar | 5.1 | 0.3 | 1.0 |
| HDB ⁽³⁾ | Concrete/Sand | — | 6.0 | — |

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Notes:

- (1) Purchases are calculated as cost of sales less direct labour costs and depreciation.
- (2) Island Concrete (Pte) Ltd and Angkasa Hong Leong Pte Ltd are associated companies with a common ultimate shareholder, Hong Leong Investment Holdings Pte. Ltd..
- (3) HDB is a customer but due to the nature of the contract, HDB supplies the materials for its projects.

Our purchases vary from year to year due to the nature of our project-based business. We would purchase from suppliers who are able, at the shortest time frame, to provide favourable terms with regard to price, quality and who are able to meet our delivery schedules for that particular project. We have more than three suppliers for each category of the major materials that we require. This approach has accounted for the changes in the percentage of purchases reflected in the table above.

Our purchases from Island Concrete (Pte) Ltd for FY2008 and FY2009 decreased partly because we started purchasing from alternative suppliers which offered more competitive pricing. In addition, we have a significant amount of HDB projects in FY2008 and FY2009 and were thus able to purchase concrete and sand from HDB at protected price in FY2008. In FY2009, we obtained our concrete and sand for our HDB projects from Straits Construction Singapore Pte Ltd.

Our purchases of concrete from G&W Ready-Mix Pte Ltd and G&W Industries Pte Ltd increased significantly in FY2008 and FY2009 because of the competitive pricing offered by them and the proximity of their plant to our projects.

Our purchases of rebar from Natsteel Asia (S) Pte Ltd increased in FY2008 in line with the growth in our revenue.

Our purchases of concrete from Pan-United Concrete Pte Ltd had remained relatively stable from FY2007 to FY2008. However, the percentage of purchases decreased from 5.9% in FY2007 to 2.2% in FY2009 due to competitive pricing offered by alternative suppliers.

Our purchases of rebar from Angkasa Hong Leong Pte Ltd decreased significantly from FY2007 to FY2008 and FY2009 as a result of competitive pricing by alternative suppliers.

Save as disclosed above, there is no other supplier whose sales to us accounted for 5.0% or more of our purchases in FY2007, FY2008 and FY2009.

To the best of our Directors' knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major suppliers. Our business and profitability are currently not dependent on any particular industrial, commercial or financial contract with any supplier.

As at the Latest Practicable Date, our business and profitability are not materially dependent on any single supplier.

As at the date of this Prospectus, none of our Directors or Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any of our major suppliers mentioned above.

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MAJOR CUSTOMERS

Our major customers who accounted for 5.0% or more of our revenue for FY2007, FY2008 and FY2009 are as follows:

| Name of Customer | Projects | As a percentage of Revenue | | |
|---|---|----------------------------|------------|------------|
| | | FY2007 (%) | FY2008 (%) | FY2009 (%) |
| Straits Construction Singapore Pte Ltd | HDB Flats at Punggol West Contracts 5 and 6, Queenstown RC26, Queenstown RC24A, Clementi Neighbourhood 4 Contract 8, Punggol East Contract 20, The Peak, The Ford, The Suites, Charlton Villas and Hoi Hup Building | 19.2 | 4.5 | 24.7 |
| National University of Singapore | University Town Development | — | 6.0 | 18.6 |
| Downer EDI Works Pte. Ltd | Pollution Control at Sungei Serangoon | — | 3.7 | 6.4 |
| Goodwood Residence Development Pte Ltd | Goodwood Residences | — | — | 6.0 |
| China Construction Co (South Pacific) Development Co. Pte Ltd | Oasia Hotel, Trinity Christian Church and The Jardin | 0.2 | 5.9 | 4.2 |
| Poh Lian Construction Pte Ltd | The Cosmopolitan, Beaufort on Nassim, Buckley 18, Newton One, The Trillium, Ardmore II and The Solitaire | 9.6 | 8.2 | 1.4 |
| Thian Sung Construction Pte Ltd | Casa Merah and Helios Residences | 6.1 | 2.8 | 1.1 |
| Eng Lim Construction Co. Ltd | Aircraft Hangar 6, Science Park 3 and Cintech IV | — | 6.0 | 0.9 |
| Hup Soon Construction Co (Pte) Ltd | Aalto and Le Reve | 2.2 | 8.2 | 0.3 |
| HDB | HDB Flats at Queenstown RC17, Jurong West N3 C30B, Ang Mo Kio RC10, Bishan Contract 32, Kallang Whampoa RC24A | — | 25.5 | — |
| Jack Investment Pte Ltd | Iluma Shopping Centre | 6.5 | — | — |
| Woh Hup Private Ltd | City Square, The Centris | 17.3 | — | — |

Revenue contribution from our customers varies from year to year due to the nature of our project-based business. We have not entered into any long-term contracts with these customers. As such, we may not generate similar projects in terms of size and scope with the same customers in the subsequent year.

As at the Latest Practicable Date, our business and profitability are not materially dependent on any single customer as our business is conducted on a project basis.

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Save as disclosed above, there is no other customer whose revenue contribution to us accounted for 5.0% or more of our revenue in FY2007, FY2008 and FY2009.

To the best of our Directors' knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major customers. Our business and profitability are currently not dependent on any particular industrial, commercial or financial contract with any customer.

As at the date of this Prospectus, none of our Directors or Substantial Shareholders of our Company have an interest, direct or indirect, in any of our major customers mentioned above.

INVENTORY MANAGEMENT

We generally do not maintain any inventory. However, from time to time, where we anticipate that the materials could not be delivered on time, we may maintain some inventory to meet the needs of our projects.

INSURANCE

Where our Group acts as piling main contractor, we obtain insurance coverage in connection with our ground engineering activities over the duration of the projects up to the end of the maintenance period to protect ourselves against contractors' all risks, claims for workmen's compensation and public liability. Where our Group acts as a sub-contractor, we would ensure that we are sufficiently covered under the main contractor's all risks, workmen's compensation, public liability insurance policies.

In addition, we have taken insurance against fire, money in transit, group personal accident, hospitalisation and surgical for our employees.

There has been no significant insurance claims for the Period Under Review.

Our Directors are of the view that our Group is sufficiently covered by its current insurance for the risks which we may be exposed to. However, significant damage to our equipment may still have a material adverse effect on our results of operations or financial condition. We are not insured against loss of key personnel or business interruption. We intend to obtain keyman insurance after the listing exercise.

RESEARCH AND DEVELOPMENT

We are continually working to improve our knowledge base and expertise, through researching into and developing new products and techniques and also through collaboration with research and academic bodies. We are also continually looking for updates on technology and new developments in the Bored Piling and Eco-friendly and Geoservices businesses worldwide, which would allow us to keep abreast of the latest developments and technology in the Bored Piling and Eco-friendly and Geoservices businesses. In addition, our Project & Operations Department contribute innovative ideas to improve our operation methods, operational efficiency, service quality and reduce our operational costs.

From February 2007, we began an informal collaboration with ITF Labs of Canada, working with several research fellows to evaluate the concept of integrating fiber Bragg Gratings into pile load testing. The findings allow our Group to achieve a better understanding of the full extent of the strain distribution on the pile and more accurately measure the strain on the piles designed by our Group.

In January 2008, we began collaborating with Associate Professor Harry Tan Siew Ann, an associate professor with the National University of Singapore Engineering Faculty and a registered professional engineer. We began research and studies on the transfer of stress from piles onto the soil when utilising

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the Press Grouted Spun Piling technique. The findings are expected to assist our Group in optimising its pile designs, thereby likely to improve operational efficiencies and reducing costs in the future. In FY2008, he was also engaged as consultant to some of our projects. A total fee of \$8,800 was paid to Associate Professor Harry Tan Siew Ann in FY2008 for his research and studies as well as his consultancy work.

In January 2009, to build upon and capitalise on our findings arising from our collaboration with ITF Labs of Canada, we purchased a fibre-optic pile instrumentation system which allows us to conduct field trials for the measurement of strain distribution using fibre-optic. A successful trial and eventual implementation will allow our Group to achieve optimal designs, thereby likely improving operational efficiencies and reducing costs in the future. The purchases amounted to approximately \$90,000, which accounted for the significant increase in R&D expenses in 2009.

For FY2007, FY2008 and FY2009, we incurred R&D expenditure of approximately \$19,000, \$8,800 and \$90,000 respectively. Our R&D expenditure for FY2007, FY2008 and FY2009 as a percentage of our Group's revenue has been insignificant. R&D expenditure is recognised as expenses when incurred in each financial year.

CREDIT CONTROL POLICY

Credit for our customers

Our Executive Directors and Financial Controller manage and administer our credit policies, as well as monitor collection of payments for our Group on a regular basis. Credit terms are stipulated in the contracts depending on our customers' payment record, our customers' financial strength and the value of the contract.

We submit monthly progress claims to our customers, who evaluate the claims and issue certificates of payment. We would submit our invoices upon the receipt of the certificate of payment and our contracts provide for credit terms of up to 35 days from the issuance of the certificate of payment. Differences between the average trade debtors' turnover days and the credit terms granted to our customers can be attributed to the extension of credit terms to selected customers with good payment record and good standing relationship.

The BCISPA prescribes that the certificate of payment must be issued within 21 days of the submission of the progress claim and payment must be made within 35 days from the issue of the certificate of payment. We typically receive certification from our customers after 21 days from the submission of the progress claims. The trade receivables' turnover (in days) for FY2007, FY2008 and FY2009 are as follows:

| | FY2007 | FY2008 | FY2009 |
|--|--------|--------|--------|
| Trade Receivables Turnover Days ⁽¹⁾ | 91 | 86 | 70 |

The trade receivables above include amounts due from customers which relate to piling works which have been completed but are pending customers' certification and retention money. Should such amounts be excluded, our average trade receivables turnover days for FY2007, FY2008 and FY2009 would have been as follows:

| | FY2007 | FY2008 | FY2009 |
|---|--------|--------|--------|
| Adjusted Trade Receivables Turnover Days ⁽¹⁾ | 34 | 33 | 33 |

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The adjusted trade receivables days during the Period Under Review, were largely in line with our credit terms.

Note:

(1) Trade receivables turnover days = (average trade receivables balances / revenue) x 365 days.

Our trade receivables turnover days had generally been consistent from FY2007 to FY2009.

Our trade receivables as at 30 June 2009 amounted to approximately \$13.1 million. The aging schedule of the balance of our trade receivables as at 30 June 2009 is as follows:

| Period | Percentage of trade receivables as at 30 June 2009 (%) |
|------------------------|---|
| Less than 30 days | 83.0 |
| Between 31 and 60 days | 16.2 |
| Between 61 and 90 days | 0.7 |
| More than 91 days | 0.1 |

As at the Latest Practicable Date, we have collected approximately \$12.8 million of the above trade receivables of \$13.1 million.

The amount of allowance for impairment of trade receivables, the write-back of impairment of trade receivables and write-off of trade receivables for FY2007, FY2008 and FY2009 are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 |
|---|--------|--------|--------|
| Allowance for impairment of trade receivables | — | 16 | — |
| Write-off of impairment of trade receivables | 179 | — | — |

The trade receivables were written off in FY2007 as the amounts owing had been long outstanding.

Credit from our suppliers

Payment terms granted by our suppliers are depending on, *inter alia*, our relationship with our suppliers as well as the value of the transaction.

In general, credit terms extended to us by our suppliers range from 60 to 120 days. Our trade payables turnover for FY2007, FY2008 and FY2009 are as follows:

| | FY2007 | FY2008 | FY2009 |
|---|--------|--------|--------|
| Trade Payables Turnover Days ⁽¹⁾ | 99 | 92 | 68 |

Note:

(1) Trade payable turnover days = (average trade payable balances / purchases) x 365 days.

INTELLECTUAL PROPERTY

Our Group has been trading under the trade mark of “**RYOBI KISO**” since 1990 and enjoys uninterrupted use of the trade mark. Nonetheless, as a continuing effort to improve the protection levels for our Group’s assets, we have registered with the Intellectual Property Office of Singapore the trade marks “**RYOBI KISO**”, “**RYOBI**” and “**RYOBI G**”.

GENERAL INFORMATION ON OUR GROUP

Details of the trade mark registered in Singapore are as follows:

| Mark | TM No. | Class | Expiry Date | Specification |
|-----------------------|-----------|-------------|-------------|---|
| RYOBI KISO | T0809023B | 35, 37 & 42 | 9 July 2018 | <p>Class 35 The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus in a retail or wholesale outlet; the bringing together for the benefit of others, of a variety of goods (excluding the transport thereof) namely geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus to enable customers to conveniently view and purchase those goods from a catalogue or web site by mail order or global communications network; retail store services connected with geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus; information and advisory services to all the aforesaid services.</p> <p>Class 37 Civil construction services; on-site construction supervision; construction supervision of civil engineering projects; construction of steel structures for buildings; construction of foundations for buildings, roads and civil engineering structures; soil foundation work; construction of piles; driving of piles; soil piling; grout reinforcement for foundations; services for the stabilization of ground by grout injection; civil engineering; construction engineering; structural engineering; installation of environmental engineering systems; provision of construction advice and information; rental of construction machinery, equipment and apparatus; advisory services relating to the installation of environmental control systems.</p> <p>Class 42 Geological services; geological testing of building plots; analysis of geological samples; consultancy relating to geotechnics; geological surveys; geological research; advisory services relating to environmental protection; environmental conservation; environmental surveys and testing; environmental testing of vibration and noise pollution; engineering testing; research relating to environmental protection; technical survey services; recordal of seismic data; analysis of the structural behaviour of building materials; monitoring of building structures; technological research for the building construction industry.</p> |

GENERAL INFORMATION ON OUR GROUP

| Mark | TM No. | Class | Expiry Date | Specification |
|--------------|-----------|-------------|--------------|---|
| RYOBI | T0809661C | 35, 37 & 42 | 22 July 2018 | <p>Class 35 The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus in a retail or wholesale outlet; the bringing together for the benefit of others, of a variety of goods (excluding the transport thereof) namely geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus to enable customers to conveniently view and purchase those goods from a catalogue or web site by mail order or global communications network; retail store services connected with geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus; information and advisory services to all the aforesaid services.</p> <p>Class 37 Civil construction services; on-site construction supervision; construction supervision of civil engineering projects; construction of steel structures for buildings; construction of foundations for buildings, roads and civil engineering structures; soil foundation work; construction of piles; driving of piles; soil piling; grout reinforcement for foundations; services for the stabilization of ground by grout injection; civil engineering; construction engineering; structural engineering; installation of environmental engineering systems; provision of construction advice and information; rental of construction machinery, equipment and apparatus; advisory services relating to the installation of environmental control systems.</p> <p>Class 42 Geological services; geological testing of building plots; analysis of geological samples; consultancy relating to geotechnics; geological surveys; geological research; advisory services relating to environmental protection; environmental conservation; environmental surveys and testing; environmental testing of vibration and noise pollution; engineering testing; research relating to environmental protection; technical survey services; recordal of seismic data; analysis of the structural behaviour of building materials; monitoring of building structures; technological research for the building construction industry.</p> |

GENERAL INFORMATION ON OUR GROUP

| Mark | TM No. | Class | Expiry Date | Specification |
|----------------|-----------|---------------------|--------------------|---|
| RYOBI G | T0816837A | 9, 35, 37 and 42 | 3 December 2018 | <p>Class 09 Radar; radar apparatus; microwave detectors [radar]; radar displays, installations and instruments; slope indicators; geodetic instruments; geodetical apparatus; geophysic apparatus; geoseismic apparatus; geophysical research apparatus; image recording media pre-recorded with information relating to geographical features and locations; measuring instruments for geophysics; vibration sensors; ultrasonic sensors, other than for medical use; shock sensors; temperature sensors for industrial and scientific use; thermal sensors; movement sensors; pressure sensors; sensors for measuring depth; seismic processing installations; seismic recording apparatus; computer imaging systems; diagnostic imaging apparatus, other than for medical use; imaging apparatus and installations; magnetic resonance imaging apparatus, other than for medical use; thermal imaging apparatus, other than for medical use; apparatus for remote surveying; borehole surveying apparatus and instruments; electronic apparatus for surveying; surveying apparatus and instruments.</p> <p>Class 35 The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus in a retail or wholesale outlet; the bringing together for the benefit of others, of a variety of goods (excluding the transport thereof) namely geoseismic apparatus, geodetic surveying apparatus, to enable customers to conveniently view and purchase those goods from a catalogue or web site by mail order or the global communication network; business project management; retail store services connected with geoseismic apparatus, geodetic surveying apparatus and geophysic apparatus; information and advisory services to all the aforesaid services.</p> <p>Class 37 Civil construction services; on-site construction supervision; construction supervision of civil engineering projects; construction of steel structures for buildings; construction of foundations for buildings, roads, bridges and civil engineering structures; soil foundation work; construction of piles; driving of piles; soil piling; grout reinforcement for foundations; services for the stabilisation of ground by grout or cement injection; stabilisation of soil by vibratory compaction; stabilisation of soil by insertion of reinforcing bars; civil engineering;</p> |

GENERAL INFORMATION ON OUR GROUP

| Mark | TM No. | Class | Expiry Date | Specification |
|------|--------|-------|-------------|--|
| | | | | <p>construction engineering; structural engineering; construction engineering; underground civil engineering services; installation of environmental engineering systems; provision of construction advice and information; rental of construction machinery, equipment and apparatus; advisory services relating to the installation of environmental control systems; building project management; drilling; installation of instrumentation systems.</p> <p>Class 42 Geological services; geological testing of building plots; analysis of geological samples; consultancy relating to geotechnics, geophysics and geology; geological surveys; geological estimation and research; geological probing of building plots; geological prospecting; advisory services relating to environmental protection; environmental conservation; environmental surveys and testing; environmental testing of vibration and noise pollution; engineering testing; research relating to environmental protection; technical survey services; recordal of seismic data; analysis of the structural behaviour of building materials; monitoring of building structures; technological research for the building construction industry; analytical services utilising radar; engineering project management services; management of scientific research projects; civil engineering consultancy; civil engineering planning services; design engineering; engineering feasibility studies; structural engineering services; engineering research; engineering surveying and testing; monitoring of activities and events which influence the environment within civil engineering structures; soil testing and analysing services; land and road surveying; topographical surveying.</p> |

Our Company has not entered into any agreements with any parties, including Ryobi Japan, Ryobi Australia or Ryobi International, in connection with the use of our trade marks. However, as the trade marks have been registered by our Company in Singapore, our Company may, as registered owners, prohibit or restrict the use of such trade marks in Singapore if we deem it necessary.

In addition, pursuant to the Service Agreements entered into between our Company and Ong Tiong Siew and Ong Teng Choon respectively, each of Ong Tiong Siew and Ong Teng Choon are prohibited from using our trade marks, directly or indirectly, without our consent. If necessary, our Group may withdraw our consent to the use of our trade marks by Ong Tiong Siew and Ong Teng Choon.

GENERAL INFORMATION ON OUR GROUP

PROPERTIES AND FIXED ASSETS

As at the date of this Prospectus, our Group does not own any property.

As at the date of this Prospectus, our Group leases or licenses the following properties:

| Company | Location | Gross area (m ²) | Tenure | Rental | Encumbrance | Lessor | Usage |
|-----------------------------|--|------------------------------|----------------------------------|-------------------------|---|--|--------------------------|
| Ryobi Singapore | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 9,632.0 | 30 Years from 1 November 1994 | \$143,998 per annum | Mortgagee/ Chargee Caveat lodged on 27 May 2004 | Jurong Town Corporation ("JTC") | Storage and office Space |
| Ryobi Singapore | Lot A22185, Sungei Kadut Warehousing Zone | 11,998.0 | 10 months from 1 June 2009 | \$364,939 for tenure | — | JTC | Storage |
| Raffles Piling Singapore | Private Lot in Sungei Kadut Loop | 1,000.0 | 3 Years from 21 September 2007 | \$90,417 per annum | — | Innova Development Pte Ltd | Storage |
| Ryobi Geotechnique Malaysia | No. 20-4, Jalan 2/114, Kuchai Business Centre, Jalan Kuchai Lama, 58200 Kuala Lumpur, Malaysia | — | 2 years from 1 April 2009 | RM19,200 per annum | — | Circular Orbit Berhad | Office |
| Raffles Piling Vietnam | 8 th Floor (B1), 70, Pham Ngoc Thach, Dist. 3, Ho Chi Minh City, Vietnam | 75.0 | Four months from 1 December 2009 | US\$1,800 per month | — | Green Star Investment and Construction Joint Stock Company | Office |
| Raffles Piling Vietnam | 161 Nguyen Van Quy, Dist. 4, Ho Chi Minh City, Vietnam | 1,000.0 | One year from 1 October 2009 | VND18 million per month | — | Vinatrans International Freight Forwarders | Yard |

GENERAL INFORMATION ON OUR GROUP

As at 30 June 2009, the net book value of our fixed assets was approximately \$42.5 million. The details of the carrying amount for the fixed assets of \$42.5 million are as follows:

| | Leasehold Property \$'000 | Computer and Office Equipment \$'000 | Machinery and Equipment \$'000 | Motor Vehicles \$'000 | Furniture and Fittings \$'000 | Leasehold Improvement \$'000 | Total \$'000 |
|-----------------------------|---------------------------------|---|---|-----------------------------|--|------------------------------------|-----------------|
| 2009 | | | | | | | |
| Cost | 5,827 | 406 | 61,963 | 2,117 | 282 | 169 | 70,764 |
| Accumulated depreciation | 2,735 | 215 | 23,836 | 1,272 | 112 | 44 | 28,214 |
| Net book value | 3,092 | 191 | 38,127 | 845 | 170 | 125 | 42,550 |

Please refer to paragraph 21 of “Appendix A — Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” of this Prospectus for a detailed breakdown of the fixed assets.

Depreciation of property, plant and equipment using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | | |
|-------------------------------|---|---------------|
| Leasehold property | — | 25 years |
| Computer and office equipment | — | 3 to 10 years |
| Machinery and equipment | — | 3 to 15 years |
| Motor vehicles | — | 5 years |
| Furniture and fittings | — | 5 years |
| Leasehold improvement | — | 5 years |

Please refer to paragraph 4.7 of “Appendix A — Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” of this Prospectus for further details of the depreciation policy of our Group.

We do not have any investment property.

As at the date of this Prospectus, we sublease part of our premises as follows:

| Lessee | Location | Gross area (m ²) | Tenure | Annual Rent (\$) | Usage |
|---------------------------------------|---|------------------------------------|--|------------------------|-----------------------------|
| Companies within our Group | | | | | |
| Ryobi Machinery | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 94.8 | From 1 January 2007 to 31 December 2008 on two years lease, extended to 31 December 2010 | 6,000 | Storage and office space |

GENERAL INFORMATION ON OUR GROUP

| Lessee | Location | Gross area (m ²) | Tenure | Annual Rent (\$) | Usage |
|---|--|------------------------------|--|------------------|--------------------------|
| Ryobi Geotechnique International | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 408.7 | From 1 February 2008 to 31 January 2010 on two years lease | 21,110 | Open space |
| Ryobi Geotechnique International | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 300.0 | From 1 July 2008 to 30 June 2009 on one year lease, and subsequently extended from 1 July 2009 to 30 June 2010 | 36,423 | Storage and office space |
| Ryobi Geotechnique International | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 239.7 | From 1 July 2009 to 30 June 2012 on three years lease with an option to renew for one year | 29,091 | Office space |
| Interested Persons | | | | | |
| Zedos | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 739.4 | 1 January 2008 to 31 December 2008 on one year lease, extended to 31 December 2010 | 72,000 | Storage and office space |
| Rotor Mix | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 44.6 | From 1 August 2007 to 31 July 2010 on three years lease with an option to renew for one year | 5,414 | Storage and office space |
| Other Parties | | | | | |
| Yeo Wei Kok trading under the style of Circulars Industries and Trading | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 108.2 | From 16 June 2009 to 15 June 2010 on one year lease | 8,381 | Storage |
| Nam Soon Timber Pte Ltd | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 130.0 | From 1 January 2007 to 31 December 2008 on two years lease, extended to 31 December 2010 | 11,760 | Open space |
| Nam Soon Timber Pte Ltd | MK11-2250K, Sungei Kadut Loop, House/Block 58A, Singapore 729505 | 196.3 | From 1 January 2007 to 31 December 2008 on two years lease, extended to 31 December 2010 | 29,160 | Storage |

Save as disclosed in “Appendix E — Government Regulations” of this Prospectus, there are no regulatory requirements or environmental issues that may materially affect our utilisation of our properties and fixed assets.

GENERAL INFORMATION ON OUR GROUP

COMPETITION

We face intense competition in the piling industry in Singapore. There are currently many piling companies in Singapore and we expect future entrants into this industry. However, we believe that most of these companies are relatively small in scale and do not possess the same technical and product development capabilities as us.

To the best of our knowledge, our Directors consider the following our main competitors in the piling industry in Singapore:

CS Bored Pile System Pte Ltd
L&M Foundation Specialist Pte Ltd
Resource Piling Pte Ltd
Zap Piling Pte Ltd
KH Foges Pte Ltd

To the best of our knowledge, our Directors consider the following our main competitors in the Geoservices industry:

L&M Foundation Specialist Pte Ltd
Bachy Soletanche Singapore Pte Ltd
Sambo Tosfoc Pte Ltd

To the best of our knowledge, our Directors believe that we are presently the only company in Asia outside Japan to commercially utilise the TRD machine in the provision of Environmental Protection Engineering services.

As far as our Directors are aware, there are no published statistics available that can provide an accurate measure of the market size of the piling and Geoservices industry.

None of our Directors or Substantial Shareholders or their Associates is related to or has any interest in any of our competitors set out above.

COMPETITIVE STRENGTHS

We believe that the following are our competitive advantages in relation to our operations:

We specialise in carrying out Eco-friendly Piling

To the best of our Directors' knowledge, we are the first and currently the only company to carry out Screwed Spun Piling and Press Grouted Spun Piling in Singapore. These Eco-friendly Piling techniques are innovative, efficient and economical soil improvement piling techniques. This has provided us with an advantage over our competitors for projects where there are requirements for reduction of noise and vibration, less usage of concrete which is produced from raw materials such as aggregate, sand and cement or where soil conditions do not favour conventional bored piles.

Our capability to carry out both the conventional Bored Piling and our range of Eco-friendly Piling techniques gives us the flexibility to deploy the most cost effective and efficient method or a combination of methods depending on soil conditions and load bearing requirements.

GENERAL INFORMATION ON OUR GROUP

We are one of the largest ground engineering solutions providers with an established track record of more than 19 years in Singapore

Our Group has earned a reputation as one of the largest ground engineering solutions providers in Singapore. In the past 19 years, we have handled more than 300 projects in the public and private sectors comprising residential, commercial, institutional, industrial, infrastructure and environmental protection projects.

Through the years, our Group has build up a successful track record as a reliable ground engineering solutions provider which is capable of handling different types of piling requirements. We are also reputed for our ability to complete and handover projects with tight completion timelines where speed and efficiency are major considerations. Our size makes us a preferred choice to carry out piling works in respect of large and complex projects.

As a testament to our achievement and performance, our Group has been listed in the “Singapore SME 500” rankings since 2003 and the “Singapore 1000” rankings in 2005, 2008 and 2009 by DP Information Group. In addition, in 2004 and 2005, we were conferred the “Fastest Growing 50” (FG50) Award by DP Information Group, an award given to the top 50 companies that have attained the highest 3-year compounded annual growth rate. In November 2009, our Subsidiary, Ryobi Singapore, came in second place in the 2009 Enterprise 50 Awards, an award organised by The Business Times and KPMG LLP (Singapore).

We have established close working relationships with major developers and main contractors

We have developed good working relationships with developers, main contractors and project consultants who are major players in the construction industry and who are well established in the industry. Our major customers include Straits Construction Singapore Pte Ltd, Woh Hup (Pte) Ltd, Obayashi Corporation and Poh Lian Construction Pte Ltd, all of which our Group has business relationships exceeding five years. Our close working relationships with major developers and major contractors have facilitated our sourcing of opportunities and contributed to our securing of projects.

We are able to tender for contracts of all sizes

Our subsidiary, Ryobi Singapore was awarded an L6 grading from the BCA since 29 September 2003. As at the Latest Practicable Date, we are one of 15 piling contractors who are able to tender for public sector piling contracts without limitation to the contractual value. There are no restrictions on private sector piling projects.

We have technological advantages over competitors

Through our constant and continuous efforts in R&D, we are able to maintain a high level of technical expertise. Our R&D efforts allow us to improve our operation methods, operational efficiency, product quality and reduce our operational cost. Please refer to the section entitled “Research and Development” of this Prospectus for further details.

In addition, Ryobi Singapore has entered into a cooperative joint venture with Ryobi Japan for the use of the TRD machine for our pollution control project at Sungei Serangoon. Under the terms of the joint venture, Ryobi Japan and Ryobi Singapore will share the profits derived and costs incurred from the project equally. The cooperative joint venture with Ryobi Japan is only in relation to the project at Sungei Serangoon. Separately, Ryobi Singapore has on 5 January 2010 entered into a non-exclusive TRD Services Agreement with Ryobi Japan whereby Ryobi Japan has agreed to provide Ryobi

GENERAL INFORMATION ON OUR GROUP

Singapore with TRD machines for a period of 3 years from 5 January 2010 for any project that requires the use of the TRD machine. In terms of speed and efficiency, the TRD machine far outstrips conventional wall construction techniques which rely on mechanical or hydraulic grabs.

Our Directors believe that as of the Latest Practicable Date, we are presently the only company in Asia outside Japan to commercially utilise the TRD machine.

We purchase in bulk and hence are able to be competitive in our pricing

Our Group has established long-standing business relationships with our respective suppliers. Due to our long-standing business relationships with our suppliers and the size of our operations, we are able to purchase our supplies in bulk. As a result, we are able to negotiate for more competitive pricing for the supply of concrete, steel bars and spare parts. This has allowed our Group to tender more competitively and secure more piling contracts.

We provide high quality services

We are fully committed to achieving a high level of construction quality on all our projects through prompt completion, quality within specification and a strong emphasis on site safety. We are capable of completing and handing over projects within short time constraints where speed and efficiency are major considerations.

Our Group believes in maintaining a stringent quality control procedure so as to ensure that our services are of high standards. Our attainment of the ISO 9001:2000 (Certification for Quality Management System) and the SSISO 9001:2000 (Geotechnical Design and Piling Installation Services) is a testimony of our Group's concerted efforts to deliver a high standard of service quality. We obtained certification under the Safety Management Certification System for Small and Medium Construction Firm on 25 February 2008.

We have a team of experienced operators, technicians, supervisory and management staff who see to the proper maintenance of its assembly of piling machinery so that a high level of operational efficiency is ensured. Our Group's conscientious efforts in upgrading its assembly of piling machinery regularly, as well as purchasing new machines and equipment to keep up with the latest technology, also testifies to our commitment to quality service.

We have an experienced management team and staff

Our Group is led by an experienced, dedicated and dynamic management team. Our Executive Directors, each having more than 21 years of experience in the Bored Piling and Eco-friendly Piling and Geoservices businesses, possess extensive knowledge of the industry. They have also cultivated a network of contacts with major developers, main contractors and project consultants. They have thus established a wide customer base for our Group, and have also build up favourable working relationships with various suppliers of raw materials. Our management team is supported by experienced project managers and operation managers. As at the Latest Practicable Date, all seven of our project managers and operation managers, have more than 15 years of experience each in the piling business.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

PROSPECTS

Singapore's economy

Preliminary estimates indicated that the Singapore economy expanded by 0.6% in the third quarter of 2009, following a contraction of 3.3% in the preceding quarter. The construction sector remained robust growing 12.8% during the same quarter, which contributed 0.6 percentage points to gross domestic product growth. However, overall growth was dragged down by declines in other sectors.⁽¹⁾ On 12 October 2009, the MTI announced that Singapore gross domestic product growth is likely to be between -2.5% and -2.0% in 2009.⁽²⁾

On 6 November 2009, the MND announced the Government Land Sales Programme for the first half of 2010 that will comprise eight confirmed list sites and 34 reserve list sites. The 42 sites will consist of 24 residential sites, five commercial sites, one commercial and residential site, two white sites and ten hotel sites. These sites can potentially yield 10,550 private residential units, 417,740m² gross floor area of commercial space and 4,515 hotel rooms.⁽³⁾

MTI has observed that a clear but modest recovery is underway globally. However, economic activity will probably remain below pre-crisis levels because of the drag on demand in the developed economies posed by high levels of spare capacity, tight credit conditions and uncertainties over the pace of the withdrawal of monetary and fiscal stimulus measures pose an additional risk. Singapore's economic prospects in 2010 will be closely tied to the conditions in the external environment.⁽²⁾

However, our Directors believe that Singapore's financial and economic fundamentals remain structurally sound. These sound fundamentals will enable Singapore and ourselves to weather current conditions and emerge both strong and resilient.

(a) Public Sector Construction

Construction demand in 2008 reached a record high of \$34.6 billion due to strong demand for private residential and commercial developments as well as public residential and civil engineering works. With public sector projects leading new construction works in 2009, the total construction demand is projected to reach between \$22.0 billion and \$28.0 billion.⁽⁴⁾

In light of the predicted slowdown in demand for 2009, the Singapore Government plans to sustain the flow of jobs to construction firms by bringing back small and medium-sized public sector projects that were earlier deferred to ease the pressure on construction resources. Future projects will also be brought forward to sustain the construction pipeline. In this respect, the Government will increase public sector construction spending for 2009 with contracts worth between an aggregate of \$17.0 billion to \$19.0 billion, significantly higher than the \$15.0 billion in 2008 and \$6.0 billion in 2007⁽⁴⁾ worth of contracts that were awarded. These contracts mainly comprise of major public infrastructure projects which include the extension of existing MRT Lines (such as the Downtown line, the North-South Line Extension and Jurong East Connection), major road works (such as the Marina Coastal Expressway), the building of new HDB flats to meet the on-going demand for public housing, the redevelopment of the Singapore General Hospital's Pathology Education Research Building, the National Heart Centre, construction of the Singapore Sports Hub and the building of the new International Cruise Terminal.⁽⁴⁾

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

(b) Private Sector Construction

On account of the weakened economic outlook, private sector construction demand is projected to moderate significantly to between \$5.0 billion and \$9.0 billion in 2009 from \$20.1 billion in 2008. Nevertheless higher demand for private institutional and other buildings will provide some support to the overall private sector construction demand going forward. BCA forecasts the average construction demand for 2010 and 2011 to be in the range of \$20.0 billion and \$27.0 billion per annum. This projection of at least \$20.0 billion per year for the next three years is still 54.0% higher than the average annual construction demand of \$13.0 billion seen from 1998 to 2006.⁽⁴⁾

Due to current tightness in the credit markets, the Government is also looking to ease the credit squeeze that companies are facing through use of several credit assistance measures to help businesses access credit financing. Additional measures have been put in place to help improve cash flow management of construction sectors with more frequent, prompt and full progress payments for public projects. For example, security deposits required for public sector construction projects will also be lowered from 5.0% to between 0.0% and 2.5% whenever possible.⁽⁵⁾

Despite the predicted easing of construction demand in the next two years, total construction output is estimated to grow to \$30.0 billion in 2009 from \$28.0 billion a year ago. There will likely be a slight moderation in total output for 2010, but this will remain substantially higher compared to output levels seen from 2002 to 2007.⁽⁴⁾ Construction activities in the short and medium term will remain high, given the volume of contracts awarded in the last two years and the demand base from government projects.⁽⁵⁾

This could provide opportunities for our Group in view of our strong track record for public sector projects. The outlook remains cautious and our Directors are mindful of the challenges that our Group will face in this current economic circumstances. Our Directors will employ a cautious approach in the selection of our projects and we believe that, barring unforeseen circumstances, the outlook for our business will remain satisfactory in the near future although growth for 2009 and 2010 is expected to be at a slower rate due to the completion of projects as well as a slowdown in demand from Singapore's private sector.

Opportunities in Vietnam

The Vietnam economy expanded by 3.9% for the first half of 2009. Gross domestic product is expected to expand within the range of 5.0% to 5.2% for 2009. Inflation in Vietnam also fell to 3.9% in June 2009 well down on the 22.0% rate seen in 2008.⁽⁶⁾ On 29 August 2009, the central bank forecasted the 2010 gross domestic product growth to be between 6.0% and 6.5%. In addition, Vietnam aims for 30.0% growth in both credit and M2 (Measure of money supply including: all cash, currency, checking account balances, traveller's checks, savings and small time deposits, overnight repos, and non-institutional money market accounts) for 2009, effectively raising the lending expansion target from the target range of 25.0% to 27.0%.⁽⁷⁾

The construction sector in particular, grew by 5.4% in the first half of 2009, surpassing the average of 4.8% for the entire industrial and construction sector. This performance should be largely attributed to the Government's stimulus package which offers businesses a reduced interest rate of 4.0% on bank loans, instead of normal rates of more than 10.0%. During the first half of 2009, the sector has deployed 414 out of 563 approved projects amounting to 13.1 trillion VND in total value. These include social-welfare housing projects, and infrastructure-urban-housing projects. The Construction Ministry is working hard to achieve double-digit growth rates for the second half of the year, calling on companies to intensify investments in the cement, electricity, urban infrastructure, and housing.⁽⁸⁾

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Our Directors have been looking to expand into Vietnam, and find the construction sector's outlook especially compelling given its present and future outlook. Our Group seeks to leverage on its connections with Ryobi Japan to gain contracts for a multitude of projects within Vietnam's rapidly expanding construction sector.

Notes:

- (1) The above information was extracted from Chapter 1 of the MTI's Economic Survey of Singapore Third Quarter 2009.
- (2) The above information was extracted from MTI's press release dated 12 October 2009.
- (3) The above information was extracted from the MND's press release dated 6 November 2009.
- (4) The above information was extracted from the BCA's media release report dated 14 January 2009.
- (5) The above information was extracted from the MND's speeches dated 14 January 2009.
- (6) The above information was extracted from the Financial Times article titled "Vietnam posts 3.9 per cent GDP growth", dated 25 June 2009.
- (7) The above information was extracted from Investment Gateway's article dated 11 July 2009.
- (8) The above information was extracted from the Straits Times article "Vietnam GDP to grow 6.0-6.5%", dated 29 August 2009.

With reference to the sources above, we have not sought the consent of our cited sources, nor have they provided their consent to the inclusion of the relevant information extracted from the relevant website and disclaim any responsibility in relation to reliance on these statistics and information. While reasonable actions have been taken by our Directors to ensure that the relevant statements from the relevant information are reproduced in their proper form and context, and that the information is extracted accurately and fairly from the relevant website, all other parties and ourselves have not conducted an independent review of the information contained in the relevant website and have not verified the accuracy of the contents of the relevant statements.

TREND INFORMATION

With the global economic downturn, we expect the construction industry to face challenges and greater competition in the local construction industry. Demand for services for private projects could decline but certain deferred public projects will be restarted and projects that are in the pipeline will be brought forward.⁽¹⁾

With the downturn in global economic demand, our raw material costs (including concrete, cement and rebar) have begun to decline since the last quarter of 2008 and are expected to continue declining in 2009. This downward trend was indicated in the Monthly Material Price Indices of the BCA, which showed a constant decrease in concrete and steel prices as illustrated by the drop in the indices of 169.6 and 192.6, respectively in September 2008 to 132.6 and 97.3, respectively, in July 2009.⁽²⁾

Our pricing would generally reflect the prevailing market prices while the purchases of raw materials would be made as and when required. In view of the competitive environment in the local construction industry, our Directors are of the view that we may not be able to enjoy the full benefits arising from the declining raw material costs.

Save as disclosed above, in the sections entitled "Risk Factors", "Management Discussion and Analysis of the Financial Condition and Results of Operations" and "Prospects, Business Strategies and Future Plans" of this Prospectus and barring any unforeseen circumstances, our Directors are not aware of any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Prospectus.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Notes:

- (1) The above information was extracted from the internet website of MND (<http://www.mnd.gov.sg>). We have not sought the consent of MND, nor has MND provided its consent to the inclusion of the relevant information extracted from the relevant website and disclaim any responsibility in relation to reliance on these statistics and information. While reasonable actions have been taken by our Directors to ensure that the relevant statements from the relevant information are reproduced in their proper form and context, and that the information is extracted accurately and fairly from the relevant website, all other parties and ourselves have not conducted an independent review of the information contained in the relevant website and have not verified the accuracy of the contents of the relevant statements.
- (2) The above information was extracted from the internet website of BCA (<http://www.bca.gov.sg>). We have not sought the consent of BCA, nor has BCA provided its consent to the inclusion of the relevant information extracted from the relevant website and disclaim any responsibility in relation to reliance on these statistics and information. While reasonable actions have been taken by our Directors to ensure that the relevant statements from the relevant information are reproduced in their proper form and context, and that the information is extracted accurately and fairly from the relevant website, all other parties and ourselves have not conducted an independent review of the information contained in the relevant website and have not verified the accuracy of the contents of the relevant statements.

ORDER BOOK

As at the Latest Practicable Date, our order book for our ground engineering solutions business amounted to approximately \$52.6 million of outstanding contracted value and it is expected to be recognised over a period of three months to 12 months. As our revenue from our ground engineering solutions business is recognised based on the percentage-of-completion method, our order book excludes the contract value of completed works which have been recognised as revenue.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

Acquisition of additional piling equipment and machinery and upgrade of our existing piling equipment and machinery

We intend to acquire additional piling equipment and machinery (including crawler cranes, vibrating hammers, hydraulic piling rigs, “down-the-hole” hammers, grouting plants and silos, grout pumps and auger drives) and upgrade our existing piling equipment and machinery. These piling equipment and machinery would upgrade our capabilities in our piling services and would also increase our piling equipment and machinery capacity.

The acquisition of additional piling equipment and machinery will help ensure that we are kept abreast of technological advances in our industry and derive the benefits of improved features and performance of the up-to-date piling equipment and machinery. We believe that the enhanced capability would allow us to tender for a wider range of projects and also enable us to carry out piling works more effectively and hence strengthen our position as the leader in the fields of Eco-friendly Piling in Singapore. The replacement of the older piling equipment and machinery will also reduce our annual maintenance costs.

Our Group also plans to expand into overseas markets. In connection with our expansion plans, we anticipate that from time to time, we will be required to deploy our equipment and machinery to serve projects in such markets. The acquisition will facilitate our expansion into the overseas market by providing our Group with additional equipment and machinery for deployment.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

We intend to place orders amounting to approximately \$20.0 million for the additional piling equipment and machinery over the next three years of which approximately \$15.0 million will be spent on acquisition of new piling equipment and machinery, and approximately \$5.0 million will be spent on upgrading existing piling equipment and machinery. We intend to fund the purchases through net proceeds from the Invitation and internal source of funds and/or bank borrowings. We intend to allocate approximately \$15.0 million of our net proceeds from the Invitation for such acquisition and upgrade.

Acquisition of land and acquisition and/or construction of new industrial buildings and office premises

As at the Latest Practicable Date, our Group does not own any property. In addition, our leased premises are decentralised and situated in various locations. To achieve operational and cost efficiency as well as centralise our operations, our Group plans to acquire a plot of land to (i) construct new industrial building(s) to provide warehouse facilities, and (ii) construct new office premises for our Group. Alternatively, our Group may consider acquiring a plot of land with existing buildings and premises.

Further, our lease of land used as storage for piling equipment and machinery are on short term lease (for more detail on our Group's leases, please refer to the section entitled " Properties and Fixed Assets" of this Prospectus). In conjunction with the acquisition of the piling equipment and machinery, we may require additional land to store such equipment and machinery.

We intend to allocate \$10.0 million of the net proceeds from the Invitation to fund the acquisition of the land and the construction and/or renovation of the industrial buildings and office premises.

We are currently looking for land and/or premises for acquisition. However, we have not identified any suitable plots or existing premises. Our Company will assess its operational and storage requirements having in consideration the size and location of the land to be acquired after it has identified the same. Should we come across any land or premises that is suitable for our business operation, we will seek approval, where necessary, from our Shareholders and the relevant authorities as required by the relevant rules and regulations.

Expansion of our business operations in Singapore and overseas and diversification of services

Our Group intends to expand our business operations both in Singapore and overseas. We are also exploring suitable opportunities to diversify into other construction-related businesses to offer a wider range of construction services. We intend to achieve such expansion and/or diversification through acquisitions, investments, strategic alliances and/or joint ventures with our suppliers, customers and/or third parties.

We believe that suitable acquisitions, joint ventures and strategic alliances will give us access to new markets and prospective customers as well as new businesses. We intend to allocate \$10.0 million of the net proceeds from the Invitation to fund such expansion plans.

Saved as disclosed in this Prospectus, we are currently not engaged in any discussion with any party for acquisitions, joint ventures or strategic alliances. Should such opportunities arise, we will seek approval, where necessary, from our Shareholders and the relevant authorities as required by the relevant rules and regulations.

LICENCES, CERTIFICATES AND APPROVALS

Save as disclosed in this Prospectus, our Directors have confirmed that, to the best of their knowledge and belief, after having made all reasonable enquiries, that as at the Latest Practicable Date, our Group has obtained all relevant business licences, certificates and approvals necessary for our current operations.

For details of legislation or regulatory controls other than those generally applicable to companies and businesses operating in Singapore and for relevant legislation and regulatory controls applicable in Malaysia and Vietnam, please refer to “Appendix E — Government Regulations” in this Prospectus.

EXCHANGE CONTROLS

Singapore

There are no exchange control restrictions in the repatriation of capital and the remittance of profits into or out of Singapore by or to our Group companies in Singapore. For more details, please refer to “Appendix B — Taxation” of this Prospectus.

Malaysia

In accordance with current Exchange Control Notices of Malaysia issued by Bank Negara Malaysia, foreign direct investors have the freedom to repatriate their investment including capital, profit and dividends without being subject to any levy. There are also no restrictions on the repatriation of interest and rental incomes. However, Bank Negara Malaysia requires the completion of a prescribed form and documentary evidence to be furnished to the remitting banks for any remittance or payment in foreign currency exceeding the equivalent of RM200,000 to a non-resident.

Vietnam

Vietnam exchange control mechanism has been designed to limit foreign currency outflows, generally requiring the use of the VND for domestic transactions and channelling the flow of foreign currencies into the banking system. The State Bank of Vietnam is the primary authority to formulate and administer the exchange control policy in Vietnam. The policy is developed in accordance with five-year economic development plan of the Government, but it can be reviewed and adjusted by the State Bank of Vietnam in line with the changing environment. Since introduction of the Ordinance on Foreign Exchange in 2005,⁽¹⁾ the framework for capital transactions control has been gradually liberalised to stimulate the foreign exchange market.

The dividends and capital gains from the transfer of shares in Vietnam can be remitted overseas through certain registered accounts an accredited credit institution after payment of applicable Vietnam taxes. Both local and foreign invested entities in Vietnam are required to comply with Vietnam’s exchange control policy. As the VND is not a freely convertible currency, conversion of dividends paid to non-residents into foreign currency is necessary prior to the outward remittance from Vietnam.

Note:

(1) Ordinance on Foreign Exchange No. 28/2005/PL-UBTVQH11, dated 13th December 2005.

DIRECTORS, MANAGEMENT AND STAFF

DIRECTORS

Our Directors are entrusted with the responsibility for the overall management and organisation of our Group. The particulars of our Directors are as set out below:

| Name | Age | Address | Position |
|----------------|-----|--|---------------------------------|
| Lee Yiok Seng | 70 | 26 Pebble Lane Singapore 437575 | Non-Executive Director/Chairman |
| Ong Tiong Siew | 55 | 21 Toh Tuck Walk Golden Rise Estate Singapore 596600 | Executive Director/CEO |
| Ong Teng Choon | 51 | 59 Jalan Gumilang Singapore 668898 | Executive Director |
| Lai Chin Yee | 44 | 2A Lincoln Road #17-07 Singapore 308364 | Lead Independent Director |
| Lau Teik Soon | 70 | 8 Jalan Telang Singapore 576679 | Independent Director |

Lee Yiok Seng is the brother-in-law of Ong Huay Chin who is the sister of Ong Tiong Siew and Ong Teng Choon. Ong Tiong Siew and Ong Teng Choon are siblings.

The business and working experience of our Directors are as follows:

Lee Yiok Seng is our Non-Executive Director and Chairman of our Company and was appointed as a Director of our Company on 7 December 2009. Lee Yiok Seng is a former elected Member of Parliament of the Republic of Singapore from 1972 up to 1996, where he had served in various capacities, including as a Senior Parliamentary Secretary in the Ministry of National Development and Ministry of Labour; the Chief Government Whip; Chairman of the Construction Industry Development Board; Chairman of Town Council and also Chairman of several government Ministries' Committees, as well as Member of the Executive Committee of the Commonwealth Parliamentary Association in London. Lee Yiok Seng is a director of Hong Leong Holdings Limited, a property investment and development company, since 1997. He is also the director of HL Suntek Insurance Brokers Pte Ltd and of various companies in Singapore, PRC and Hong Kong that are mainly engaged in property development or property investment activities. Lee Yiok Seng graduated with a Bachelor of Science from the Nanyang University in Singapore in 1965.

Ong Tiong Siew, a co-founder of our Group and our Executive Director and CEO, was appointed as a Director of our Company on 28 February 2008. Ong Tiong Siew is responsible for the formulation of our Group's strategic direction and expansion plans, and the management of our Group's overall business development. Ong Tiong Siew has more than 28 years of experience in the area of civil engineering and foundation business, having worked in various construction related companies, including QBS System Pte. Ltd, Chee Hup Construction Pte. Ltd., Soh Beng Tee Civil Engineering Pte Ltd, ECA Construction Pte Ltd and Kiso Engineering before he formed Ryobi Singapore in 1990 where as its director, he has been responsible for the overall management of the operations, expansion plans and business development of Ryobi Singapore.

DIRECTORS, MANAGEMENT AND STAFF

Ong Tiong Siew was a merit Scholar of the Government of the Republic of Singapore. During his services with the government, Ong Tiong Siew participated in feasibility studies, master planning and implementation of national infrastructure projects. Ong Tiong Siew graduated from the National University of Singapore with a Bachelor of Engineering (Civil) in 1981.

Ong Teng Choon, our Executive Director, was appointed as a Director of our Company on 28 February 2008. He is in charge of the Procurement and Resources Planning Departments and is responsible for overseeing the procurement and resources planning which includes appointment of sub contractors, allocation of resources, procurement of materials/equipment and logistics. Ong Teng Choon has more than 25 years of experience in the area of civil engineering and foundation business, having worked in various construction related companies, including Kong Siong Construction Pte Ltd, ECA Construction Pte Ltd and Kiso Engineering. In October 2007, prior to his appointment as Director, he was appointed a director of Ryobi Singapore and was responsible for overall co-ordination and general management of Ryobi Singapore's piling projects, including the appointment of sub-contractors and the procurement of machinery, equipment and accessories. Between 1990 and 2007, he was employed by Ryobi Singapore, first as its senior project manager in 1990 where he was responsible for resources and project management and as its general manager from 2002. As general manager, Ong Teng Choon was responsible for procurement and overall management of the company. Between 1998 to 1990, he was appointed project manager by Kiso Engineering and was responsible for overall management of projects.

Ong Teng Choon graduated with a Bachelor of Civil Engineering from the National University of Singapore in 1983 and is a senior member of the IES.

Lai Chin Yee was appointed as our Lead Independent Director on 7 December 2009. Lai Chin Yee has more than 20 years of experience in auditing, taxation, finance and accounting. She started her career in 1987 as a Graduate Assistant in KPMG LLP (Singapore), where she was later promoted to audit supervisor before being seconded to KPMG (Melbourne) in 1991. In 1993, she was promoted to audit manager. Subsequently, she joined Arthur Andersen, Shanghai in July 1997 as a senior audit manager. She later rejoined KPMG LLP (Singapore) in July 1998 as a senior audit manager. In May 2000, she joined Qian Hu Corporation Limited, a Singapore listed company, as the group financial controller and Company Secretary. She is currently the finance director of Qian Hu Corporation Limited, where she is responsible for overseeing the accounting, finance, treasury and taxation functions of the company and for ensuring the company's compliance with accounting standards in the countries it operates in. She is also the lead independent director of China Sports International Limited, a company listed on SGX-ST. From December 2006 to August 2007, she was appointed by the Ministry of Finance as a Council Member of the Council on Corporate Disclosure and Governance (CCDG). She is a member of the CFO Committee of the Institute of Certified Public Accountant of Singapore since May 2009. Lai Chin Yee graduated with a Bachelor degree in Accountancy from the National University of Singapore in 1987 and is a Fellow of the Institute of Certified Public Accountant of Singapore (FCPA). In 2009, Lai Chin Yee was awarded Chief Financial Officer of the Year award (for companies listed on the SGX-ST with less than \$300 million in market capitalisation).

Lau Teik Soon was appointed as our Independent Director on 7 December 2009. Lau Teik Soon is presently a sole proprietor of Lau TS & Associates, a firm of advocates and solicitors in Singapore. He was a partner with Lau & Gur from August 2005 to March 2009, Lau Teik Soon & Partners from October 2002 to July 2005 and Ong & Lau from May 1998 to September 2002, respectively. He has been in legal practice since 1998 when he was called as an Advocate and Solicitor by the Supreme Court of Singapore. During the course of his work, Lau Teik Soon has been involved in various areas of practice, including construction law. In particular, he has relevant experience in dealing with insurance and contract claims in the construction industry during the course of his work.

DIRECTORS, MANAGEMENT AND STAFF

He was an elected Member of Parliament of Singapore from 1976 to 1996. Between 1972 to 1995, he lectured at the National University of Singapore and left the university where he was Associate Professor in the Department of Political Science.

Lau Teik Soon has been a Member of the Chartered Institute of Arbitrators in London since 2004. He has the following academic qualifications: First Class Honours in History (University of Singapore, 1966), Doctor of Philosophy in International Relations (Australian National University, 1972), Second Class Honours in Law (University of London, 1994), Barrister at law (Lincoln's Inn, London 1996), Postgraduate Diploma in Criminal Justice Studies (University of Leicester, 2001) and Professional Certificate in Arbitration (University of Adelaide, 2006).

Our Non-Executive Director and Chairman, Lee Yiok Seng and Independent Directors, Lai Chin Yee and Lau Teik Soon, have prior experience as directors of public listed companies in Singapore. Our Executive Directors, Ong Tiong Siew and Ong Teng Choon, do not have prior experience as director of public listed companies in Singapore. However, they have attended the briefings and courses in relation to the roles and responsibilities of a director of a company listed on the SGX-ST.

DIRECTORS, MANAGEMENT AND STAFF

The list of past and present directorships of our Directors, excluding those held in our Company for the past five years is set out below:

| Directors | List of Present Directorships | List of Past Directorships |
|------------------|--|--|
| Lee Yiok Seng | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>Hong Leong Holdings Limited Upnorth Development Pte. Ltd. HL Suntek Insurance Brokers Pte Ltd Tung Chung Station Development Co Ltd Rich Fook Development Ltd Polyoung Limited Hong Leong (Beijing) Investment Consultant Co Ltd Beijing Hong Gong Garden Villa House Property Development Co Ltd Wellfind Holdings Ltd</p> | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>Eagle Brand Holdings Ltd</p> |
| Ong Tiong Siew | <p><i>Group Companies</i></p> <p>Raffles Piling Singapore Pte. Ltd. Ryobi Geoproducts Pte. Ltd. Ryobi Geotechnique International Pte. Ltd. Ryobi Geotechnique Pte Ltd Ryobi Ground Engineering Pte. Ltd. Ryobi Machinery Pte Ltd Ryobi Kiso (S) Pte. Ltd. Ryobi Geotechnique (M) Sdn. Bhd. Ryobi-Kiso (M) Sdn. Bhd. Ryobi Geomonitoring Pte. Ltd. Ryobi Geosystems Pte. Ltd. Ryobi Geotech Pte. Ltd. Raffles Piling Vietnam Company Ltd</p> <p><i>Other Companies</i></p> <p>Ryobi International Pte. Ltd. Seafco-Ryobi Pte. Ltd. Kiso Engineering (S) Pte Ltd Compile-Ryobi Australia Pty Ltd Tanglin Capital Pte Ltd Zedos International (Pte) Ltd Ryobi Investments (Aust) Pty Ltd Seagull Aquaculture Import & Export Sdn. Bhd. Tansland Sdn. Bhd.</p> | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>Douglas Mckinsey Construction Engineering Pte Ltd Douglas Mckinsey Trading Pte Ltd Pacific Commercial Training Centre Pte Ltd ECGain Pte Ltd</p> |

DIRECTORS, MANAGEMENT AND STAFF

| Directors | List of Present Directorships | List of Past Directorships |
|------------------|---|---|
| Ong Teng Choon | <p><i>Group Companies</i></p> <p>Ryobi Kiso (S) Pte. Ltd. Raffles Piling Singapore Pte. Ltd. Ryobi Geoproducts Pte. Ltd. (alternate Director) Ryobi-Kiso (M) Sdn. Bhd. Ryobi Ground Engineering Pte. Ltd. Ryobi Geomonitoring Pte. Ltd. Ryobi Geosystems Pte. Ltd. Ryobi Geotech Pte. Ltd.</p> <p><i>Other Companies</i></p> <p>Seafoo-Ryobi Pte. Ltd. (alternate Director) Kiso Engineering (S) Pte Ltd Tanglin Capital Pte Ltd Ryobi Investments (Aust) Pty Ltd</p> | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>Douglas Mckinsey Construction Engineering Pte Ltd</p> |
| Lai Chin Yee | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>China Sports International Limited Qian Hu Corporation Limited</p> | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>Nil</p> |
| Lau Teik Soon | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>TMC Education Corporation Ltd Hock Lian Seng Holdings Limited</p> | <p><i>Group Companies</i></p> <p>Nil</p> <p><i>Other Companies</i></p> <p>Hock Lian Seng Infrastructure Pte. Ltd. Loyal Oil Services Pte Ltd Eagle Brand Holdings Ltd</p> |

DIRECTORS, MANAGEMENT AND STAFF

EXECUTIVE OFFICERS

The day-to-day operations of our group are entrusted to our Executive Officers whose particulars are detailed below:

| Name | Age | Address | Current Occupation |
|---------------|-----|--|--|
| Tan Ghee Hwa | 52 | 77 Jalan Leban Singapore 577614 | Director of Corporate Planning, Human Resource and Administration |
| Loh Chye Aik | 50 | Block 554 Choa Chu Kang North 6 #11-42 Singapore 680554 | General Manager |
| Lau Chin Choo | 49 | 139 Serangoon Avenue 3 #02-07 The Springbloom Singapore 556119 | Assistant General Manager (Contracts) |
| Tng Siew Khim | 41 | Block 437 Choa Chu Kang Avenue 4 #06-493 Singapore 680437 | Financial Controller |

Tan Ghee Hwa is the sister-in-law of the spouse of Ong Teng Choon.

The business and working experience of our Executive Officers are as follows:

Tan Ghee Hwa is the Director of Corporate Planning, Human Resource and Administration of our Group. She joined our Group as Chief Financial Officer in December 2007 and was responsible for administration, finance and human resource related matters. She was promoted to her current position on 1 April 2009. Tan Ghee Hwa is in charge of our Corporate Planning Department and our Human Resource and Administration Department and is responsible for our Group's planning, development and evaluation of our Group's business development and expansion plans, human resource and administration matters. Tan Ghee Hwa has more than 30 years of experience in the area of audit, accounting and finance, having worked in various companies. From 1976 to 1982, she worked as an audit supervisor with public accountancy firms such as Kan & Co. and KPMG LLP (formerly known as Peat Marwick Mitchell & Co), where she was in charge of auditing assignments. From 1982 to 1983, Tan Ghee Hwa was engaged as an accountant in Petromin Publishing Pte Ltd, where she was in charge of the group's accounts department.

From 1984 to 1995, she was the head of Finance & Accounts of Swens Asia Pacific Ltd, now known as ABR Holdings Ltd. Tan Ghee Hwa assisted ABR Holdings Ltd in its listing exercise. From 1995 to 1997, she was the Financial Controller for Meiban Plastic Ltd, where she was primarily responsible for formulating and implementation of internal control and accounting systems for the company. From 1998 to 2007, Tan Ghee Hwa worked with Specialist Technology Pte Ltd as a Financial Consultant providing financial consultancy services to various companies including Ryobi Singapore.

Tan Ghee Hwa attained her certification by the Association of Chartered Certified Accountants in 1981. She is presently a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Member of the Institute of Certified Public Accountants of Singapore (CPA).

DIRECTORS, MANAGEMENT AND STAFF

Loh Chye Aik was appointed as the General Manager of our Group in May 2008. He is in charge of our Technical and Project & Operations Departments and is responsible for providing general management for overall project operations of our Group. Prior to joining our Group, he was the business development manager of Lai Yew Seng Pte Ltd providing technical and managerial support from 2007 to 2008, the senior project manager responsible for the construction, completion and proposal of projects in Greatearth Construction Pte Ltd from 1997 to 2007 and the general manager overseeing the sourcing of funds, design and planning, liaison, market research and marketing functions for Kamikaya Sdn Bhd from 1995 to 1996. In all, Loh Chye Aik has more than 20 years of experience in the area of project management in the construction industry.

Loh Chye Aik graduated from the National University of Singapore with a Bachelor Degree in Civil Engineering (First Class Honour) in 1984 and obtained his Master Degree in Business Administration from the National University of Singapore in 1997.

Lau Chin Choo has served as the Assistant General Manager (Contracts) of Ryobi Singapore since 2002 and is in charge of our Contracts Department and is responsible for overseeing the overall marketing and contracting functions of our Group. From 1997 to 2002, he was the senior contracts manager for Econ Corporation International Ltd and was responsible for its overall contracting functions.

Lau Chin Choo had graduated with a Graduate Diploma in Civil Engineering from Singapore Polytechnic in 1985 and was awarded a Diploma in Financial Management from Singapore Institute of Management in 2002.

Tng Siew Khim is the Financial Controller of our Group and reports directly to our CEO. She joined our Group in March 2008 as Finance Manager and was promoted to her current position on 1 April 2009. Tng Siew Khim is responsible for all of our Group's financial and accounting matters. Tng Siew Khim has more than ten years of experience in the area of audit, accounting and finance, having worked in various companies, including Foo Kon Tan Grant Thornton (formerly known as Foo, Kon & Tan), Lubrizol Southeast Asia (Pte) Ltd ("Lubrizol") and Merck, Sharp & Dohme (formerly known as MSD Technology Pte Ltd).

Tng Siew Khim was the finance manager in Hean Nerng Holdings Private Limited ("Hean Nerng"), a leasing and subletting of land and warehouse company, in 2006. Hean Nerng is also involved in vehicle logistic business. From 2007 to 2008, she was a senior financial analyst with Merck, Sharp & Dohme. From 2000 to 2005 and from 1996 to 2000, she was an accountant with Lubrizol and Wilmax Control Systems Pte Ltd ("Wilmax") respectively. Lubrizol is a specialty chemical company. Wilmax, on the other hand, provides control automation and process packages for oil and gas and petrochemical industries. At Wilmax and Hean Nerng, she was in charge of the finance department while at Lubrizol, she supervised the team of finance staff for its Singapore and Indonesia offices.

Tng Siew Khim attained her certification by the Association of Chartered Certified Accountants in 2000. She is presently a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Member of the Institute of Certified Public Accountants of Singapore (CPA).

DIRECTORS, MANAGEMENT AND STAFF

The list of present and past directorships of our Executive Officers for the past five years is set out below:

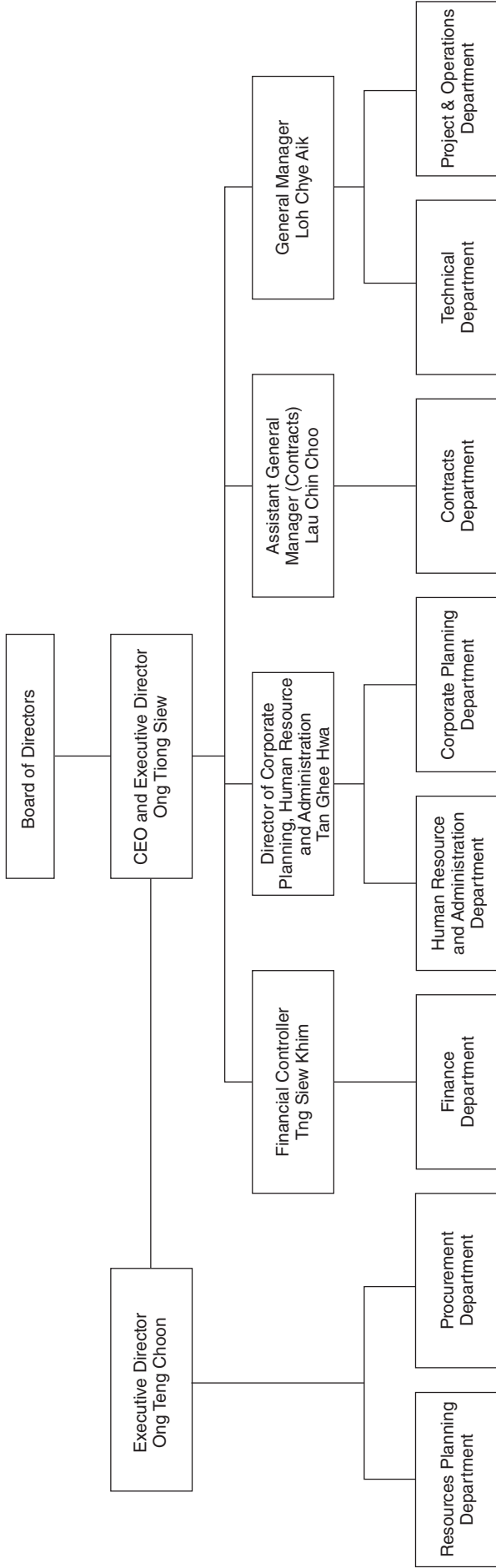
| Executive Officers | List of Present Directorships | List of Past Directorships |
|---------------------------|--|---|
| Tan Ghee Hwa | <i>Group Companies</i> Nil <i>Other Companies</i> Specialist Technology Pte Ltd | <i>Group Companies</i> Nil <i>Other Companies</i> Soil Technology Pte Ltd (Struck-off) |
| Loh Chye Aik | <i>Group Companies</i> Nil <i>Other Companies</i> Nil | <i>Group Companies</i> Nil <i>Other Companies</i> Asglow PMS Private Limited Eco Wall Pte. Ltd. |
| Lau Chin Choo | <i>Group Companies</i> Nil <i>Other Companies</i> Bluewave Interior Design and Contracts Pte Ltd | <i>Group Companies</i> Nil <i>Other Companies</i> Nil |
| Tng Siew Khim | <i>Group Companies</i> Nil <i>Other Companies</i> Nil | <i>Group Companies</i> Nil <i>Other Companies</i> Nil |

Save as disclosed above, none of our Directors and Executive Officers is related to each other or to our Substantial Shareholder. To the best of our knowledge and belief, there are no arrangements or undertakings with any customers, suppliers or others, pursuant to which any of our Directors and Executive Officers was appointed.

DIRECTORS, MANAGEMENT AND STAFF

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out as follows:



DIRECTORS, MANAGEMENT AND STAFF

STAFF

As at 30 June 2009, we have 387 full-time employees. We do not experience any significant seasonal fluctuations in our number of full time employees.

Our employees are mainly based in Singapore. Our employees are not unionised. We believe the relationships between the management and staff have been good and are expected to continue in the future. To our Directors' knowledge, there has not been any incidence of labour disputes or work stoppages which affected our operations.

The functional distribution of our full-time employees as at FY2007, FY2008 and FY2009 are as follows:

| Function | FY2007 | FY2008 | FY2009 |
|--|------------|------------|------------|
| Management ⁽¹⁾ | 6 | 9 | 9 |
| Manager | 5 | 10 | 16 |
| Projects | 44 | 68 | 88 |
| Tender and Contracts | 4 | 5 | 6 |
| Administration, Purchasing and Finance | 12 | 16 | 16 |
| Construction workers ⁽²⁾ | 125 | 209 | 252 |
| Total full time employees | 196 | 317 | 387 |

Notes:

(1) Management includes Executive Directors and Executive Officers.

(2) This excludes site labour provided by our sub-contractors.

As at the Latest Practicable Date, our Group had no temporary employees.

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The compensation paid to our Directors and our four key executives (including benefits-in-kind and bonuses) for services rendered to us and our subsidiary on an individual basis and in remuneration bands of \$250,000 during FY2008 and FY2009 and the estimated remuneration for the current FY2010 are set out below:

| Directors | FY2008 | FY2009 | FY2010 |
|---------------------------|--------|--------|--------|
| Lee Yiok Seng | (4) | (4) | Band A |
| Ong Tiong Siew | Band C | Band C | Band C |
| Ong Teng Choon | Band C | Band C | Band C |
| Lai Chin Yee | (4) | (4) | Band A |
| Lau Teik Soon | (4) | (4) | Band A |
| Executive Officers | | | |
| Tan Ghee Hwa | Band A | Band A | Band A |
| Loh Chye Aik | Band A | Band A | Band A |
| Lau Chin Choo | Band A | Band A | Band A |
| Tng Siew Khim | Band A | Band A | Band A |

DIRECTORS, MANAGEMENT AND STAFF

Notes:

- (1) Band A means from \$0 up to \$249,999.
- (2) Band B means from \$250,000 up to \$499,999.
- (3) Band C means more than \$499,999.
- (4) Not in our employment during the relevant periods.

Save as disclosed under the section entitled "Service Agreements" of this Prospectus, no compensation was paid or is to be paid to any of our Directors or Executive Officers in FY2007, FY2008 or FY2009 pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement.

No compensation was paid or is to be paid in the form of stock options to any of our Directors, Executive Officers or any of our employees.

As at the Latest Practicable Date, save as required for compliance with the applicable laws, we have not set aside or accrued any amounts for our Directors and Executive Officers to provide for pension, retirement or similar benefits.

REMUNERATION OF EMPLOYEES RELATED TO OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Our Executive Directors, Ong Tiong Siew and Ong Teng Choon are responsible for the day-to-day operations of our Group. Ong Tiong Siew and Ong Teng Choon are siblings. They are supported by a team of Executive Officers, including Tan Ghee Hwa, Director of Corporate Planning, Human Resource and Administration. Tan Ghee Hwa is the sister-in-law of the spouse of Ong Teng Choon. Current employees who are related to our Executive Directors and Controlling Shareholders are Ong Yee Khong, a director of Ryobi Machinery, and Ong Lee Choo, an administrative executive of Ryobi Machinery. Ong Yee Khong is the brother of Ong Tiong Siew and Ong Teng Choon and Ong Lee Choo is the aunt of Ong Tiong Siew and Ong Teng Choon. Lee Yiok Seng, our Non-Executive Director and Chairman, is the brother-in-law of Ong Huay Chin, who is the sister of Ong Tiong Siew and Ong Teng Choon.

For FY2007, FY2008 and FY2009, the aggregate remuneration of employees who are related to our Directors and Substantial Shareholders amounted to approximately \$253,600, \$323,690 and \$214,897 respectively.

These employees are namely:

| Name | Company | Position Held | Relationship With Our Directors |
|------------------------------|-----------------|--------------------------|---|
| Ong Yee Khong | Ryobi Machinery | Director | Brother of Ong Tiong Siew and Ong Teng Choon |
| Ong Siew Hoon ⁽¹⁾ | Ryobi Machinery | Account Assistant | Sister of Ong Tiong Siew and Ong Teng Choon |
| Ong Lee Choo | Ryobi Machinery | Administrative Executive | Aunt of Ong Tiong Siew and Ong Teng Choon |
| Lim Seow Him ⁽¹⁾ | Ryobi Machinery | Administrative Clerk | Spouse of Ong Yee Khong, brother of Ong Tiong Siew and Ong Teng Choon |

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| Name | Company | Position Held | Relationship With Our Directors |
|-------------------------------|-----------------|--------------------------|---|
| Wong Soon Choo ⁽¹⁾ | Ryobi Machinery | Consultant | Spouse of Ong Tiong Siew |
| Ong Huay Chin ⁽¹⁾ | Ryobi Singapore | Administrative Executive | Sister of Ong Tiong Siew and Ong Teng Choon |

Note:

(1) Resigned as at 30 June 2008.

The remuneration of the employees who are related to our Directors and Controlling Shareholders (if any) shall be subject to the annual review and majority approval of the Remuneration Committee and disclosed in our annual reports.

SERVICE AGREEMENTS

Our Company has entered into separate service agreements (“Service Agreements”) with Ong Tiong Siew and Ong Teng Choon (collectively, the “Appointees”) for an initial period of three years with effect from the date our Company is admitted to the Official List of the SGX-ST. After the said initial period, the Service Agreements will continue for a further term of three years unless otherwise terminated by either party giving not less than six months’ notice in writing to the other or in lieu of notice, payment of an amount equivalent to six months’ salary based on the Appointee’s last drawn monthly salary. Our Group may also terminate the employment of the Appointee without notice or payment in lieu of notice if the Appointee:

- (a) is guilty of any gross misconduct;
- (b) breach any of the material provisions of this Agreement;
- (c) commit any act of criminal breach of trust or dishonesty;
- (d) become bankrupt or make any arrangement or composition with his creditors generally; or
- (e) become permanently incapacitated.

Under the terms of the Service Agreements, Ong Tiong Siew and Ong Teng Choon are entitled to annual salaries of \$504,000 and \$396,000 respectively, for the first year of their appointment. The Company will review the salary on an annual basis commencing at the end of the first year of their appointment.

In addition, our Company shall pay each of Ong Tiong Siew and Ong Teng Choon an incentive bonus based on our Group’s PBT. For this purpose, “PBT” refers to the audited consolidated profit before income tax and before profit sharing (after excluding non-recurring exceptional items and extraordinary items) but before minority interests of the Group for the relevant financial year.

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Under the Service Agreements, the amount of incentive bonus is determined as follows:

| PBT | Rate of Incentive Bonus | |
|------------------------------|--|--|
| | Ong Tiong Siew | Ong Teng Choon |
| First \$7,500,000 | Nil | Nil |
| \$7,500,001 to \$15,000,000 | 2.5% of PBT in excess of \$7.5 million | 1.5% of PBT in excess of \$7.5 million |
| \$15,000,001 to \$30,000,000 | \$187,500 plus 3.0% of PBT in excess of \$15.0 million | \$112,500 plus 2.0% of PBT in excess of \$15.0 million |
| \$30,000,001 to \$40,000,000 | \$637,500 plus 3.5% of PBT in excess of \$30.0 million | \$412,500 plus 2.5% of PBT in excess of \$30.0 million |
| Above \$40,000,000 | \$987,500 plus 4.0% of PBT in excess of \$40.0 million | \$662,500 plus 3.0% of PBT in excess of \$40.0 million |

All travelling (including business class airfare), hotel, entertainment and other expenses reasonably incurred by Ong Tiong Siew and Ong Teng Choon, in the process of discharging their duties on behalf of our Group will be borne by our Company. Both Ong Tiong Siew and Ong Teng Choon are each entitled to the personal use of a company car not above 3,500 cc and the reimbursement of all running expenses relating to the use of the cars.

Each of Ong Tiong Siew and Ong Teng Choon are also entitled to the benefits of membership of not more than two country clubs and the reimbursement of subscription fees and all expenses incurred in the use of such club memberships.

Under the Service Agreements, the incentive bonuses of the Appointees are subject to review by the Remuneration Committee annually. The relevant Appointee shall abstain from voting in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of his Service Agreement.

Under the Service Agreements, each Appointee has covenanted not to, and will procure that their Associates will not, except with our Company's prior written consent:

- (a) solicit, interfere with or entice away from our Group any person who is or has been (i) a client, customer or employee; (ii) in commercial negotiations with our Group; or (iii) visited by the Appointee for the purpose of ascertaining the possibility of doing business with our Group;
- (b) carry on or be engaged or concerned or interested directly or indirectly in any business in direct competition of our Group;
- (c) act as a director or otherwise of any other person, firm or company engaging in business which is in competition of our Group; or
- (d) solicit or entice or attempt to solicit or entice away from our Group any person who was employed in an executive, technical or managerial capacity,

during his employment with our Company and for a period of 12 months thereafter.

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In addition, under the Service Agreements, each Appointee shall not, and will procure that their Associates will not for as long as he remains (i) a director of our Company (or any company within our Group); and/or (ii) a shareholder with an interest of 5.0% or more (whether direct or indirect) in the voting shares of our Company:

- (a) have any interest directly or indirectly in an entity whose business competes with the business of our Group (save for interest not exceeding 5.0% in any securities of any corporation listed or quoted on any stock exchange notwithstanding that such corporation may be engaging in a business which may compete directly or indirectly with the business of our Group); or
- (b) carry on or be engaged or interested directly or indirectly in any capacity in any other business, trade or occupation, except those which does not compete with the business of our Group or which does not hinder or interfere with the performance of his duties or which may conflict with the interests and business of the Group.

Had the Service Agreements been in effect for FY2009, the aggregate remuneration (including contributions, bonus and benefits-in-kind) payable to Ong Tiong Siew and Ong Teng Choon would decrease by approximately \$700 and there would be no significant change to the profit before taxation of our Group for FY2009.

Save as disclosed above, there is no other existing or proposed service agreements between our Company or our subsidiary companies and any of our Directors.

RYOBI KISO SHARE AWARD SCHEME

On 13 January 2010, our Shareholders approved and adopted the RKSAS. The RKSAS conforms to the requirements as set out in Chapter 8 Part VIII of the Listing Manual.

As at the Latest Practicable Date, no Award has been granted under the RKSAS.

Objectives of and rationale for the RKSAS

The objectives of the RKSAS are as follows:

- (a) to motivate the Selected Persons to achieve performance targets and to maintain a high level of contribution to our Group;
- (b) to retain key employees whose contributions are essential to the long term growth and profitability of our Group;
- (c) to instill loyalty to, and a stronger identification by the Selected Persons with the long-term prosperity of our Group;
- (d) to give recognition to the contribution of the Selected Persons to the success of our Group and motivating them to continue to so contribute and grow with our Group;
- (e) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders;
- (f) to align the interests of the Selected Persons with the interests of our Shareholders; and

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- (g) to inculcate in all Selected Persons a stronger and more lasting sense of identification with our Group.

The rationale for adopting the RKSAS is to give our Company greater flexibility to align the interests of employees, especially key executives, with those of our Shareholders. It is also intended to reward, retain and motivate employees to achieve superior performance which creates and enhances economic value for our Shareholders. A performance target based Award may be granted.

As the Shares will be issued free under the RKSAS, Selected Persons would receive the same benefit from an Award in respect of fewer Shares as they would receive from if share options were granted instead in respect of a larger number of Shares. The RKSAS would therefore allow our Company to provide the incentive to employees while reducing the dilutive effect on Shareholders.

The Awards given to a particular Selected Person will be determined at the discretion of the Committee, who will take into account factors such as the Selected Person's capability, scope of responsibility, skill and vulnerability to leaving the employment of our Group. In deciding on an Award to be granted to a Selected Person, the Committee will also consider all aspects of the compensation and/or benefits given to the Selected Person and such other share-based incentive schemes of our Company, if any. The Committee may also set specific criteria and performance targets for each of its business units, taking into account factors such as (i) our Company's and our Group's business goals and directions for each financial year; (ii) the Selected Person's actual job scope and responsibilities; and (iii) the prevailing economic conditions.

Summary of the RKSAS

The principal terms of the RKSAS are summarised and set out below and the rules of the RKSAS are set out in Appendix F of this Prospectus.

Eligibility

The following persons shall be eligible to participate in the RKSAS:

- (a) Group Employees who have attained the age of 21 years on or before the Date of Grant;
- (b) Group Executive Directors; and
- (c) Group Non-Executive Directors (including Independent Directors) who, in the opinion of the Committee, have contributed or will contribute to the success of our Group.

Group Employees, Group Executive Directors and Group Non-Executive Directors who are also Controlling Shareholders or Associates of a Controlling Shareholder are also eligible to participate in the RKSAS provided that the terms of each grant and the actual number of Awards granted under the RKSAS to a Selected Person who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in a separate resolution.

The participation of such eligible Controlling Shareholders or Associates of a Controlling Shareholder is subject to the following:

- (a) the aggregate of the number of Award Shares comprised in Awards granted to Controlling Shareholders or Associate(s) of a Controlling Shareholders under the RKSAS shall not exceed 25.0% of the aggregate of the total number of Award Shares (comprised in Awards) which may be granted under the RKSAS; and

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- (b) the aggregate of the number of Award Shares in respect of Awards granted to each Controlling Shareholder or Associate(s) of a Controlling Shareholder shall not exceed 10.0% of the total number of Award Shares (comprised in Awards) which may be granted under the RKSAS.

Awards

Awards represent the right of a Selected Person to receive fully paid Shares free of charge, upon the Selected Person achieving prescribed performance targets. Performance targets set under the RKSAS are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth. Examples of performance targets to be set include targets based on criteria such as sales growth, earnings per share, share price and return on investment.

The selection of a Selected Person and the number of Shares which are the subject of each Award to be granted to a Selected Person in accordance with the RKSAS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of our Group and the extent of effort required to achieve the performance target within the performance period.

The Committee shall decide, in relation to each Award to be granted to a Selected Person:

- (a) the date on which the Award is to be vested;
- (b) the number of Award Shares which are the subject of the Award;
- (c) the prescribed performance target(s);
- (d) the prescribed vesting periods;
- (e) the performance period during which the prescribed performance target(s) are to be satisfied;
- (f) the extent to which the Award Shares under that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period and upon the expiry of the prescribed vesting period. No Award Shares under the Award shall be released for the portion of the prescribed performance target(s) which is not satisfied by the Selected Person at the end of the prescribed performance period and upon the expiry of the prescribed vesting period; and
- (g) such other conditions which the Committee may determine in relation to that Award.

Awards may be granted at any time in the course of a financial year. An Award letter confirming the Award and specifying, *inter alia*, in relation to the Award, number of Award Shares which are the subject of the Award, the prescribed performance target(s) and the performance period during which the prescribed performance target(s) are to be satisfied, and the vesting period (the length of which will be determined on a case-by-case basis by the Committee), will be sent to each Selected Person as soon as reasonably practicable after the making of an Award.

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Special provisions for the vesting and lapsing of Awards apply in certain circumstances, including the following:

- (1) the termination of the employment of a Selected Person;
- (2) the ill health, injury, disability or death of a Selected Person;
- (3) the bankruptcy of a Selected Person;
- (4) the misconduct of a Selected Person; or
- (5) a take-over, winding-up or reconstruction of our Company.

Size and duration of the RKSAS

The aggregate number of Award Shares to be delivered pursuant to the vesting of the Awards on any date, when added to the number of Shares issued and/or issuable under such other share-based incentive plans of our Company, shall not exceed 15.0% of the total number of issued Shares of our Company (excluding treasury shares) on the day preceding that date.

Our Company is of the view that the size of the RKSAS is sufficient to give the Committee flexibility to grant Awards in view of the likely number of Selected Persons, the total number of Shares in the capital of our Company and the duration of the RKSAS. The size of the RKSAS allows a larger pool of persons to participate in the RKSAS and give greater flexibility to our Company in the structuring of incentive packages. The number of Selected Persons is expected to grow over the years as our Company has a long-term expansion plan where more employees may be employed and be eligible to participate in the RKSAS. In addition, our Group, in line with its goal of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool.

The RKSAS shall continue in force at the discretion of the Committee, subject to a maximum period of ten years commencing on 13 January 2010 being the date the RKSAS is adopted by our Company in general meeting, provided always that the RKSAS may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the RKSAS, any Awards made to Selected Persons prior to such expiry or termination will continue to remain valid.

Operation of the RKSAS

Subject to prevailing legislation and SGX-ST Guidelines, our Company will have the flexibility to deliver Award Shares to Selected Persons upon vesting of their Awards by the following means as it deems fit in its sole and absolute discretion:

- (a) the allotment and issue to each Selected Person of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance;
- (b) delivering existing Shares to the Selected Person, whether such existing Shares are acquired pursuant to a share purchase mandate or (to the extent permitted by law) held as treasury shares or otherwise; and/or
- (c) payment of the aggregate Market Price of the Award Shares in cash in lieu of allotment or transfer.

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For the purpose of this section, “**Market Price**” means the average of the last dealt prices for Shares on the SGX-ST for the five (5) consecutive Market Days immediately preceding the relevant date of grant for which there was trading in Shares.

In determining whether to issue new Shares, to deliver existing Shares and/or pay the aggregate Market Price in cash to Selected Persons upon release of their Awards, our Company shall take into account factors such as (but not limited to) the amount of cash available, the number of Award Shares to be delivered, the prevailing Market Price of the Shares and the cost to our Company of the various modes of settlement.

New Shares allotted and issued on the release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The “aggregate Market Price” of the Award Shares to be paid to a Selected Person in lieu of allotment or transfer, shall be calculated in accordance with the following formula:

$$A = B \times C$$

Where:

- A is the aggregate Market Price of the Award Shares to be paid to the Selected Person in lieu of all or some of the Award Shares to be issued or transferred upon the Release of an Award;
- B is the Market Price of each Share; and
- C is such number of Shares (as determined by the Committee in its sole and absolute discretion) to be issued or transferred to a Selected Person upon the release of an Award in accordance with the rules of the RKSAS.

The Committee shall have the discretion to amend or waive the prescribed performance target, the prescribed performance period and the prescribed vesting period or any of them in respect of any Award and the Committee shall notify the Selected Person of such amendment or waiver (but accidental omission to give notice to any Selected Person(s) shall not invalidate any such amendment or waiver).

Variation of Capital

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution) shall take place, then:

- (a) the class and/or number of Award Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Award Shares over which future Awards may be granted under the RKSAS,

shall be adjusted in such manner as the Committee may determine to be appropriate.

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Unless the Committee considers an adjustment to be appropriate:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles entitling holders of such options or convertibles to acquire Shares in the capital of our Company;
- (c) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; and
- (d) the increase in the issued share capital of our Company as a consequence of the delivery of Award Shares pursuant to the vesting of the Awards from time to time by our Company or through any other share-based incentive schemes implemented by our Company,

shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors of our Company (acting only as experts and not arbitrators) to be in their opinion, fair and reasonable.

Modifications or Alterations to the RKSAS

The rules of RKSAS may be modified and/or altered from time to time by a resolution of the Committee, subject to compliance with the Listing Manual and such other applicable regulations by any authority as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Selected Persons under the RKSAS who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued in full pursuant to all outstanding Awards under the RKSAS.

No alteration shall be made to the rules of the RKSAS to the advantage of the Selected Persons except with the prior approval of Shareholders in general meeting.

Financial Effects of the RKSAS

Cost of Awards

As Selected Persons are not required to pay for the grant of the Awards, such grant of Awards will have a financial effect on our Company.

The Singapore Financial Reporting Standards (“FRS”) 102 issued by the Council on Corporate Disclosure and Governance is effective for the financial statements of our Company for the financial year beginning 1 January 2005. FRS 102 requires the recognition of an expense in respect of Awards granted under the RKSAS. The expenses will be based on the fair value of the Awards at the date of the grant and will be recognised over the expected vesting period. However, no expense will ultimately be recognised for any Awards granted that do not vest because of failure to satisfy the vesting conditions.

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In accordance with FRS102 “Share-based payment”, paragraph 15, our Company shall account for the grant of award during the vesting period, with a corresponding increase in equity. Per FRS102, paragraph 19, on a cumulative basis, no amount is recognised for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition. Also, per FRS102, paragraph 20, our Company shall recognise an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary. Therefore, the grant of Award is recognised to income statement over the expected vesting period. If an employee leaves before end of vesting period, our Company should revise the estimated number of equity instruments expected to vest.

Details of the financial effects of the RKSAS

The following sets out the financial effects of the RKSAS:

(a) Share capital

The RKSAS will result in an increase in our Company’s issued share capital only if new Shares are issued to Selected Persons. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the RKSAS. However, if existing Shares are purchased for delivery to Selected Persons in lieu of issuing new Shares to Selected Persons, the RKSAS will have no impact on our Company’s issued share capital.

(b) NTA

As described below, the RKSAS will result in a charge to our Company’s and Group’s income statement equal to the market value at which the new Shares are issued or the existing Shares are purchased to meet delivery under the Awards. If new Shares are issued under the RKSAS, the NTA of our Group and our Company would decrease by the amount charged. If existing Shares are purchased for delivery to Selected Persons, the NTA of our Group and our Company would decrease by the amount charged.

Although the RKSAS will result in a charge to our income statement of our Company and our Group, it should be noted that Awards are granted only on a selective basis and will be granted to Selected Persons whom our Company believes would have contributed or will contribute significant value in its success including financial performance. In particular, the grant of Awards and delivery of Award Shares to Selected Persons of the RKSAS, are contingent upon the Selected Persons meeting prescribed Performance Targets. Therefore Selected Persons would have contributed to or will contribute to significant value add to the NTA of our Company and our Group before the Awards are granted and Shares delivered.

(c) EPS

The RKSAS will result in a charge to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards. Although the RKSAS will have a dilutive impact (to the extent that new Shares are issued pursuant to the RKSAS) on the EPS of our Company and our Group, it should again be noted that the delivery of Shares to Selected Persons under the RKSAS will generally be contingent upon the Selected Persons meeting the prescribed performance targets and conditions. Accordingly, the earnings of our Company and our Group should have grown before the Awards are granted and Shares delivered.

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(d) Dilutive impact

It is expected that any dilutive impact of the RKSAS on the NTA and the EPS would not be significant.

Rationale for participation of Controlling Shareholders and their Associates

Although the Controlling Shareholders of our Company or their Associates may already have shareholding interests in our Company, the extension of the RKSAS to include them ensures that they are equally entitled, with other eligible directors and employees of our Group and Associated Companies who are not Controlling Shareholders of our Company or their Associates, to take part and benefit from this system of remuneration. Our Company is of the view that our Company should have a fair and equitable system to reward eligible Directors and employees who have made and continue to make important contributions to the long-term growth of our Group and Associated Companies notwithstanding that they are Controlling Shareholders of our Company or their Associates.

Specific approval of independent Shareholders is required for the participation of Controlling Shareholders of our Company or their associates as well as the actual number of Shares to be awarded under the RKSAS. In seeking such independent Shareholders' approval, clear justification as to their participation and number of Shares to be granted to the Controlling Shareholders or their associates will be provided. Accordingly, our Company is of the view that there are sufficient safeguards against any abuse of the RKSAS resulting from the participation of Controlling Shareholders of our Company or their Associates.

As at the date of this Prospectus, Ong Tiong Siew and Ong Teng Choon are the only Controlling Shareholders of our Company who are eligible to participate in the RKSAS, subject to independent Shareholders' approval.

Rationale for participation of Ong Tiong Siew and Ong Teng Choon

Ong Tiong Siew is the CEO and Executive Director of our Group and has been responsible formulation of our Group's strategic direction and expansion plans, and the management of our Group's overall business development. Ong Teng Choon is the Executive Director of our Group and has been responsible for overseeing the procurement and resources planning which includes the appointment of sub-contractors, allocation of resources, procurement of materials/equipment and logistics.

Ong Tiong Siew and Ong Teng Choon each provides leadership, management skills, business networks and market contacts to our Company and/or its Subsidiaries and have each played a pivotal role in coordinating efforts and providing strategic inputs for the strategic growth and business direction to increase the value of our Company's overall business through expanding the customer base, re-engineering the work process to improve efficiency, setting service quality standards and investments.

Our Directors believe that there is substantial potential future development and contribution that may be made by Ong Tiong Siew and Ong Teng Choon towards steering our Group to be a leader in our industry and towards enhancing the competitiveness of our Group. For these reasons, our Directors consider their experience in and contribution towards the growth of our Company to be invaluable.

Our Directors are of the view that the remuneration packages of Ong Tiong Siew and Ong Teng Choon are fair given their respective contributions to our Group. The extension of the RKSAS to Ong Tiong Siew and Ong Teng Choon are consistent with our Company's objectives to motivate its employees to

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achieve and maintain a high level of performance and contribution which is vital to the success of our Company. Although Ong Tiong Siew and Ong Teng Choon already have shareholding interests in our Company, the extension of the RKSAS to them will ensure that they are equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to our Company. For the above reasons, the Directors believe that Ong Tiong Siew and Ong Teng Choon each deserves, and should be allowed to participate in the RKSAS.

The Awards to be granted to Ong Tiong Siew and Ong Teng Choon will be determined at the absolute discretion of the Committee, taking into account their respective performance, years of service and potential for future development and their respective contribution to the success and development of our Group. The Committee may also set specific criteria and performance targets, taking into account factors such as (i) our Company's and our Group's business goals and directions for each financial year and (ii) the prevailing economic conditions. Examples of performance targets to be set include targets based on criteria such as sales growth, earnings per share, share price and return on investment.

The Committee will consider all aspect of the compensation and/or benefits given to Ong Tiong Siew and Ong Teng Choon.

Under the Listing Manual, the specific grant of Awards to Ong Tiong Siew and Ong Teng Choon and any other Controlling Shareholders or their Associates will have to be approved by independent Shareholders of our Company in general meetings.

Rationale for participation of directors and employees of Associated Companies

It is desired that our Company should have a performance share plan which caters to the directors and employees of our Company and/or our Subsidiaries as well as persons who are not employed within our Company and/or our Subsidiaries but work closely with our Company and/or our Subsidiaries and who, by reason of their relationship with our Company and/or our Subsidiaries, are in a position to input and contribute their experience, knowledge and expertise to the development and prosperity of our Group. Such other persons include the directors and employees of any RKSAS Associated Companies.

Our Company recognises that it is important to the well-being and stability of our Group that our Company acknowledges the services and contributions made by the categories of persons described above, and that our Group continues to receive their support and contributions. By implementing the RKSAS, our Company will have a means of providing for those who, while they are not directors or employees of our Company and/or our Subsidiaries, are nonetheless closely associated with our Group as well as the performance of our Company through participation in the equity of our Company. It is hoped that by doing so, our Company will also strengthen its working relationships with the directors and employees of the RKSAS Associated Companies by inculcating in them a stronger and more lasting sense of identification with our Group.

Rationale for participation of our Group Non-Executive Directors

While the RKSAS caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to our Group through their close working relationships with our Group, even though they are not employed within our Group. Such persons include our Group Non-Executive Directors.

Our Group Non-Executive Directors, being persons from different professions and working backgrounds, bring to our Group their wealth of knowledge, business expertise and contacts in the

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business community. They play an important role in helping our Group shape its business strategy by allowing our Group to draw on the backgrounds and diverse working experience of these individuals. It is desirable that Group Non-Executive Directors be allowed to participate in the RKSAS to incentivise and retain them and to further align their interests with that of our Group.

Our Directors are of the view that including our Group Non-Executive Directors in the RKSAS will show our Company's appreciation for, and further motivate them in, their contribution towards the success of our Group. However, as their services and contributions cannot be measured in the same way as the full-time employees of our Group, while it is desired that participation in the RKSAS be made open to our Group Non-Executive Directors, any Awards that may be granted to any such Group Non-Executive Director would be intended only as a token of our Company's appreciation.

For the purpose of assessing the contributions of our Group Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by our Group Non-Executive Directors. In addition, the Committee will also consider the nature and extent of their input, the assistance and expertise rendered by them to our Board and the impact thereof on the growth, success and development of our Group. The Committee may, where it considers relevant, take into account other factors such as the economic conditions and our Company's performance. The Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all.

It is envisaged that the vesting of Awards, and hence the number of Shares to be delivered to our Group Non-Executive Directors based on the criteria set out above will be relatively small, in terms of frequency and numbers. Further, although our Group Non-Executive Directors may be appointed as members of the Committee, the rules of the RKSAS provide that a member is not to be involved in its deliberations in respect of the grant of Awards to him/her. Based on these, our Directors are of the view that the participation by our Group Non-Executive Directors in the RKSAS will not compromise their independent status.

Disclosures In Annual Reports

The following disclosures (as applicable) will be made by our Company in its annual report for so long as the RKSAS continues in operation:

- (a) the names of the members of the Committee administering the RKSAS;
- (b) in respect of the following Selected Persons of the RKSAS:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Selected Persons (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the vesting of Awards granted under the RKSAS which, in aggregate, represent five per cent. (5.0%) or more of the total number of Award Shares available under the RKSAS,

the following information:

- (1) name of the Selected Person;

DIRECTORS, MANAGEMENT AND STAFF

- (2) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS during the financial year under review;
 - (3) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS since the commencement of the RKSAS to the end of the financial year under review;
 - (4) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS which have vested during the financial year under review and in respect of such Awards, the proportion of Shares issued or transferred upon the release of the vested Awards; and
 - (5) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS which have not been released as at the end of the financial year under review;
- (c) in relation to the RKSAS, the following particulars:
- (i) the aggregate number of Shares comprised in Awards vested since the commencement of the RKSAS to the end of the financial year under review;
 - (ii) the aggregate number of Award Shares issued which are comprised in Awards vested during the financial year under review; and
 - (iii) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review;
- (d) such other information as may be required by the Listing Manual or the Act.

Abstention from Voting

Shareholders who are eligible to participate in the RKSAS shall abstain from voting on any resolution relating to the RKSAS, including but not limited to the participation by and option granted to Controlling Shareholders and their Associates.

BOARD PRACTICES

Term of office

Each of our Directors has served in office in our Company since the following dates:

| Name | Date of Commencement |
|----------------|-----------------------------|
| Lee Yiok Seng | 7 December 2009 |
| Ong Tiong Siew | 28 February 2008 |
| Ong Teng Choon | 28 February 2008 |
| Lai Chin Yee | 7 December 2009 |
| Lau Teik Soon | 7 December 2009 |

DIRECTORS, MANAGEMENT AND STAFF

An election of Directors by our Shareholders is held annually. One-third (or the number nearest to one-third) of our Directors are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Section 153 of the Companies' Act provides, *inter alia*, that the office of a director of a public company, who is of or over 70 years old, shall become vacant at the conclusion of the annual general meeting following his appointment. Please refer to "Summary of Memorandum and Articles of Association of our Company" set out in Appendix D of this Prospectus for more details on the appointment and retirement of Directors.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the maintenance of a high standard of accountability to our Shareholders. Accordingly, our Directors have established an Audit Committee, a Remuneration Committee and a Nominating Committee.

Audit Committee

Our Audit Committee comprises Lai Chin Yee, Lau Teik Soon and Lee Yiok Seng. The Chairman of our Audit Committee is Lai Chin Yee.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group. Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors and where applicable, internal auditors on matters relating to audit.

Our Audit Committee will meet periodically to perform the following functions:

- (a) review with the external auditors and internal auditors, the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response;
- (b) review the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
- (c) review the internal control procedures and ensure co-ordination between the external auditors, the internal auditors and our management, and review the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of our management, where necessary);
- (d) review and discuss with the external auditors and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (e) consider and recommend the appointment or re-appointment of the external auditors and internal auditors and matters relating to the resignation or dismissal of the auditors;

DIRECTORS, MANAGEMENT AND STAFF

- (f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (g) review potential conflicts of interest (if any);
- (h) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures;
- (i) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGX-NET;
- (j) review and recommend hedging policies and instruments to be implemented by our Company to our Directors;
- (k) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (l) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

Our Audit Committee will meet, at a minimum, on a quarterly basis. Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our operating results and/or financial position. Upon the listing of our Company, we will engage an independent external audit or accounting firm to conduct a full review of the internal control processes and procedures, including a review on the internal control processes and procedures in view of any familial relationships within the ranks of our Group, and disclose such findings in the Annual Report. Such review will continue until such time as our Audit Committee is satisfied that our Group's internal control is robust and effective enough to mitigate our Group's internal control weaknesses (if any). Prior to the decommissioning of such annual internal control audit, our Board is required to report to the SGX-ST on how the key internal control weaknesses have been rectified, and the basis for their decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal control remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGX-NET regarding any material, price sensitive internal control weaknesses and any follow up action to be taken by our Board. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular resolution.

Suitability of Financial Controller

Our Audit Committee has conducted an interview with Tng Siew Khim and considered Tng Siew Khim's past working experiences in the area of audit, accounting and finance (as described in the section entitled "Executive Officers" of this Prospectus) and notes that prior to Tng Siew Khim's employment with our Company, she had no experience working in the same or similar industry as our Group. However, our Audit Committee also notes that during her tenure with Hean Nerng and Wilmax, she had experience in heading the finance function of each of the organizations, and while in Lubrizol, she supervised the finance team for its Singapore and Indonesia offices. Our Audit Committee further notes that Tng Siew Khim has former audit experience with Foo Kon Tan Grant Thornton.

DIRECTORS, MANAGEMENT AND STAFF

Our Audit Committee has, in the course of preparing for the listing of our Company on SGX-ST, observed and noted Tng Siew Khim's contributions at various occasions, discussions and meetings such as her responses to questions posed to her. By the responses provided by Tng Siew Khim to such questions, our Audit Committee has formed the view that she has demonstrated a thorough understanding of the business of, and familiarity with the finance and accounting functions of our Group.

To consider her suitability as Financial Controller, our Audit Committee has also consulted Nexia TS Public Accounting Corporation, the Auditors and Reporting Accountants and notes the absence of any negative feedback from them.

Having regard to Tng Siew Khim's qualifications and experience, our Audit Committee is of the view that Tng Siew Khim is suitable for heading the finance function of a listed company and accordingly, for the position of Financial Controller of our Group.

Remuneration Committee

Our Remuneration Committee comprises Lau Teik Soon, Lee Yiok Seng and Lai Chin Yee. The Chairman of our Remuneration Committee is Lau Teik Soon.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee shall be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee.

In addition, our Remuneration Committee will perform an annual review of the remuneration of employees related to our Directors and Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotions for these employees.

Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Nominating Committee

Our Nominating Committee comprises Lau Teik Soon, Lai Chin Yee and Lee Yiok Seng. The Chairman of our Nominating Committee is Lau Teik Soon.

Our Nominating Committee will be responsible for:

- (a) reviewing and recommending the nomination or re-nomination of (i) our Directors having regard to the Director's contribution and performance and (ii) senior management and family members related to the management or the Controlling Shareholders;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) assessing the performance of our Board and contribution of each Director to the effectiveness of our Board; and
- (d) review and approve any new employment of related persons and the proposed terms of their employment.

DIRECTORS, MANAGEMENT AND STAFF

Our Nominating Committee will decide how the performance of our Board is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term Shareholders' value. Our Board will implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board.

Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director.

INDEPENDENT DIRECTORS

Save as disclosed in the section entitled "Interested Person Transactions" of this Prospectus, our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our other Directors or Substantial Shareholders. They are also not related to the other Directors or Substantial Shareholders.

INTERESTED PERSON TRANSACTIONS

Save as disclosed below and in the section entitled “Restructuring Exercise” of this Prospectus, no Director, Controlling Shareholder or their respective Associates (collectively, referred to as “Interested Persons”) was or is interested in any material transaction undertaken by our Group in the last three financial years ended 30 June 2009 and up to the Latest Practicable Date (the “Relevant Period”).

PAST INTERESTED PERSON TRANSACTIONS

Transactions with Kiso Engineering

Kiso Engineering is an investment holding company incorporated in Singapore in 28 October 1982. Our Executive Directors, namely Ong Tiong Siew and Ong Teng Choon, each owns respectively 45.0% and 20.0% of the issued and paid-up capital of Kiso Engineering. The remaining 35.0% of the shares in Kiso Engineering is owned by Ong Huay Chin who is the sister of Ong Tiong Siew and Ong Teng Choon. Ong Tiong Siew and Ong Teng Choon are both directors of Kiso Engineering.

As Kiso Engineering is not engaged in any business similar to those carried out by our Group, there is no potential conflict of interest existing between Kiso Engineering and our Group.

Provision of Management Fees

In consideration for the provision of corporate guarantees to secure banking facilities extended to our Group, we have paid Kiso Engineering management fees which were mutually agreed between parties. The payment of the management fees was terminated by mutual agreement with effect from FY2008. The transactions were not carried out on an arm’s length basis. For details of the banking facilities, please see the “On-going Interested Person Transactions” section of our Prospectus.

Details of the management fees incurred during the Relevant Period, are as follows:

| \$’000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|------------------------|--------|--------|--------|---|
| Management Fees | 300 | — | — | — |

All management fees have been paid and there are no outstanding management fees as at the Latest Practicable Date. We do not intend to enter into such transactions in the future.

Purchase of Piling Equipment

Ryobi Singapore purchased the piling equipment from Kiso Engineering in FY2007. The purchase consideration was mutually agreed between parties based on the prevailing market rates and accordingly the transactions were carried out on an arm’s length basis.

Details of the purchase consideration for the piling equipment during the Relevant Period, are as follows:

| \$’000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|-------------------------------|--------|--------|--------|---|
| Purchase Consideration | 406 | — | — | — |

All purchase consideration have been paid and there are no outstanding amounts as at the Latest Practicable Date. We do not intend to enter into such transactions in the future.

INTERESTED PERSON TRANSACTIONS

Loans from Kiso Engineering

Kiso Engineering had, in the past, extended loans to Ryobi Singapore for working capital purposes. Interest was paid to Kiso Engineering by Ryobi Singapore for the loans extended by Kiso Engineering. The interest was charged on monthly rest basis at 5.0% p.a. and was negotiated between parties on an arm's length basis, taking into consideration the then prevailing bank lending interest rates.

Details of such facilities over the Relevant Period are set out below.

| \$'000 | Outstanding balance as at end of | | | Latest Practicable Date | Largest amount outstanding during the Relevant Period |
|-------------|----------------------------------|--------|--------|-------------------------------|---|
| | FY2007 | FY2008 | FY2009 | | |
| Loan | 1,764 | — | — | — | 3,062 |

The details of the interest incurred during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to |
|----------------------|--------------------|--------|--------|-------------------------|
| | | | | Latest Practicable Date |
| Loan Interest | 313 ⁽¹⁾ | 33 | — | — |

Note:

(1) This represents the aggregate interest expense from FY2005 to FY2007 which was paid in FY2007.

The loan amounts and the interest have been fully paid. There are no outstanding amounts as at the Latest Practicable Date. We do not intend to enter into such transactions in the future.

Transactions with Zedos

Zedos is a private company incorporated in Singapore, in which our CEO and Executive Director, Ong Tiong Siew is a director. Zedos is a metal fabricator specialising in truck body works for liquid petroleum gas tanks, high pressure vessels, chemical tanks, aircraft refillers and oil and gas refillers.

Ryobi International holds 50.0% of the total number of shares in the capital of Zedos while the remaining 50.0% is held by an unrelated third party. Ryobi International is a company which is jointly held by Ong Tiong Siew and his sister Ong Huay Chin, in equal parts.

Loans, advances and transactions with Zedos

Ryobi Singapore had, in the past, extended loans to Zedos for purposes of its working capital. In addition, Ryobi Singapore also assisted Zedos by applying for trade financing facilities from the banks for the benefit of Zedos. Advances were also made to Zedos, for the purpose of settling its outstanding trade financing. Ryobi Singapore was reimbursed by Zedos for the costs and expenses incurred by Ryobi Singapore in relation to the trade financing facilities obtained from the banks, for the benefit of Zedos. Administrative fees were paid to Ryobi Singapore by Zedos principally in relation to the trade financing facilities obtained from the banks, for the benefit of Zedos. The loans and advances to Zedos were interest free and unsecured and were not made on arms' length basis. The administrative fees were not negotiated between parties on an arm's length basis.

INTERESTED PERSON TRANSACTIONS

Details of such loans and advances over the Relevant Period are set out below.

| Amount \$'000 | Outstanding balance as at end of: | | | Latest Practicable Date | Largest amount outstanding during the Relevant Period |
|------------------|-----------------------------------|--------|--------|-------------------------------|---|
| | FY2007 | FY2008 | FY2009 | | |
| Loans | 305 | — | — | — | 305 |
| Advances | 105 | — | — | — | 105 |

Details of the reimbursements and administrative fees incurred during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|---|
| Reimbursements by Zedos | 33 | — | — | — |
| Administrative fees from Zedos | 2 | 0.3 | — | — |

The loan and advances have been fully repaid and all reimbursements and administrative fees have been fully paid. There are no outstanding amounts as at the Latest Practicable Date. We do not intend to enter into such transactions in the future.

Transactions with YK Industrial

YK Industrial is a private company incorporated in Singapore involved in the design, fabrication and sale of industrial machinery and equipment.

Ong Yee Khong, Lim Seow Him and Ong Siew Hoon are each a director of YK Industrial and hold 80.0%, 10.0% and 10.0% in the total number of shares in the capital of YK Industrial respectively. Ong Yee Khong and Ong Siew Hoon are the siblings of Ong Tiong Siew and Ong Teng Choon. Lim Seow Him is the spouse of Ong Yee Khong.

YK Industrial has ceased operations since December 2008. Once the necessary criteria are satisfied for its name to be struck-off, an application will be made to strike-off YK Industrial.

Land Rental

YK Industrial had leased from Ryobi Singapore the open space located at Lot A22185 Kranji Loop Singapore 730000 at a monthly rental of \$5,000. The lease tenancy was subsequently terminated on 31 March 2008.

Details of the rentals during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|---|
| Warehouse rental income from YK Industrial | 60 | 45 | — | — |

The rental and other terms and conditions of the lease were agreed between Ryobi Singapore and YK Industrial, having regard to market rental rates, based on commercial terms and on an arm's length basis.

INTERESTED PERSON TRANSACTIONS

Rental of Piling Equipment

In the past, Ryobi Singapore had rented piling equipment from YK Industrial for our project site operations. The rentals were mutually agreed between parties based on the prevailing market rates. The Directors are of the opinion that the transactions were carried out on arms' length basis after taking into account rentals of similar equipment.

Details of the rental for the piling equipment during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|-----------------------------------|--------|--------|--------|---|
| Rental of piling equipment | 41 | 205 | — | — |

All rental have been paid and there are no outstanding amounts as at the Latest Practicable Date. We do not intend to enter into such transactions in the future.

Purchase of Piling Equipment

In the past, Ryobi Singapore purchased piling equipment from YK Industrial for our project site operations. The purchase consideration was mutually agreed between parties based on the prevailing market rates. The Directors are of the opinion that the transactions were carried out on arms' length basis after taking into account prices of similar equipment. Where such prices were not available, the Group took into account the estimated margin which it would derive from the projects after considering the purchase price of such equipment. No valuation was conducted on the equipment.

Details of the purchase consideration for the piling equipment during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|-------------------------------|--------|--------|--------|---|
| Purchase consideration | 416 | 968 | 850 | — |

All purchase consideration had been paid and there are no outstanding amounts as at the Latest Practicable Date. We do not intend to enter into such transactions in the future.

Machinery Repair Services

In the past, Ryobi Singapore engaged YK Industrial for machinery repair services. The transactions were not carried out on arms' length basis.

Details of the service fees for machinery repair services during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|---|
| Service fees for machinery repair services | — | 47 | — | — |

All service fees had been paid and there are no outstanding amounts as at the Latest Practicable Date. We do not intend to enter into such transactions in the future.

INTERESTED PERSON TRANSACTIONS

Transactions with Prima Management Pte Ltd

Prima Management is a company incorporated in Singapore, providing corporate secretarial services. Ong Huay Chin is a director of and holds 50.0% of the shareholding in Prima Management, the remaining shareholding are held by unrelated parties.

Prima Management had rendered corporate secretarial services to our Group. Details of the service fees incurred for services rendered by Prima Management by our Group during the Relevant Period are as follows:

| \$ | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|----------------------|---|
| Ryobi Singapore | 720 | 720 | 1,920 ⁽¹⁾ | 120 |
| Ryobi Geotechnique | 720 | 720 | 720 | 120 |
| Ryobi Geotechnique International | 720 | 720 | 720 | 120 |
| Ryobi Geoproducts | 360 | 720 | 720 | 120 |
| Ryobi Ground Engineering | 300 | 300 | 720 | 120 |
| Raffles Piling Singapore | — | 600 | 720 | 120 |
| Ryobi Machinery | 480 | 480 | 480 | 80 |
| Ryobi Geotech | — | — | 360 | 80 |
| Ryobi Geomonitoring | — | — | 360 | 80 |
| Ryobi Geosystems | — | — | 360 | 80 |
| | 3,300 | 4,260 | 7,080 | 1,040 |

Note:

(1) Expenses incurred for work done in connection with the Invitation, such as operation of due diligence data room and corporate support services.

The rendering of services by Prima Management to our Group were negotiated on arms' length basis and based on normal commercial terms. The fees were mutually agreed between the parties, having regard to prevailing market rates in Singapore. All service fees had been paid and there are no outstanding amounts as at the Latest Practicable Date.

Prima Management has ceased rendering services to our Group since September 2009.

Transactions with Lau & Gur

Our Independent Director, Lau Teik Soon was a partner of Lau & Gur, which had provided legal services to our Group.

Details of the fees incurred for the services provided by Lau & Gur for the Relevant Period are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|-------------------|--------|--------|--------|---|
| Legal fees | — | 1 | 7 | — |

INTERESTED PERSON TRANSACTIONS

The fees are mutually agreed between parties based on the prevailing market rates and accordingly the transactions are carried out on an arm's length basis.

Lau Teik Soon resigned as a partner of Lau & Gur in April 2009.

ON-GOING INTERESTED PERSON TRANSACTIONS

Transactions with Rotor Mix

Rotor Mix is a private exempt company incorporated in Singapore. Rotor Mix is a "ready-mix" supplier which provides ready-mixed concrete. Ong Siew Hoon, who is the sister of Ong Tiong Siew and Ong Teng Choon, is a director of Rotor Mix and holds 100.0% of the total number of shares in the capital of Rotor Mix.

Provision of Services and Purchases and Sales of Raw Materials

Ryobi Singapore had previously engaged and may from time to time engage Rotor Mix for the provision of batching services and purchase from Rotor Mix for raw materials such as ready-mixed concrete. Ryobi Singapore also sells Rotor Mix raw materials such as manufacturing sand, cement and aggregate. The service fees and cost of purchases are mutually agreed between parties based on the prevailing market rates and accordingly the transactions are carried out on arms' length basis.

Details of the service fees for batching services and the purchases of raw materials during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|---|
| Service fees for batching services | — | 331 | 38 | — |
| Purchase of raw materials | — | — | 625 | 86 |
| Sale of raw materials | — | — | — | 216 |

Warehouse Rental

Rotor Mix has leased and will continue to lease from Ryobi Singapore the warehouse space located at 58A Sungei Kadut Loop Singapore 729505. The rentals incurred during the Relevant Period for a portion of the warehouse space floor area of approximately 480 square feet are indicated in the table below.

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|---|
| Warehouse rental income from Rotor Mix | — | 5 | 5 | 2 |

Rotor Mix has entered into a lease agreement for a lease period of three years (with option to renew for one year), commencing 2 August 2007 at a monthly rental of \$451.20. The rental and other terms and conditions of the current lease were agreed between Ryobi Singapore and Rotor Mix, having regard to market rental rates, based on commercial terms and on an arm's length basis.

INTERESTED PERSON TRANSACTIONS

After our admission to the Official List of the SGX-ST, all transactions made between our Group and Rotor Mix will be entered into in accordance with such guidelines as described in the section entitled “Review Procedures for Future Interested Person Transactions” of this Prospectus and Chapter 9 of the Listing Manual.

Transactions with Kiso Engineering

Kiso Engineering is an investment holding company incorporated in Singapore on 28 October 1982. Our Executive Directors, namely Ong Tiong Siew and Ong Teng Choon, each owns respectively 45.0% and 20.0% of the shares in Kiso Engineering. The remaining 35.0% of the shares in Kiso Engineering is owned by Ong Huay Chin who is the sister of Ong Tiong Siew and Ong Teng Choon. Ong Tiong Siew and Ong Teng Choon are both directors of Kiso Engineering.

Provision of Corporate Guarantee

Kiso Engineering has provided corporate guarantees for the purposes of securing banking facilities extended to our Group. Details of such facilities over the Relevant Period are set out below.

| Bank | Facility | Interest Rate (%) | Maximum Amount of Guarantee (\$'000) | Amount Outstanding as at the Latest Practicable Date (\$'000) |
|-------------------------|---|-------------------|--------------------------------------|---|
| DBS Bank | Overdraft Facility, Import Line, Letters Of Guarantee And Extra Long Term Guarantee and Term Loan | 0.50-5.25 | 9,800 | 4,312 |
| DBS Bank | Hire Purchase | 4.80-5.20 | 2,088 | 783 |
| Hong Leong Finance | Hire Purchase | 4.60 | 2,209 | 1,545 |
| Standard Chartered Bank | Financing And Overdraft Facility | 3.25-5.75 | 7,500 | 429 |
| Standard Chartered Bank | Term Loan Facility | 2.87-4.75 | 10,000 | 5,377 |
| | | | 31,597 | 12,446 |

Save as disclosed in the section entitled “Past Interested Person Transactions” of this Prospectus, no consideration was provided for the provision of the aforesaid corporate guarantees with effect from FY2009. The largest aggregated amount guaranteed was \$31.6 million during the Relevant Period. The transactions were not carried out on arms’ length basis.

Subsequent to the Invitation, we intend to procure the discharge of the above corporate guarantees. Should the terms and conditions of our existing facilities be affected by the withdrawals of the above corporate guarantees, our Directors are confident that with our listed status and strengthened financial position, we should be able to secure alternative credit facilities on terms similar to those applicable to the existing facilities. In the event that the relevant financial institution does not agree to release the above guarantees, and we are unable to secure alternative credit facilities on similar terms, Kiso Engineering has undertaken to continue to provide the guarantees until such time when we are able to secure alternative facilities from other financial institutions.

INTERESTED PERSON TRANSACTIONS

Save as disclosed in the section entitled “Past Interested Person Transactions” of this Prospectus, we have not and will not pay any form of consideration for the guarantees provided by Kiso Engineering. Accordingly, our Directors are of the view that although the transactions are not on arms'-length basis, the terms are beneficial to our Group.

After our admission to the Official List of the SGX-ST, all transactions made between our Group and Kiso Engineering will be entered into in accordance with such guidelines as described in the section entitled “Review Procedures for Future Interested Person Transactions” of this Prospectus and Chapter 9 of the Listing Manual.

Transactions with our Directors Ong Tiong Siew and Ong Teng Choon

Our CEO and Executive Director, Ong Tiong Siew and our Executive Director, Ong Teng Choon have provided personal guarantees to secure banking facilities and foreign worker bonds extended to our Group. Details of such banking facilities which were extended to our Group over the Relevant Period are set out below:

| Financial Institution | Facility / Foreign worker bonds | Interest Rate (%) | Maximum Amount of Guarantee (\$'000) | Amount Outstanding as at the Latest Practicable Date (\$'000) | Guaranteed by |
|----------------------------|---|-------------------|--------------------------------------|---|----------------|
| DBS Bank | Overdraft Facility, Import Line, Letters of Guarantee and Extra Long Term Guarantee and Term Loan | 0.50-5.25 | 9,800 | 4,312 | Ong Tiong Siew |
| DBS Bank | Hire Purchase | 4.80-5.20 | 2,088 | 783 | Ong Tiong Siew |
| Hong Leong Finance Limited | Working Capital Line | 5.75 | 1,500 | — | Ong Tiong Siew |
| Hong Leong Finance Limited | Hire Purchase | 4.60 | 2,209 | 1,545 | Ong Tiong Siew |
| Standard Chartered Bank | Financing and Overdraft Facility | 3.25-5.75 | 7,500 | 429 | Ong Tiong Siew |
| Standard Chartered Bank | Term Loan Facility | 2.87-4.75 | 10,000 | 5,377 | Ong Tiong Siew |
| OCBC Bank | Overdraft Facility, Import & Export Line, Letters Of Guarantee, Foreign Exchange Line and Term Loan | 4.80-6.0 | 10,000 | 2,558 | Ong Tiong Siew |
| OCBC Bank | Hire Purchase | 4.60-5.85 | 7,503 | 2,350 | Ong Tiong Siew |
| DBS Bank | Hire Purchase | 5.00-6.85 | 908 | 343 | Ong Tiong Siew |
| UOB | Overdraft Facility, Import Line | 5.00-6.00 | 2,800 | — | Ong Tiong Siew |
| UOB | Hire Purchase | 4.60-5.85 | 9,147 | 5,466 | Ong Tiong Siew |
| ECICS Limited | Performance Bond | — | 10,609 | 7,751 | Ong Tiong Siew |

INTERESTED PERSON TRANSACTIONS

| Financial Institution | Facility / Foreign worker bonds | Interest Rate (%) | Maximum Amount of Guarantee (\$'000) | Amount Outstanding as at the Latest Practicable Date (\$'000) | Guaranteed by |
|-------------------------------|---------------------------------|-------------------|--------------------------------------|---|-----------------------------------|
| COFACE Singapore | Performance Bond | — | 3,000 | 1,370 | Ong Tiong Siew and Ong Teng Choon |
| Tokio Marine Insurance | Foreign workers bond | — | 165 | 165 | Ong Tiong Siew and Ong Teng Choon |
| Liberty Insurance | Performance Bond | — | 1,308 | 1,308 | Ong Tiong Siew and Ong Teng Choon |
| India International Insurance | Foreign worker bonds | — | 118 | 118 | Ong Tiong Siew and Ong Teng Choon |
| SHC Capital Ltd | Foreign worker bonds | — | 240 | 240 | Ong Tiong Siew and Ong Teng Choon |
| EQ Insurance Co. Ltd | Foreign worker bonds | — | 20 | 20 | Ong Tiong Siew |
| DBS Bank | Bankers' guarantee | — | 800 | 645 | Ong Tiong Siew |
| | | | 79,715 | 34,780 | |

As at the Latest Practicable Date, the facilities or bonds to which the above guarantees relate to have not been repaid or discharged. The largest aggregated amount guaranteed was \$79.7 million during the Relevant Period and the amount outstanding as at the Latest Practicable Date was \$34.8 million. Subsequent to the Invitation, we intend to procure the discharge of the above personal guarantees. Should the terms and conditions of our existing facilities be affected by the withdrawals of the above personal guarantees, our Directors are confident that with our listed status and strengthened financial position, we should be able to secure alternative credit facilities on terms similar to those applicable to the existing facilities. In the event that the relevant financial institution does not agree to release the above guarantees, and we are unable to secure alternative credit facilities on similar terms, both Ong Tiong Siew and Ong Teng Choon have undertaken to continue to provide the guarantees until such time when we are able to secure alternative facilities from other financial institutions.

We have not and will not pay any form of consideration for the guarantees provided by Ong Tiong Siew and Ong Teng Choon. Accordingly, our Directors are of the view that although the transactions are not on arms'-length basis, the terms are beneficial to our Group.

After our admission to the Official List of the SGX-ST, all transactions made between our Group and Ong Tiong Siew and Ong Teng Choon will be entered into in accordance with such guidelines as described in the section entitled "Review Procedures for Future Interested Person Transactions" of this Prospectus and Chapter 9 of the Listing Manual.

INTERESTED PERSON TRANSACTIONS

Transactions with Zedos

Zedos is a private company incorporated in Singapore, in which our CEO and Executive Director, Ong Tiong Siew is a director. Zedos is a metal fabricator specialising in truck body works for liquid petroleum gas tanks, high pressure vessels, chemical tanks, aircraft refillers and oil and gas refillers.

Ryobi International holds 50.0% of the total number of shares in the capital of Zedos while the remaining 50.0% is held by an unrelated third party. Ryobi International is an investment holding company which is jointly held by Ong Tiong Siew and his sister Ong Huay Chin, in equal parts.

Provision of Professional Services

We have and may from time to time, engage Zedos to provide professional services, such as the application to the relevant authorities for new petroleum and flammable material storage licences at our project sites and the renewal of similar licences for our workshop.

Details of the professional service fees during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|------------------------------|--------|--------|--------|---|
| Professional services | 24 | 23 | 15 | — |

The terms and conditions of the arrangement were not arrived at on an arm's length basis.

Warehouse Rental

Zedos has leased and may continue to lease from Ryobi Singapore warehouse premises located at 58A Sungei Kadut Loop Singapore 729505. The rentals paid during the Relevant Period for a floor area of approximately 739.4 m² were indicated in the table below. Ryobi Singapore has entered into a lease agreement for a lease period of three years with one year option to renew, commencing from 1 January 2005 at a net monthly rental of \$3,325. On 1 July 2006, the monthly rental was raised to \$6,000.

Details of the rental fees during the Relevant Period are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|---|
| Warehouse rental income from Zedos | 72 | 72 | 72 | 30 |

The rental and other terms and conditions of the current lease were agreed between Ryobi Singapore and Zedos, having regard to market rental rates, based on commercial terms and on an arm's length basis.

INTERESTED PERSON TRANSACTIONS

Purchase and customisation of Piling Tools and Equipment

Zedos has and may from time to time sell us or customise for us piling tools and equipment. Details of the payment for such purchases and customisation services incurred during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|---|
| Purchase and customisation of piling tools and equipment | 7 | 89 | 52 | 113 |

Purchase consideration and customisation fees of machinery were mutually agreed between the parties based on rates which our Directors believe were based on normal commercial terms and on an arm's length basis.

Repair of machinery

Ryobi Singapore had rendered and may from time to time render to Zedos services for the repair of machinery. Details of the service fees incurred by Zedos during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|--|--------|--------|--------|---|
| Fees for the repair of machinery to Zedos | 5 | 3 | 5 | — |

The transactions were not based on normal commercial terms and not on an arm's length basis.

After our admission to the Official List of the SGX-ST, all transactions made between our Group and Zedos will be entered into in accordance with such guidelines as described in the section entitled "Review Procedures for Future Interested Person Transactions" of this Prospectus and Chapter 9 of the Listing Manual.

Transactions with Compile Ryobi Australia

Compile Ryobi Australia is a company incorporated in Perth, Australia, specialising in piling, sheet pile, ground anchors, grout injection, soil mixed walls, *in-situ* concrete walls, under pinning walls and permanent walls. Ryobi Investment (Aust) Pty Ltd is the 50.0% shareholder of Compile Ryobi Australia and the remaining 50.0% of the shareholding in Compile Ryobi Australia is held by unrelated third parties. Ong Tiong Siew owns 66.7% of the total interest in Ryobi Investment (Aust) Pty Ltd. The remaining 33.3% of the total interest in Ryobi Investment (Aust) Pty Ltd is owned by Shuntaro Shiga, who is a non executive director of certain of our Subsidiaries and Seafco-Ryobi. Shuntaro Shiga is also a Shareholder of our Company. Ong Tiong Siew is a director of Compile Ryobi Australia and is not involved in its management.

Spare Parts Purchase

Ryobi Singapore had, and may from time to time purchase spare parts for the piling equipment used in our project site operations from Compile Ryobi Australia. Such spare parts are manufactured in Australia. Though Compile Ryobi Australia is not in the business of distributing spare parts, Ryobi Singapore had engaged Compile Ryobi Australia to purchase spare parts on its behalf due to a shorter lead time and because the parts in Australia are cheaper.

INTERESTED PERSON TRANSACTIONS

The purchase consideration was mutually agreed between parties based on the prevailing market rates and accordingly the transactions were carried out on arms' length basis.

Details of the purchase consideration for the parts of piling equipment during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|--|--------|--------|--------|---|
| Purchase parts from Compile Ryobi Australia | 17 | — | — | — |

Our Group may continue to purchase spare parts from Compile Ryobi Australia where it is in the interests of our Group to do so.

Rental of Piling Equipment and Accessories

Ryobi Singapore was engaged and may from time to time continue to be engaged by Compile Ryobi Australia for the rental of piling equipment and accessories.

Details of the rental for piling equipment and accessories during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|--|--------|--------|--------|---|
| Rental of piling equipment and accessories to Compile Ryobi Australia | 210 | — | — | — |

The rental of piling equipment and accessories to Compile Ryobi Australia by Ryobi Singapore were negotiated on arms' length basis and based on normal commercial terms. The rental rates were mutually agreed between the parties, having regard to prevailing market rates in Singapore.

Sale Of Piling Equipment And Accessories

Ryobi Singapore had and may from time to time sell to Compile Ryobi Australia piling equipment and accessories. Details of the aggregate sales considerations for the piling equipment and accessories during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|--|--------|--------|--------|---|
| Aggregate sale of piling equipment and accessories to Compile Ryobi Australia | 198 | 180 | 2 | — |

The sale of the piling equipment and accessories to Compile Ryobi Australia by Ryobi Singapore were negotiated on arms' length basis and based on normal commercial terms. The sale considerations were mutually agreed between the parties, having regard to prevailing market rates in Singapore.

Piling Project Design And Drawing Plans

Ryobi Singapore had rendered and may from time to time continue to render services mainly for designing and drawing works to Compile Ryobi Australia.

INTERESTED PERSON TRANSACTIONS

Details of the fees incurred by Compile Ryobi Australia to Ryobi Singapore during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|--|
| Services rendered to Compile Ryobi Australia | 78 | — | — | — |

The rendering of services to Compile Ryobi Australia by Ryobi Singapore were negotiated on arms' length basis and based on normal commercial terms. The fees were mutually agreed between the parties, having regard to prevailing market rates in Singapore.

After our admission to the Official List of the SGX-ST, all transactions made between our Group and Compile Ryobi Australia will be entered into in accordance with such guidelines as described in the section entitled "Review Procedures for Future Interested Person Transactions" of this Prospectus and Chapter 9 of the Listing Manual.

Transactions with Utraco Ryobi

Utraco Ryobi is a company incorporated in India specialising in ground engineering services. Ryobi International holds 40.0% of the shareholding in Utraco Ryobi and the remaining 60.0% of the shareholding in Utraco Ryobi is held by unrelated third parties. Ong Huay Chin and Ong Tiong Siew each hold 50.0% of the shareholding in Ryobi International. Ong Tiong Siew and Ong Huay Chin are not directors of Utraco Ryobi and both are not involved in its management.

Sale of piling equipment and accessories

Ryobi Singapore had and may from time to time sell to Utraco Ryobi piling equipment and accessories. Details of the aggregate sale considerations for the piling equipment and accessories during the Relevant Period, are as follows:

| \$'000 | FY2007 | FY2008 | FY2009 | 1 July 2009 to Latest Practicable Date |
|---|--------|--------|--------|--|
| Aggregate sale of piling equipment and accessories to Utraco Ryobi | 148 | 8 | 6 | — |

The sale of the piling equipment and accessories to Utraco Ryobi by Ryobi Singapore were negotiated on arms' length basis and based on normal commercial terms. The sale considerations were mutually agreed between the parties, having regard to prevailing market rates in Singapore.

After our admission to the Official List of the SGX-ST, all transactions made between our Group and Utraco Ryobi will be entered into in accordance with such guidelines as described in the section entitled "Review Procedures for Future Interested Person Transactions" of this Prospectus and Chapter 9 of the Listing Manual.

Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or associated companies over which the listed company has control (other than a subsidiary or associated company that is listed on a foreign stock exchange) proposes to enter into a transaction with the listed company's

INTERESTED PERSON TRANSACTIONS

interested persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain financial threshold. In particular, shareholders' approval is required where the value of such transaction is not below \$100,000 and is:

- (i) equal to or more than 5.0% of our Group's latest audited NAV; or
- (ii) equal to or more than 5.0% of our Group's latest audited NAV, when aggregated with other transactions entered into with the same interested person during the same financial year.

Definitions under the Listing Manual

Under the Listing Manual:

- (a) the term "interested person" is defined to mean a director, chief executive officer, or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder; and
- (b) the term "associate" is defined to mean:
 - (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual):
 - his immediate family;
 - the trustee of any trust of which he and his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - any company in which he and his immediate family (that is, the spouse, child, adopted child, step child, sibling or parent) together (directly and indirectly) have an interest of 30.0% or more; and
 - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review all future interested person transactions, if any, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority shareholders. They will adopt the following procedures when reviewing such interested person transactions:

- (a) When purchasing products from or engaging the services of an interested person, two other quotations from non-interested persons will be obtained (where available), contemporaneous in time, for comparison to ensure that the interests of minority shareholders are not disadvantaged. The purchase price for products or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, delivery time and track record will be taken into consideration;

INTERESTED PERSON TRANSACTIONS

- (b) When selling products or supplying services to an interested person, the price and terms of other successful sales of a similar nature to non-interested persons, contemporaneous in time, will be used in comparison to ensure that the interests of minority shareholders are not disadvantaged. The sale price for products or fee for supply of services shall not be lower than the lowest price or fee of the two other successful sales to non-interested persons; and
- (c) When renting properties from or to an interested person, our Directors shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries regarding similar property and obtaining necessary reports or reviews published by property agents or independent valuers, where considered appropriate. The amount payable shall be based on the most competitive market rental rate of similar property in terms of size and location, based on the results of the relevant inquiries.

For (a), (b) and (c) above, in the event that it is not possible for appropriate information (for comparative purposes) to be obtained, the matter will be referred to our Audit Committee and our Audit Committee will determine whether the terms of the transactions to be entered into are fair, reasonable and consistent with our Group's usual business practices.

Transactions falling within the above categories, if any, will be reviewed quarterly by our Audit Committee to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by our Audit Committee. Our Audit Committee may request for any additional information pertaining to the transaction under review from independent sources, advisors or valuers as they deem fit. In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from reviewing that particular transaction. In addition, our Board of Directors will ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all interested person transactions entered into.

Our Audit Committee and our Board shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, our Audit Committee shall review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between us and our interested persons are conducted on normal commercial terms.

Our Audit Committee is of the view that the methods and procedures for determining transaction prices, as set out above, are sufficient to ensure that our Group's transactions with interested persons are on normal commercial terms which will not be prejudicial to the interests of our Company and our minority shareholders.

POTENTIAL CONFLICTS OF INTEREST

Compile Ryobi Australia, Utraco Ryobi and YK Industrial

Compile Ryobi Australia and Utraco Ryobi are companies which are principally engaged in the business of providing ground engineering services. YK Industrial is a designer, fabricator and wholesaler of industrial machinery and equipment.

Compile Ryobi Australia is a company incorporated in Perth, Australia, specialising in piling, sheet pile, ground anchors, grout injection, soil mixed walls, *in-situ* concrete walls, under pinning walls and permanent walls. Ryobi Investment (Aust) Pty Ltd is the 50.0% shareholder of Compile Ryobi Australia and the remaining 50.0% of the shareholding in Compile Ryobi Australia is held by unrelated third parties. Shuntaro Shiga and Ong Tiong Siew own 33.3% and 66.7% of the total interest in Ryobi Investment (Aust) Pty Ltd, respectively. Ong Tiong Siew is a director of Compile Ryobi Australia and is not involved in its management.

Utraco Ryobi is a company incorporated in India specialising in ground engineering services. Ryobi International holds 40.0% of the shareholding in Utraco Ryobi, and the remaining 60.0% of the shareholding in Utraco Ryobi is held by unrelated third parties. Ong Huay Chin and Ong Tiong Siew each hold 50.0% of the shareholding in Ryobi International. Both Ong Huay Chin and Ong Tiong Siew are not involved in its management.

YK Industrial is a private company incorporated in Singapore involved in the design, fabrication, and sale of industrial machinery and equipment. YK Industrial has ceased operations in December 2008. Ong Yee Khong, Lim Seow Him and Ong Siew Hoon are each a director of YK Industrial and hold 80.0%, 10.0% and 10.0% in the total number of shares in the capital of YK Industrial respectively. Ong Yee Khong and Ong Siew Hoon are the siblings of Ong Tiong Siew and Ong Teng Choon. Lim Seow Him is the spouse of Ong Yee Khong. Once the necessary criteria are satisfied for its name to be struck-off, an application will be made to strike-off YK Industrial.

To mitigate any potential conflict of interest, we have in place the following safeguards and measures:

- (i) Pursuant to deeds of non-competition, each dated 26 November 2009, Compile Ryobi Australia, Utraco Ryobi and YK Industrial has each undertaken to our Company that for so long as any interested person (as defined in the Listing Manual) holds a substantial interest of 5.0% or more, whether directly or indirectly, in Compile Ryobi Australia, Utraco Ryobi and YK Industrial respectively:
 - (a) they shall not, and shall procure that its subsidiaries and associate companies (whether present or future) not to, carry on business that is directly or indirectly in competition with the business of our Group in South-East Asia including Singapore;
 - (b) they shall not, and shall procure that its subsidiaries and associate companies (whether present or future) not to, acquire any interest in or provide any financial assistance to any other person to carry on business or other activity that will directly or indirectly compete with our Group in South-East Asia including Singapore; and
 - (c) they shall not, and shall procure that its subsidiaries and associate companies (whether present or future) not to, solicit, market to or entice away, whether directly or indirectly, from our Group any customer in South-East Asia including Singapore.
- (ii) Pursuant to undertakings, each dated 26 November 2009, Ryobi Investment (Aust) Pty Ltd and Ryobi International has each undertaken to our Company that for so long as any interested person (as defined in the Listing Manual) holds a substantial interest of 5.0% or more, whether directly

POTENTIAL CONFLICTS OF INTEREST

or indirectly, in Ryobi Investment (Aust) Pty Ltd or Ryobi International (as the case may be) each of them shall divest its interest in Compile Ryobi Australia or Utraco Ryobi respectively to our Company or an unrelated third party in the event our Company gives notice of an intention to expand into the Australia or India market respectively.

In the event a divestment of such interests to our Company amounts to an interested person transaction, we will comply with the provisions in Chapter 9 of the Listing Manual, and if required under the Listing Manual, the Companies Act or the Securities and Futures Act, we will seek our Shareholders' approval for the transaction.

Save as disclosed above and in the section entitled "Interested Person Transactions" of this Prospectus, during FY2007, FY2008 and FY2009 and the period from 1 July 2009 up to the Latest Practicable Date:

- (a) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any material transactions to which our Company or our subsidiary was or is a party;
- (b) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group; and
- (c) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any enterprise or company that is our customer or supplier of goods or services.

Ong Tiong Siew, Ong Teng Choon and Ong Huay Chin

In addition to the non-competition undertakings provided by Ong Tiong Siew and Ong Teng Choon as disclosed under the section entitled "Service Agreements" of this Prospectus, Ong Tiong Siew and Ong Teng Choon have provided further non-competition undertakings, and Ong Huay Chin has also provided such similar undertakings, that they will not, and will procure that their Associates will not, during each of their respective employment with the Company, or in the event they are engaged as non-executive directors or independent directors of our Company, and for a period of 12 months thereafter:

- (a) solicit, interfere with or entice away from our Group any person who is or has been (i) a client, customer or employee; (ii) in commercial negotiations with our Group; or (iii) visited by Ong Tiong Siew, Ong Teng Choon and/or Ong Huay Chin and/or their Associates for the purpose of ascertaining the possibility of doing business with our Group;
- (b) carry on or be engaged or concerned or interested directly or indirectly in any business in direct or indirect competition of our Group;
- (c) act as a director or otherwise of any other person, firm or company engaging in business which is in direct and/or indirect competition of our Group; or
- (d) solicit or entice or attempt to solicit or entice away from our Group any person who was employed in an executive, technical or managerial capacity.

POTENTIAL CONFLICTS OF INTEREST

In addition, each of Ong Tiong Siew, Ong Teng Choon and/or Ong Huay Chin shall not, and will procure that his or her Associates will not, for so long as he or she remain a shareholder with an interest of 5.0% or more (whether direct or indirect) in the voting shares of our Company:

- (a) have any interest, directly or indirectly in an entity whose business competes with the business of our Group (save for interest not exceeding 5.0%); or
- (b) carry on or be engaged or interested directly or indirectly in any capacity in any other business, trade or occupation, except those which does not compete with the business of our Group or which does not hinder or interfere with the performance with his or her duties or which may conflict with the interests and business of the Group.

Interest of Issue Manager, Underwriter and Placement Agent

In the reasonable opinion of our Directors, the Issue Manager and the Underwriter and Placement Agent do not have any material relationships with our Company.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on the SGX-ST, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by CDP, rather than CDP itself, will be treated, under our Articles of Association and the Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificate(s). Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of \$10 for each withdrawal of 1,000 Shares or less and a fee of \$25 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of \$2 or such other amount as our directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of \$10 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or \$0.20 per \$100 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of \$10 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.04% of the transaction value subject to a maximum of \$600 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore Goods and Services Tax.

Dealings of our Shares will be carried out in Singapore Dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Loh Chye Aik, while acting as a project manager for his previous employer was one of three project managers called to court for an alleged breach of the Factory Act by MOM in relation to an industrial accident that took place at the Fusionpolis project site in 2006. He was acquitted of all charges on the basis that there was no case to answer.

Save as disclosed above, none of our Directors, Executive Officers or Controlling Shareholders:

- (a) was, at any time during the last ten years, involved in an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
- (b) was, at any time during the last ten years, involved in an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) has any unsatisfied judgments against him;
- (d) has at any time ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;
- (e) has at any time ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach;
- (f) has, at any time during the last ten years, received judgment against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or has been the subject of any civil proceedings (including any pending civil proceedings which he is aware of) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

- (k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

2. No person (including a Director or Executive Officer) has been, or is entitled to be, given an option to subscribe for or purchase any shares in or debentures of our Company and its Subsidiary.

SHARE CAPITAL

3. Save as set out below and under the sections entitled “Share Capital” and “Restructuring Exercise” of this Prospectus respectively, there were no changes in the issued and paid-up capital of our Company and our Subsidiaries within the three years preceding the Latest Practicable Date:

| Company | Date of issue/increase | No. of shares issued | Purpose of change in capital | Issued price of each share | Resultant capital |
|-------------|------------------------|----------------------|---|----------------------------|-------------------|
| Our Company | 28 February 2008 | 1 | Incorporation — Allotment to Ong Tiong Siew | \$1 | \$1 |
| | 28 February 2008 | 1 | Incorporation — Allotment to Ong Teng Choon | \$1 | \$2 |
| | 12 January 2010 | 249,284 | Allotment to Ong Tiong Siew | \$1 | \$249,286 |
| | 12 January 2010 | 249,284 | Allotment to Ong Teng Choon | \$1 | \$498,570 |
| | 12 January 2010 | 12,420,695 | Allotment of shares to Ong Tiong Siew | \$1.44 | \$18,383,414 |

GENERAL AND STATUTORY INFORMATION

| Company | Date of issue/ increase | No. of shares issued | Purpose of change in capital | Issued price of each share | Resultant capital |
|--|----------------------------|-------------------------|---|-------------------------------|----------------------|
| | 12 January 2010 | 1,380,077 | Allotment of shares to Ong Teng Choon | \$1.44 | \$20,370,619 |
| | 12 January 2010 | 14,364,070 | Allotment of shares to Tanglin Capital | \$1.44 | \$41,053,773 |
| | 13 January 2010 | 544,604,828 | Sub-Division | — | \$41,053,773 |
| Raffles Piling Singapore | 3 September 2007 | 250,000 | Incorporation — Allotment of shares to Ryobi Singapore | \$1 | \$250,000 |
| Ryobi Geoproducts | 8 January 2007 | 26 | Incorporation — Allotment of shares to Dr Wang Hou | \$1 | \$26 |
| | 8 January 2007 | 74 | Incorporation — Allotment of shares to Ryobi Singapore | \$1 | \$100 |
| | 27 September 2007 | 19,900 | Allotment of shares to Ryobi Geotechnique International | \$1 | \$20,000 |
| Ryobi Geotechnique | 10 September 2007 | 105,185 | Allotment of shares to Ryobi Singapore | \$1 | \$213,185 |
| | 10 September 2007 | 36,815 | Allotment of shares to Dr Wang Hou | \$1 | \$250,000 |
| Ryobi Geotechnique International | 20 April 2008 | 696,000 | Allotment of shares to Ryobi Geotechnique | \$1 | \$826,000 |
| | 20 April 2008 | 174,000 | Allotment of shares to Luo Changwei | \$1 | \$1,000,000 |
| Ryobi Geotechnique Malaysia | 17 August 2007 | 149,997 | Allotment of shares to Ryobi Geotechnique International | RM1 | RM150,000 |
| Ryobi Malaysia | 29 September 2008 | 199,998 | Allotment of ordinary shares to our Company following the capitalisation of debt owned to our Company | RM1 | RM200,000 |

GENERAL AND STATUTORY INFORMATION

| Company | Date of issue/ increase | No. of shares issued | Purpose of change in capital | Issued price of each share | Resultant capital |
|------------------------|----------------------------|-------------------------|---|-------------------------------|----------------------|
| Ryobi Geomonitoring | 18 September 2008 | 10,000 | Incorporation — Allotment of shares to Ryobi Geotechnique International | \$1 | \$10,000 |
| | 23 January 2009 | 10,000 | Allotment of shares to Ryobi Geotechnique International | \$1 | \$20,000 |
| Ryobi Geotech | 18 September 2008 | 100,000 | Incorporation — Allotment of shares to Ryobi Geotechnique International | \$1 | \$100,000 |
| Ryobi Geosystems | 18 September 2008 | 10,000 | Incorporation — Allotment of shares to Ryobi Geotechnique International | \$1 | \$10,000 |
| | 23 January 2009 | 10,000 | Allotment of shares to Ryobi Geotechnique International | \$1 | \$20,000 |
| Raffles Piling Vietnam | 29 July 2009 | Not applicable | Incorporation — Subscription of equity by Raffles Piling Singapore | Not applicable | VND3.6 billion |

4. Save as disclosed in the section entitled “Share Capital” of this Prospectus and in paragraph 3 above, no Shares in, or debentures of, our Company or any of our Subsidiaries have been issued or are agreed to be issued, by our Company or any of our Subsidiaries, as fully or partly paid-up and whether for cash or for a consideration other than cash, within the three years preceding the date of this Prospectus.

MATERIAL CONTRACTS

5. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company or our Subsidiaries within the two years preceding the date of lodgement of this Prospectus and are or may be material:

| Date | Parties | Nature of Contract |
|-------------|--|---|
| 22 May 2008 | <ul style="list-style-type: none"> • Ong Tiong Siew • Ong Huay Chin • Our Company | Sale and Purchase Agreement to acquire 100% shareholding of Ryobi Ground Engineering by our Company |

GENERAL AND STATUTORY INFORMATION

| Date | Parties | Nature of Contract |
|-----------------|--|---|
| 27 June 2008 | <ul style="list-style-type: none"> • YK Industrial • Ryobi Singapore | Sale and Purchase Agreement to acquire 50.0% shareholding of Ryobi Machinery by Ryobi Singapore |
| 31 October 2008 | <ul style="list-style-type: none"> • Our Company • Liew Choon Siong • Liew Chin Kiong @ Tjin Kiong | Sale and Purchase Agreement to acquire 100% shareholding of Ryobi Malaysia by our Company |
| 5 January 2010 | <ul style="list-style-type: none"> • Ryobi Singapore • Ryobi Japan | TRD Services Agreement |
| 11 January 2010 | <ul style="list-style-type: none"> • Ryobi Singapore • Our Company | Sale and Purchase Agreement to acquire 100% shareholding of Raffles Piling Singapore by our Company |
| 11 January 2010 | <ul style="list-style-type: none"> • Our Company • Tanglin Capital • Ong Tiong Siew • Ong Teng Choon | Share Swap Agreement to acquire 100% of the shareholding of Ryobi Singapore by our Company |
| 11 January 2010 | <ul style="list-style-type: none"> • CDP • Our Company | the Depository Agreement to which CDP agreed to act as central depository for our Company's securities for trades in the securities of our Company through the SGX-ST |
| 18 January 2010 | <ul style="list-style-type: none"> • Our Company • Issue Manager | Management Agreement |
| 18 January 2010 | <ul style="list-style-type: none"> • Our Company • Underwriter | Underwriting Agreement |
| 18 January 2010 | <ul style="list-style-type: none"> • Our Company • Placement Agent | Placement Agreement |

LITIGATION

6. As at the Latest Practicable Date, our Group is not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated, which may have or have had in the 12 months before the date of lodgement of this Prospectus, a material effect on our Group's financial position or profitability, and our Directors have no knowledge of any proceedings pending or threatened against our Company or our Subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or the business of our Company or our Subsidiaries.

MISCELLANEOUS

7. Each of the Placement Agent, the Solicitors to the Invitation and Legal Advisers to our Company on Singapore Law, the Solicitors to the Issue Manager, Underwriter and Placement Agent, the

GENERAL AND STATUTORY INFORMATION

Adviser, the Legal Advisers to our Company on Malaysian Law, the Legal Advisers to our Company on Vietnam Law, the Receiving Bank, and the Principal Bankers and Financial Institutions, and the Share Registrar, do not make, or purport to make, any statement in this Prospectus or any statement upon which a statement in this Prospectus is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Prospectus.

8. The nature of our business is stated in the section entitled “Business Overview” of this Prospectus. As at the Latest Practicable Date, the corporations which are deemed to be related to us by virtue of Section 6 of the Companies Act are set out in “Appendix A — Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” of this Prospectus.
9. The time of opening of the Application List is stated in the section entitled “Details of the Invitation” of this Prospectus.
10. The amount payable on application is \$0.26 for each Invitation Share. There has been no previous issue of Shares by our Company or offer for sale of its Shares to the public within the two years preceding the date of this Prospectus.
11. Application monies received by our Company in respect of all successful applications (including successfully balloted applications which are subsequently rejected) will be placed in a separate non-interest bearing account with The Bank of East Asia, Limited (the “Receiving Bank”). There is no sharing arrangement between the Receiving Bank and our Company in respect of interest or revenue or any other benefit in respect of the deployment of application monies in the inter-bank monies market, if any. Any refund of the application monies to unsuccessful or partially successful applicants will be made without any interest or share of such revenue or other benefit arising therefrom.
12. No property has been purchased or acquired or proposed to be purchased or acquired by our Group which is to be paid for, wholly or partly, out of the proceeds of the Invitation or the purchase or acquisition of which has not been completed at the date of this Prospectus, other than property the contract for the purchase or acquisition whereof was entered into in the ordinary course of business of our Company or our Subsidiaries, such contract not being made in contemplation of the Invitation nor the Invitation in consequence of the contract.
13. Save as disclosed in this Prospectus under the section entitled “Risk Factors” of this Prospectus, our Directors are not aware of any relevant material information including trading factors or risks not mentioned elsewhere in this Prospectus which is unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our Subsidiaries.
14. Save as disclosed in this Prospectus under the section entitled “Management, Underwriting and Placement Arrangements” of this Prospectus, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procure subscriptions for any shares in, or debentures of, our Company or our Subsidiaries.

GENERAL AND STATUTORY INFORMATION

15. No expert is employed on a contingent basis by our Company or our Subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our Subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.
16. Save as disclosed under the sections entitled “Dividend Policy”, “Share Capital” and “Restructuring Exercise” of this Prospectus, our Directors are not aware of any event which has occurred since 30 June 2009, which may have a material effect on the financial information provided in “Appendix A — Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” of this Prospectus.
17. Save as disclosed in this Prospectus, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditures;
 - (c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.
18. We currently have no intention of changing the auditors of the Company after the listing of our Company on the SGX-ST.

Details, including the names, addresses and professional qualifications (including membership in a professional body) of the auditors of our Group for FY2007, FY2008 and FY2009 are as follows:

| Director in Charge | Name and Address | Professional body | Professional qualification |
|---------------------------|--|--|-----------------------------------|
| Kristin YS Kim | Nexia TS Public Accounting Corporation Certified Public Accountants 5 Shenton Way #16-01 UIC Building Singapore 068808 | Institute of Certified Public Accountants of Singapore | CPA |

CONSENTS

19. Nexia TS Public Accounting Corporation has given and has not, before the registration of this Prospectus, withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references thereto and the inclusion herein of the section entitled “Appendix A — Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009” of this Prospectus, in the form and context in which they appear in this Prospectus and to act in such capacity in relation to this Prospectus.

GENERAL AND STATUTORY INFORMATION

20. PrimePartners Corporate Finance Pte. Ltd. has given, and has not before the registration of this Prospectus, withdrawn its written consent to being named in this Prospectus as Issue Manager to the Invitation and to act in such capacity in relation to this Prospectus.
21. UOB Kay Hian Private Limited has given, and has not before the registration of this Prospectus, withdrawn its written consent to being named in this Prospectus as Underwriter and Placement Agent and to act in such capacity in relation to this Prospectus.
22. The Law Office of K K Chong & Company has given, and has not before the registration of this Prospectus, withdrawn its consent to the issue of this Prospectus with the inclusion of the Statement based on its legal opinion dated 28 January 2009 contained in the section entitled "Risk Factors — We, our main contractors, project owners and/or developers require various licences and permits" of this Prospectus in the form and context in which it is included and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.

STATEMENT BY DIRECTORS OF OUR COMPANY

23. This Prospectus has been seen and approved by our Directors, and they collectively and individually accept the full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, that the facts stated and the opinions expressed herein are fair and accurate in all material respects as of the date hereof and there are no other facts the omission of which would make any statements herein misleading, and that this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group.

DOCUMENTS AVAILABLE FOR INSPECTION

24. Copies of the following documents may be inspected at the registered office of our Company at 58A Sungei Kadut Loop, Ryobi Industrial Building, Singapore 729505, during normal business hours for a period of six months from the date of registration of this Prospectus:
 - (a) the Memorandum of Association and Articles of Association of our Company;
 - (b) the Service Agreements referred in this Prospectus;
 - (c) the material contracts referred to in paragraph 5 above;
 - (d) the letters of consent referred to in paragraphs 19 to 22 above; and
 - (e) the Audited Combined Financial Statements of Ryobi Kiso Holdings Ltd. and its Subsidiaries for the Financial Years Ended 30 June 2007, 2008 and 2009 as set out in Appendix A of this Prospectus.

**APPENDIX A — AUDITED COMBINED FINANCIAL STATEMENTS OF
RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009**

STATEMENT BY DIRECTORS

We, Ong Tiong Siew and Ong Teng Choon, being the Directors of Ryobi Kiso Holdings Ltd (the “Company”) and its subsidiaries (collectively “the Group”), do hereby state that, in our opinion,

- (a) the combined financial statements set out on pages A-4 to A-58 are properly drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group as at 30 June 2007, 2008 and 2009 and of the results, statement of changes in equity and cash flows of the Group for the financial years ended 30 June 2007, 2008 and 2009; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

.....
Ong Tiong Siew
Director

.....
Ong Teng Choon
Director

**APPENDIX A — AUDITED COMBINED FINANCIAL STATEMENTS OF
RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009**

INDEPENDENT AUDITOR'S REPORT IN RELATION TO THE AUDITED COMBINED FINANCIAL STATEMENTS OF RYOBI KISO HOLDINGS LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009

18 January 2010
The Board of Directors
Ryobi Kiso Holdings Ltd
58A Sungei Kadut Loop
Ryobi Industrial Building
Singapore 729505

Dear Sirs

We have audited the combined financial statements of Ryobi Kiso Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group"), set out on pages A-4 to A-58, which comprise the combined balance sheets as at 30 June 2007, 2008 and 2009, the combined income statements, combined statements of changes in equity and combined cash flow statements for the financial years ended 30 June 2007, 2008 and 2009 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statements and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the combined financial statements are free from material misstatement.

**APPENDIX A — AUDITED COMBINED FINANCIAL STATEMENTS OF
RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009**

**INDEPENDENT AUDITOR'S REPORT IN RELATION TO THE AUDITED COMBINED FINANCIAL
STATEMENTS OF RYOBI KISO HOLDINGS LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL
YEARS ENDED 30 JUNE 2007, 2008 AND 2009 (CONT'D)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the combined financial statements of the Group present fairly in all material respects, the financial position of the Group as at 30 June 2007, 2008 and 2009 and the results, changes in equity and cash flows of the Group for the financial years then ended, in accordance with the basis of preparation set out in Note 4.1 and Note 4.4 to the combined financial statements and Singapore Financial Reporting Standards.

This report has been prepared solely for inclusion in the Prospectus in connection with the proposed listing of the Company's shares on the Singapore Exchange Securities Trading Limited.

NEXIA TS PUBLIC ACCOUNTING CORPORATION
Public Accountants and Certified Public Accountants
(Appointed since financial year ended 30 June 2007)
Singapore

Director-in-charge: Kristin YS Kim

**APPENDIX A — AUDITED COMBINED FINANCIAL STATEMENTS OF
RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009**

**Ryobi Kiso Holdings Ltd and Its Subsidiaries
Combined Income Statements
For the financial years ended 30 June 2007, 2008 and 2009**

| | Note | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|--|------|----------------|----------------|----------------|
| Revenue | 5 | 56,630 | 125,112 | 160,317 |
| Cost of sales | | 40,263 | 78,202 | 107,925 |
| Gross profit | | 16,367 | 46,910 | 52,392 |
| Other income | 6 | 2,563 | 1,817 | 1,364 |
| Administrative expenses | | (5,243) | (9,812) | (11,527) |
| Selling and distribution expenses | | (81) | (107) | (106) |
| Other operating expenses | | (207) | (264) | (479) |
| Finance expenses | 9 | (604) | (683) | (858) |
| Share of results of associated company | | — | 618 | (45) |
| Profit before income tax | | 12,795 | 38,479 | 40,741 |
| Income tax expense | 10 | (2,231) | (7,073) | (6,145) |
| Total profit | | 10,564 | 31,406 | 34,596 |
| Attributable to: | | | | |
| Equity holders of the Company | | 10,139 | 30,246 | 34,297 |
| Minority interests | | 425 | 1,160 | 299 |
| | | 10,564 | 31,406 | 34,596 |
| Basic and fully diluted earnings per share (cents) | 11 | 1.8 | 5.3 | 6.0 |

The accompanying notes are an integral part of the financial statements

**APPENDIX A — AUDITED COMBINED FINANCIAL STATEMENTS OF
RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009**

**Ryobi Kiso Holdings Ltd and Its Subsidiaries
Combined Balance Sheets
As at 30 June 2007, 2008 and 2009**

| | Note | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|---|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 12 | 3,731 | 28,830 | 40,522 |
| Derivative financial instruments | 13 | 3 | 49 | — |
| Trade and other receivables | 14 | 21,497 | 38,630 | 22,894 |
| Inventories | 15 | 600 | 603 | 89 |
| Construction contract work-in-progress | 16 | 175 | 1,492 | 1,448 |
| Other current assets | 17 | 140 | 912 | 553 |
| | | <u>26,146</u> | <u>70,516</u> | <u>65,506</u> |
| Non-Current Assets | | | | |
| Investment in associated company | 18 | — | 760 | 715 |
| Club memberships | 19 | 32 | 32 | 220 |
| Financial assets, available-for-sale | 20 | 1,551 | 1,680 | 1,883 |
| Property, plant and equipment | 21 | 20,089 | 36,305 | 42,550 |
| Deferred income tax assets | 22 | — | 125 | 183 |
| | | <u>21,672</u> | <u>38,902</u> | <u>45,551</u> |
| TOTAL ASSETS | | <u>47,818</u> | <u>109,418</u> | <u>111,057</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade and other payables | 23 | 16,444 | 46,763 | 39,959 |
| Current income tax liabilities | | 2,458 | 7,983 | 5,866 |
| Derivative financial instruments | 13 | 14 | — | 28 |
| Borrowings | 24 | 2,385 | 5,212 | 6,521 |
| | | <u>21,301</u> | <u>59,958</u> | <u>52,374</u> |
| Non-Current Liabilities | | | | |
| Borrowings | 24 | 6,209 | 12,962 | 12,196 |
| Deferred income tax liabilities | 22 | 1,114 | 2,071 | 3,137 |
| | | <u>7,323</u> | <u>15,033</u> | <u>15,333</u> |
| TOTAL LIABILITIES | | <u>28,624</u> | <u>74,991</u> | <u>67,707</u> |
| NET ASSETS | | <u>19,194</u> | <u>34,427</u> | <u>43,350</u> |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 26 | 2,500 | 2,500 | 2,500 |
| Other reserves | 27 | 237 | (583) | (897) |
| Retained earnings | | 15,448 | 30,694 | 39,991 |
| | | <u>18,185</u> | <u>32,611</u> | <u>41,594</u> |
| Minority interests | | <u>1,009</u> | <u>1,816</u> | <u>1,756</u> |
| TOTAL EQUITY | | <u>19,194</u> | <u>34,427</u> | <u>43,350</u> |

The accompanying notes are an integral part of the financial statements

**APPENDIX A — AUDITED COMBINED FINANCIAL STATEMENTS OF
RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009**

**Ryobi Kiso Holdings Ltd and Its Subsidiaries
Combined Statement of Changes in Equity
For the financial years ended 30 June 2007, 2008 and 2009**

| | Note | — Attributable to equity — holders of the Company | | | | Total Equity \$'000 |
|--|------|--|-----------------------------|--------------------------------|---------------------------------|---------------------------|
| | | Share capital \$'000 | Other reserves \$'000 | Retained Earnings \$'000 | Minority Interests \$'000 | |
| As at 30 June 2006 | | 2,500 | (231) | 6,309 | 842 | 9,420 |
| Financial assets, available-for-sale | | | | | | |
| — Net fair value gains | 27 | — | 468 | — | — | 468 |
| Net income recognised directly in equity | | — | 468 | — | — | 468 |
| Net profit | | — | — | 10,139 | 425 | 10,564 |
| Total recognised income | | — | 468 | 10,139 | 425 | 11,032 |
| Incorporation of a subsidiary | | — | — | — | — ⁽¹⁾ | — |
| Dividends paid | 28 | — | — | (1,000) | (258) | (1,258) |
| As at 30 June 2007 | | 2,500 | 237 | 15,448 | 1,009 | 19,194 |
| Financial assets, available-for-sale | | | | | | |
| — Net fair value losses | 27 | — | (806) | — | — | (806) |
| Currency translation differences | 27 | — | (14) | — | (4) | (18) |
| Net loss recognised directly in equity | | — | (820) | — | (4) | (824) |
| Net profit | | — | — | 30,246 | 1,160 | 31,406 |
| Total recognised income | | — | (820) | 30,246 | 1,156 | 30,582 |
| Disposal of a subsidiary | | — | — | — | — ⁽¹⁾ | — |
| Additional investment in a subsidiary | | — | — | — | (116) | (116) |
| Issuance of shares in subsidiaries | — | — | — | — | 211 | 211 |
| Dividends paid | 28 | — | — | (15,000) | (444) | (15,444) |
| As at 30 June 2008 | | 2,500 | (583) | 30,694 | 1,816 | 34,427 |
| Financial assets, available-for-sale | | | | | | |
| — Net fair value losses | 27 | — | (323) | — | — | (323) |
| Currency translation differences | 27 | — | 9 | — | (6) | 3 |
| Net loss recognised directly in equity | | — | (314) | — | (6) | (320) |
| Net profit | | — | — | 34,297 | 299 | 34,596 |
| Total recognised income | | — | (314) | 34,297 | 293 | 34,276 |
| Dividends paid | 28 | — | — | (25,000) | (353) | (25,353) |
| As at 30 June 2009 | | 2,500 | (897) | 39,991 | 1,756 | 43,350 |

(1) A subsidiary was incorporated on 8 January 2007 for \$100 and disposed on 27 September 2007 for \$74.

The accompanying notes are an integral part of the financial statements

**APPENDIX A — AUDITED COMBINED FINANCIAL STATEMENTS OF
RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008 AND 2009**

**Ryobi Kiso Holdings Ltd and Its Subsidiaries
Combined Cash Flow Statements
For the financial years ended 30 June 2007, 2008 and 2009**

| | Note | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|---|------|----------------|----------------|----------------|
| Cash flow from operating activities | | | | |
| Net profit | | 10,564 | 31,406 | 34,596 |
| Adjustments for: | | | | |
| Income tax expenses | | 2,231 | 7,073 | 6,145 |
| Interest income | 6 | (85) | (140) | (713) |
| Rental income | 6 | (568) | (324) | (201) |
| Dividend income | 6 | (16) | (5) | (54) |
| Currency translation differences | | — | (14) | 3 |
| Gain on disposal of financial assets, available-for-sale | | (1,378) | (104) | (57) |
| Gain on disposal of property, plant and equipment | | (99) | (59) | (3) |
| Impairment loss of club memberships | | 28 | — | — |
| Loss on derivative financial instrument | | 11 | — | — |
| Impairment loss for trade receivables | | — | 16 | — |
| Negative goodwill | | — | (34) | — |
| Write-off of property, plant and equipment | | — | 247 | 2 |
| Depreciation of property, plant and equipment | 21 | 2,533 | 5,008 | 5,781 |
| Interest expense | | 604 | 683 | 858 |
| Share of result on associated company | | — | (618) | 45 |
| Currency translation | | — | (4) | — |
| Operating cash flow before working capital changes | | 13,825 | 43,131 | 46,402 |
| Changes in operating assets and liabilities | | | | |
| Trade and other receivables | | (13,330) | (17,149) | 15,737 |
| Inventories | | 111 | (3) | 513 |
| Construction contract work-in-progress | | 471 | (1,317) | 44 |
| Other current assets | | 356 | (772) | 359 |
| Trade and other payables | | 2,344 | 15,259 | (1,727) |
| Cash generated from operations | | 3,777 | 39,149 | 61,328 |
| Income tax paid | | (344) | (539) | (7,196) |
| Net cash generated from operating activities | | 3,433 | 38,610 | 54,132 |

The accompanying notes are an integral part of the financial statements

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RYOBI KISO HOLDINGS LTD. AND ITS SUBSIDIARIES
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**Ryobi Kiso Holdings Ltd and Its Subsidiaries
Combined Cash Flow Statements
For the financial years ended 30 June 2007, 2008 and 2009**

| | Note | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|--|------|---------------------|----------------------|----------------------|
| Cash flow from investing activities | | | | |
| Interest income | 6 | 85 | 140 | 713 |
| Rental income | 6 | 568 | 324 | 201 |
| Dividend income | 6 | 16 | 5 | 54 |
| Proceeds from disposal of financial assets, available-for-sale | | 3,586 | 972 | 447 |
| Purchase of financial assets, available-for-sale | 20 | (2,558) | (1,980) | (974) |
| Proceeds from disposal of property, plant and equipment | | 228 | 61 | 7 |
| Proceeds from disposal of a subsidiary | | — | — ⁽¹⁾ | — |
| Incorporation of a subsidiary | | — ⁽¹⁾ | — | — |
| Additional investment in a subsidiary | | — | (82) | — |
| Purchase of associated company | | — | (142) | — |
| Purchase of property, plant and equipment | | (3,633) | (8,332) | (5,173) |
| Purchase of club membership | | — | — | (188) |
| Net cash used in investing activities | | <u>(1,708)</u> | <u>(9,034)</u> | <u>(4,913)</u> |
| Cash flow from financing activities | | | | |
| Proceeds from issuance of shares | | — | 211 | — |
| Proceeds from borrowings | | 2,447 | — | — |
| Repayment of borrowings | | (1,907) | (3,561) | (6,316) |
| Withdrawal of/placement of short-term bank deposits pledged | | (10) | (608) | 438 |
| Interest paid | | (604) | (683) | (858) |
| Dividends paid | | (1,258) | (444) | (30,353) |
| Net cash used in financing activities | | <u>(1,332)</u> | <u>(5,085)</u> | <u>(37,089)</u> |
| Net increase in cash and cash equivalents | | 393 | 24,491 | 12,130 |
| Cash and cash equivalents at beginning of financial year | | <u>2,706</u> | <u>3,099</u> | <u>27,590</u> |
| Cash and cash equivalents at end of financial year | 12 | <u><u>3,099</u></u> | <u><u>27,590</u></u> | <u><u>39,720</u></u> |

(1) A subsidiary was incorporated on 8 January 2007 for \$100 and disposed on 27 September 2007 for \$74.

The accompanying notes are an integral part of the financial statements

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Notes to the Combined Financial Statements
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1. Introduction

The combined financial statements of Ryobi Kiso Holdings Ltd (the “Company”) and its subsidiary companies (the “Group”) for the financial years ended 30 June 2007, 2008 and 2009 have been prepared for inclusion in the Prospectus of the Company issued in connection with initial public offering (“IPO”) by the Company of 192,000,000 new ordinary shares.

2. Corporate information

The Company was incorporated in the Republic of Singapore on 28 February 2008 under the Singapore Companies Act as a private limited company under the name of Ryobi-Kiso Holdings Pte Ltd with issued and paid up capital of two ordinary shares at \$2. The Company was incorporated for the purpose of acquiring the existing companies of the Group pursuant to the Group Restructuring Exercise (Note 3).

On 23 November 2009, the Company’s name was subsequently changed to “Ryobi Kiso Holdings Pte. Ltd.”

On 24 November 2009, the name of the Company was changed to “Ryobi Kiso Holdings Ltd” in connection with the Company’s conversion to a public company limited by shares.

The registered office and principal place of business of the Company is at 58A Sungei Kadut Loop, Ryobi Industrial Building Singapore 729505.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are as set out below:

The Group comprises the Company and the following subsidiaries:

| Name of subsidiaries | Principal activities | Place and date of incorporation | Equity holding | | | Note |
|------------------------------------|--|---------------------------------|----------------|------|------|------|
| | | | 2007 | 2008 | 2009 | |
| | | | % | % | % | |
| <u>Held by the Company</u> | | | | | | |
| Ryobi Kiso (S) Pte. Ltd. | Ground engineering and piling contractors | Singapore 10 August 1990 | 100 | 100 | 100 | (1) |
| Ryobi-Kiso (M) Sdn. Bhd. | Construction works, piling and soil improvements | Malaysia 28 August 2000 | 100 | 100 | 100 | (2) |
| Ryobi Ground Engineering Pte. Ltd. | Soil improvements and civil engineering | Singapore 14 August 2004 | 100 | 100 | 100 | (3) |
| Raffles Piling Singapore Pte. Ltd. | Ground engineering and piling contractors | Singapore 3 September 2007 | — | 100 | 100 | (4) |

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2. Corporate information (Cont'd)

| Name of subsidiaries | Principal activities | Place and date of incorporation | Equity holding | | | Note |
|--|--|---------------------------------|----------------|--------|--------|------|
| | | | 2007 % | 2008 % | 2009 % | |
| <u>Held by Ryobi Kiso (S) Pte. Ltd.</u> | | | | | | |
| Ryobi Machinery Pte Ltd | Trading in machinery and equipment and provision of equipment services | Singapore 22 September 1999 | 50 | 100 | 100 | (5) |
| Ryobi Geotechnique Pte Ltd | Instrumentation and geotechnical engineering | Singapore 10 July 2000 | 74.07 | 74.07 | 74.07 | (6) |
| Ryobi Geoproducts Pte. Ltd. | Sale of geotechnical products | Singapore 8 January 2007 | 100 | — | — | (7) |
| <u>Held by Raffles Piling Singapore Pte. Ltd.</u> | | | | | | |
| Raffles Piling Vietnam Company Limited | Ground engineering and piling contractors | Vietnam 29 July 2009 | — | — | — | (8) |
| <u>Held by Ryobi Geotechnique Pte Ltd</u> | | | | | | |
| Ryobi Geotechnique International Pte. Ltd. | Instrumentation and geotechnical engineering | Singapore 19 January 2005 | 80 | 80 | 80 | (9) |
| <u>Held by Ryobi Geotechnique International Pte. Ltd.</u> | | | | | | |
| Ryobi Geotechnique (M) Sdn. Bhd. | Instrumentation and geotechnical engineering | Malaysia 11 September 2005 | 100 | 100 | 100 | (10) |
| Ryobi Geoproducts Pte. Ltd. | Sale of geotechnical products | Singapore 8 January 2007 | — | 100 | 100 | (7) |
| Ryobi Geotech Pte. Ltd. | Instrumentation and geotechnical engineering | Singapore 18 September 2008 | — | — | 100 | (11) |
| Ryobi Geosystems Pte. Ltd. | Instrumentation and geotechnical engineering | Singapore 18 September 2008 | — | — | 100 | (12) |
| Ryobi Geomonitoring Pte. Ltd. | Instrumentation and geotechnical engineering | Singapore 18 September 2008 | — | — | 100 | (13) |

Notes:

- (1) Ryobi Kiso (S) Pte. Ltd. was established as private limited company in the Republic of Singapore with a registered capital of \$2,500,000 as of date of this report.
- (2) Ryobi-Kiso (M) Sdn. Bhd. was established as private limited company in Malaysia with a registered capital of RM200,000 as of date of this report.

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2. Corporate information (Cont'd)

- (3) Ryobi Ground Engineering Pte. Ltd. was established as private limited company in the Republic of Singapore with a registered capital of \$2 as of date of this report.
- (4) Raffles Piling Singapore Pte. Ltd. was established as private limited company in the Republic of Singapore with a registered capital of \$250,000 as of date of this report.
- (5) Ryobi Machinery Pte Ltd was established as private limited company in the Republic of Singapore with a registered capital of \$100,000 as of date of this report.
- (6) Ryobi Geotechnique Pte Ltd was established with private limited company in the Republic of Singapore with a registered capital of \$250,000 as of date of this report.
- (7) Ryobi Geoproducts Pte. Ltd. was established with private limited company in the Republic of Singapore with a registered capital of \$20,000 as of date of this report.
- (8) Raffles Piling Vietnam Company Limited was established as private limited company in the Socialist Republic of Vietnam with a registered capital of VND3,600,000,000 as of date of this report.
- (9) Ryobi Geotechnique International Pte. Ltd. was established with private limited company in the Republic of Singapore with a registered capital of \$1,000,000 as of date of this report.
- (10) Ryobi Geotechnique (M) Sdn. Bhd. was established with private limited company in Malaysia with a registered capital of RM150,000 as of date of this report.
- (11) Ryobi Geotech Pte. Ltd. was established with private limited company in the Republic of Singapore with a registered capital of \$100,000 as of date of this report.
- (12) Ryobi Geosystems Pte. Ltd. was established with private limited company in the Republic of Singapore with a registered capital of \$20,000 as of date of this report.
- (13) Ryobi Geomonitoring Pte. Ltd. was established with private limited company in the Republic of Singapore with a registered capital of \$20,000 as of date of this report.

The statutory financial statements of Ryobi Kiso (S) Pte. Ltd., Ryobi Geotechnique Pte Ltd and Ryobi Geotechnique International Pte. Ltd. for the financial years ended 30 June 2007, 2008 and 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants and were unqualified.

The statutory financial statements of Ryobi-Kiso (M) Sdn. Bhd. for the financial years ended 31 December 2006, 2007 and 2008 and for the financial period ended 30 June 2009 were audited by W S Tan & Associates, Chartered Accountants and were unqualified. The financial statements for the financial years ended 30 June 2007, 2008 and 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants for the inclusion in the combined financial statements of the Company and were unqualified.

The statutory financial statements of Ryobi Ground Engineering Pte. Ltd. for the financial years ended 31 December 2006 and 2007 were exempted from audit under Companies Act. The financial statements for the financial years ended 30 June 2007, 2008 and 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants for the inclusion in the combined financial statements of the Company and were unqualified.

Raffles Piling Singapore Pte. Ltd. was incorporated in 3 September 2007 and the statutory financial statements for the financial periods ended 30 June 2008 and 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants and were unqualified.

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2. Corporate information (Cont'd)

The statutory financial statements of Ryobi Machinery Pte Ltd for the financial years ended 31 December 2007 and 30 June 2008 and 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants and were unqualified. The financial statement for the financial period from 1 July 2006 to 31 December 2006 was audited by Nexia TS Public Accounting Corporation, Certified Public Accountants for the inclusion in the combined financial statements of the Company and was unqualified.

The statutory financial statements of Ryobi Geotechnique (M) Sdn. Bhd. for the financial years ended 30 June 2007, 2008 and 2009 were audited by W S Tan & Associates, Chartered Accountant and were unqualified. The financial statements for the financial years ended 30 June 2007, 2008 and 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants for the inclusion in the combined financial statements of the Company and were unqualified.

Ryobi Geoproducts Pte. Ltd. was incorporated in 8 January 2007 and the statutory financial statements for the financial periods ended 30 June 2008 and 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants and were unqualified.

Ryobi Geotech Pte. Ltd., Ryobi Geosystems Pte. Ltd. and Ryobi Geomonitoring Pte. Ltd. were incorporated in 18 September 2008 and the statutory financial statements for the financial period ended 30 June 2009 were audited by Nexia TS Public Accounting Corporation, Certified Public Accountants and were unqualified.

3. Restructuring exercise

The Company undertook the following exercise (“Restructuring Exercise”) in connection with the invitation:

(a) Incorporation of the Company

On 28 February 2008, the Company was incorporated in the Republic of Singapore as the investment holding company of the Group with an initial paid up capital of \$2 comprising of one share held by the CEO and Executive Director, Ong Tiong Siew and one share held by the Executive Director, Ong Teng Choon.

(b) Acquisition of Ryobi Ground Engineering Pte. Ltd.

On 22 May 2008, the Company acquired the 100% shareholding of Ryobi Ground Engineering Pte. Ltd. comprising one share from Ong Tiong Siew and one share from Ong Huay Chin, for a consideration of a nominal sum of \$1 per share, pursuant to a sale and purchase agreement dated 22 May 2008. Ong Huay Chin is the sister of Ong Tiong Siew and Ong Teng Choon. Ryobi Ground Engineering Pte. Ltd. had negative Net Tangible Assets (“NTA”) as at 31 March 2008. Accordingly, Ryobi Ground Engineering Pte. Ltd. became a wholly owned subsidiary of the Company.

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3. Restructuring exercise (Cont'd)

(c) Acquisition of Ryobi Machinery Pte Ltd

On 30 June 2008, Ryobi Kiso (S) Pte. Ltd. acquired the 50,000 shares in the capital of Ryobi Machinery Pte Ltd from YK Industrial Pte Ltd, representing 50% of the shareholding of Ryobi Machinery Pte Ltd, for a cash consideration of \$82,503, pursuant to a sale and purchase agreement dated 27 June 2008. The consideration was based on the NTA of Ryobi Machinery Pte Ltd as at 31 March 2008. Accordingly Ryobi Machinery Pte Ltd became a wholly owned subsidiary of Ryobi Kiso (S) Pte. Ltd.. The shareholders of YK Industrial Pte Ltd are Ong Yee Khong, Lim Seow Him and Ong Siew Hoon. Lim Seow Him is the wife of Ong Yee Khong and both Ong Yee Khong and Ong Siew Hoon are the siblings of Ong Tiong Siew and Ong Teng Choon.

(d) Acquisition of Ryobi-Kiso (M) Sdn. Bhd.

On 26 September 2008, the Company acquired the shareholding of Ryobi-Kiso (M) Sdn. Bhd. that was held by Liew Chin Kiong @ Tjin Kiong and Liew Choon Siong (who each held one share) for nominal total consideration of RM2. Ryobi-Kiso (M) Sdn. Bhd. had negative NTA as at 31 March 2008. On 29 September 2008, the debt owing to the Company was capitalised and the Company was allotted 199,998 ordinary shares in Ryobi-Kiso (M) Sdn. Bhd.. Accordingly, Ryobi-Kiso (M) Sdn. Bhd. became a wholly owned subsidiary of the Company. Liew Choon Siong is the brother-in-law of Ong Tiong Siew and Ong Teng Choon. Liew Chin Kiong @ Tjin Kiong is the father of Liew Choon Siong.

(e) Transfer of Shares from Kiso Engineering Pte Ltd to Tanglin Capital Pte. Ltd.

On 30 December 2008, Kiso Engineering Pte Ltd transferred 1,275,000 shares in Ryobi Kiso (S) Pte. Ltd., representing 51% of the shareholding in Ryobi Kiso (S) Pte. Ltd. to Tanglin Capital Pte. Ltd. for a nominal aggregate consideration of \$1. Both Kiso Engineering Pte Ltd and Tanglin Capital Pte. Ltd. are the investment vehicles of Ong Tiong Siew, Ong Teng Choon and Ong Huay Chin. Upon completion of the restructuring exercise, Tanglin Capital Pte. Ltd. becomes the Company's immediate and ultimate holding company.

(f) Issue of shares in the Company

On 12 January 2010, the Company issued 249,284 shares to Ong Tiong Siew and 249,284 shares to Ong Teng Choon for consideration of \$249,284 and \$249,284 respectively. The proceeds from the issuance of shares were used to acquire Raffles Piling Singapore Pte. Ltd.

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3. Restructuring exercise (Cont'd)

(g) Acquisition of Raffles Piling Singapore Pte. Ltd.

On 12 January 2010, the Company acquired the 100% shareholding of Raffles Piling Singapore Pte. Ltd. comprising of 250,000 shares from Ryobi Kiso (S) Pte. Ltd., for a total consideration of \$1,004,572, pursuant to a sale and purchase agreement dated 11 January 2010. The consideration is based on the NTA of Raffles Piling Singapore Pte. Ltd. as at 30 June 2009. Part of the consideration amounting to \$498,566 was paid in cash, whereas the balance of \$506,006 was settled by advances from Ryobi Kiso (S) Pte Ltd.

(h) Acquisition of Ryobi Kiso (S) Pte. Ltd.

On 12 January 2010, the Company acquired the 100% shareholding of Ryobi Kiso (S) Pte. Ltd. from Ong Tiong Siew, Ong Teng Choon and Tanglin Capital Pte. Ltd., pursuant to a share swap agreement dated 11 January 2010.

The share swap was based on the audited consolidated NTA (less minority interests) of Ryobi Kiso (S) Pte. Ltd. as at 30 June 2009 after adjusting for the sale of Raffles Piling Singapore Pte. Ltd. In consideration of the 1,102,500 shares from Ong Tiong Siew, 122,500 shares from Ong Teng Choon and 1,275,000 shares from Tanglin Capital Pte. Ltd. in the capital of Ryobi Kiso (S) Pte. Ltd., the Company issued 12,420,695, 1,380,077 and 14,364,070 shares to Ong Tiong Siew, Ong Teng Choon and Tanglin Capital Pte. Ltd. respectively. Accordingly Ryobi Kiso (S) Pte. Ltd. became a wholly owned subsidiary of the Company.

4. Summary of significant accounting policies

4.1 *Basis of preparation*

The Restructuring Exercise involved companies which are under common control since all the entities which took part in the Restructuring Exercise were controlled by the same ultimate shareholders before and immediately after the Restructuring Exercise. The objective of the combined finance statements is to show what the historical information might have been had the combined group as describe in Note 3 and after the Restructuring Exercise had been in place since 1 July 2006 under the “pooling-of-interest” method.

Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the financial years ended 30 June 2007, 2008 and 2009 presented, as a single economic enterprise, although the legal parent-subsiary relationships were not established as at respective balance sheet dates.

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4. Summary of significant accounting policies (Cont'd)

4.1 Basis of preparation (Cont'd)

The combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (FRS) including related Interpretations promulgated by the Accounting Standards Council (“ASC”). The combined financial statements have been prepared on a historical basis except as disclosed in the accounting policies.

The preparation of combined financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity or areas when assumptions and estimates are significant to the financial statements, are disclosed in Note 4.3.

4.2 Changes in accounting policies

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous financial years except for the changes in accounting policies disclosed below.

(a) New and revised FRS adopted for the financial year ended 30 June 2007

| | |
|--------------------|---|
| RS 19 (Amendment) | Employee Benefits |
| FRS 21 (Amendment) | The Effect of Changes in Foreign Exchange Rates |
| FRS 32 (Amendment) | Financial Instruments: Disclosure and Presentation |
| FRS 39 (Amendment) | Financial Instruments: Recognition and Measurement |
| INT FRS 104 | Determining whether an Arrangement contains a Lease |

The adoption of the above FRSs and INT FRS did not result in any substantial changes to the Group’s accounting policies nor any significant financial impact on these financial statements.

(b) New and revised FRS adopted for the financial year ended 30 June 2008

| | |
|-------------|--|
| FRS 40 | Investment Property |
| INT FRS 110 | Interim Financial Reporting and Impairment |

The adoption of the above FRSs and INT FRS did not result in any substantial changes to the Group’s accounting policies nor any significant financial impact on these financial statements.

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4. Summary of significant accounting policies (Cont'd)

4.2 Changes in accounting policies (Cont'd)

(c) New and revised FRS adopted for the financial year ended 30 June 2009

| | |
|-------------------|--|
| FRS 1 (Amendment) | Presentation of Financial Statements — Capital Disclosures |
| FRS 107 | Financial Instruments: Disclosures |
| INT FRS 112 | Service Concession Arrangements |

The adoption of these new or revised FRS and INT FRS did not result in significant changes to the Group's accounting policies but gave rise to additional disclosures as required under FRS 1 (Amendment) Presentation of Financial Statements relating to capital disclosures and FRS 107 Financial Instruments: Disclosures.

(d) FRS and INT FRS issued but not yet effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is not significant except as set out below:

(i) FRS1(R) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- All changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income;
- Components of comprehensive income not to be included in statement of changes in equity;
- Items of income and expenses and components of other comprehensive income to be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income); and

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4. Summary of significant accounting policies (Cont'd)

4.2 Changes in accounting policies (Cont'd)

(d) FRS and INT FRS issued but not yet effective (Cont'd)

- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

The Group will apply the revised standard from 1 July 2009 and provide comparative information that confirms to the requirements of the revised standard. The key impact of the application of the revised standard is the presentation of an additional primary statement, that is, the statement of comprehensive income.

4.3 Critical accounting estimates, assumptions and judgements

The preparation of the Combined Financial Statements in conformity with FRS requires the use of estimates, assumptions and judgements that affect the application of accounting policies as disclosed below, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period.

The Group is subject to the uncertainty caused by the world financial crisis. The world economy has experienced significant downward pressure and credit has become very tight. Significant judgment is required to determine the fair value and forecasts of business that may have impact on cashflow, collectibility and realisability of assets. In making these judgments, the Group has relied on past experience and their view of the economy.

Key sources of estimation uncertainty

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within three to 25 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets; therefore; future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at 30 June 2007, 2008 and 2009 were \$20,089,000, \$36,305,000 and \$42,744,000 respectively.

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4. Summary of significant accounting policies (Cont'd)

4.3 Critical accounting estimates, assumptions and judgements (Cont'd)

(b) Construction contracts

The Group recognises revenue when the amount of revenue and related cost can be reliably measured. The stage of completion is assessed by reference to the value of work done certified by customers. Significant judgement is required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group evaluates by relying on past experience.

Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognised in the combined financial information.

Impairment of financial assets, available-for-sale

The Group follows the guidance in FRS 39 in determining when an available-for-sale financial asset is considered impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial health has been less than its cost; and the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

4.4 Common control business combination outside the scope of FRS 103

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Restructuring Exercise described in Note 3 resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of FRS 103 Business Combinations. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the Combined Financial Statements.

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4. Summary of significant accounting policies (Cont'd)

4.4 Common control business combination outside the scope of FRS 103 (Cont'd)

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs are included in the Combined Financial Statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

The combined financial statements of the Group for the financial years ended 30 June 2007, 2008 and 2009 were prepared in accordance with the principle of merger accounting as if the Restructuring Exercise had been completed on 1 July 2006. Such manner of presentation reflects the economic substance of the combining entities as a single economic enterprise, although the legal parent-subsidiary relationship was not established until after the balance sheet date. The financial statements of the subsidiaries are prepared for the reporting date as the parent company.

In preparing the combined financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated.

A single uniform set of accounting policies is adopted by the combined entity. The combined entity recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the combined financial statements. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The aggregate paid-in capital and reserves of the subsidiaries are shown as the Group's share capital and reserves for the financial years ended 30 June 2007, 2008 and 2009.

Subsidiaries are entities (including special purpose entities) over which the Group has 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.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of any minority interest.

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4. Summary of significant accounting policies (Cont'd)

4.4 Common control business combination outside the scope of FRS 103 (Cont'd)

Minority interests are that part of net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Group. They are measured at the minorities' share of fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the minorities' share of losses in a subsidiary exceeds its interests in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minorities are attributed to the equity holders of the Company, unless the minorities have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minorities' share of losses previously absorbed by the equity holders of the Company are fully recovered.

4.5 Associated company

Associated company is entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting. Investment in associated company in the consolidated balance sheet includes goodwill (net of any accumulated impairment losses) identified on acquisition.

Investment in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated company's post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated company have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

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4. Summary of significant accounting policies (Cont'd)

4.6 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

Contract revenue

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion of the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to the value of work done certified by customers. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contracts costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

Revenue from the provision of services is recognised upon the performance of service to the customer.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Rental income

Rental income from operating leases is recognised on a straight-line basis after the lease term.

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4. Summary of significant accounting policies (Cont'd)

4.7 *Property, plant and equipment*

The property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation

Depreciation of property, plant and equipment using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | | |
|-------------------------------|---|---------------|
| Leasehold property | — | 25 years |
| Computer and office equipment | — | 3 to 10 years |
| Machinery and equipment | — | 3 to 15 years |
| Motor vehicles | — | 5 years |
| Furniture and fittings | — | 5 years |
| Leasehold improvement | — | 5 years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the income statement for the financial year in which the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

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4. Summary of significant accounting policies (Cont'd)

4.7 *Property, plant and equipment (Cont'd)*

Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the income statement during the financial year in which it is incurred.

Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

4.8 *Investment in subsidiaries and associated company*

Investment in subsidiaries and associated company are stated at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiaries or associated company, the difference between net disposal proceeds and the carrying amounts of the investment is taken to the income statement.

4.9 *Impairment of non-financial assets*

Property, plant and equipment

Investment in subsidiaries

Investment in associated company

Property, plant and equipment and investment in subsidiaries and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of these assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating-units ("CGU") to which the asset belongs.

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4. Summary of significant accounting policies (Cont'd)

4.9 Impairment of non-financial assets (Cont'd)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

4.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: Loans and receivables and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale is non-derivative and is included in non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

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4. Summary of significant accounting policies (Cont'd)

4.10 Financial assets (Cont'd)

(b) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the income statement. Any amount in the other reserves relating to that asset is transferred to the income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Financial assets, available-for-sale is subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the income statement. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognised an allowance for impairment when such evidence exists.

(i) Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement within "Other Operating Expenses".

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4. Summary of significant accounting policies (Cont'd)

4.10 Financial assets (Cont'd)

(e) Impairment (Cont'd)

(ii) Financial assets, available-for-sale

Significant or prolonged decline in the fair value of the security below its cost and the disappearance of an active market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the other reserve is transferred to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal payments) and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement. The impairment losses on equity instruments classified as financial assets, available-for-sale are not reversed through the income statement.

4.11 Inventories

Inventories are carried at the lower of cost and net realisable value.

Inventories comprise piles and accessories extracted from completed contracts or extractable from contracts in progress.

Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the applicable variable selling expenses.

4.12 Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

4.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank deposits which are subject to an insignificant risk of changes in value.

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4. Summary of significant accounting policies (Cont'd)

4.14 Income taxes

Current taxation

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation

Deferred income tax assets or liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets or liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at:

- (1) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and
- (2) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax are recognised as income or expenses in the income statement for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

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4. Summary of significant accounting policies (Cont'd)

4.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

4.16 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognized as employee compensation expense when they are due, unless they can be capitalized as an asset.

4.17 Construction contract work-in-progress

Construction contract work-in-progress are stated at cost plus a proportion of estimated profits earned to date, less progress payments received or receivable. Full provision is made for the estimated losses to completion where applicable. Costs include all direct material and labour costs and those indirect costs related to contract performance.

At the balance sheet date, the aggregated costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

Progress billings not yet paid by customers and retentions are included within "trade and other receivables". Advances received are included within "trade and other payables".

4.18 Finance expenses

Finance expenses are expensed in the income statement in the period in which they are incurred, except to the extent that they are being capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

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4. Summary of significant accounting policies (Cont'd)

4.19 Leases

When the Group is the lessee:

Finance lease

Leases of assets where the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the balance sheet as property, plant and equipment and finance lease liabilities respectively at the inception of the leases at the lower of the fair values of the leased assets and the present values of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is recognised in the income statement and allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability.

Operating lease

Leases of property, plant and equipment where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of an incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When the Group is the lessor:

Operating lease

Rental income from operating leases (net of any incentives given to lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

4.20 Financial guarantees

The Group has issued corporate guarantees to banks for borrowings of its related party. These guarantees are financial guarantees as they require the Group to reimburse the banks if the related party fail to make principal or interest payments when due in accordance with the terms of their borrowings.

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4. Summary of significant accounting policies (Cont'd)

4.20 *Financial guarantees (Cont'd)*

Financial guarantees are initially recognised at their fair values plus transaction costs in the Group's balance sheet.

Financial guarantees are subsequently amortised to the income statement over the period of the related party's borrowings, unless it is probable that the Group will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Group's balance sheet. Intragroup transactions are eliminated on consolidation.

4.21 *Borrowings*

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the reductions value is recognised in the income statement over the period of the borrowings using the effective interest method.

4.22 *Derivative financial instrument*

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group has entered into forward currency contracts and options for currency risk arising from purchases denominated in foreign currencies. These contracts do not qualify for hedge accounting and consequently, the changes in fair values of these contracts are recognised in the income statement.

4.23 *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments, other than for the acquisition of businesses, are recognised as a deduction from equity.

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4. Summary of significant accounting policies (Cont'd)

4.24 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

4.25 Club memberships

Club memberships held for long-term are stated at cost less impairment loss.

4.26 Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

4.27 Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency"). The combined financial statements of the Group are presented in Singapore Dollars.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Currency translation gains and losses resulting from settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except for currency translation differences on net investment in foreign operations and borrowings.

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4. Summary of significant accounting policies (Cont'd)

4.27 Foreign currency transactions (Cont'd)

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in the currency translation reserve.

4.28 Fair value estimation

The fair values of financial instruments traded in active markets (such as financial assets, available-for-sale and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of currency forwards are determined using actively quoted forward exchange rates.

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

5. Revenue

| | 2007 | 2008 | 2009 |
|-------------------------------------|---------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 |
| Bored piling | 46,099 | 96,064 | 128,633 |
| Eco-friendly piling and geoservices | 10,531 | 29,048 | 31,684 |
| | <u>56,630</u> | <u>125,112</u> | <u>160,317</u> |

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6. Other income

| | 2007 | 2008 | 2009 |
|--|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Rental income | 568 | 324 | 201 |
| Interest income | | | |
| — Bank deposits | 52 | 140 | 713 |
| — Advance to a related party | 33 | — | — |
| Dividend income | 16 | 5 | 54 |
| Foreign exchange gain | 18 | 329 | — |
| Gain on disposal of financial assets, available-for-sale | 1,378 | 104 | 57 |
| Gain on disposal of property, plant and equipment | 99 | 59 | 3 |
| Write-back of trade payables | 251 | — | — |
| Negative goodwill | — | 34 | — |
| Sale of sheet piles | — | 582 | 182 |
| Other | 148 | 240 | 154 |
| | <u>2,563</u> | <u>1,817</u> | <u>1,364</u> |

7. Expenses by nature

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|----------------|
| | \$'000 | \$'000 | \$'000 |
| Allowance for impairment of trade receivables | — | 16 | — |
| Concrete, piles and other materials | 21,707 | 41,853 | 50,970 |
| Depreciation of property, plant and equipment (Note 21) | 2,533 | 5,008 | 5,781 |
| Employee compensation (Note 8) | 5,529 | 11,575 | 14,915 |
| Freight and transportation expenses | 2,581 | 4,445 | 6,562 |
| Insurance | 201 | 761 | 386 |
| Impairment losses of club memberships (Note 19) | 28 | — | — |
| Maintenance of property, plant and equipment | 4,318 | 8,694 | 13,422 |
| Management fee | 300 | — | — |
| Printing, stationery and telecommunication | 155 | 291 | 305 |
| Professional fee | 275 | 880 | 1,516 |
| Property tax | 53 | 53 | 52 |
| Rental paid for premises — operating lease | 306 | 324 | 379 |
| Research and development | 19 | 9 | 90 |
| Sub-contractor fee | 4,207 | 9,355 | 11,735 |
| Travelling and accommodation expenses | 260 | 224 | 268 |
| Write-off of trade receivables | 179 | — | — |
| Write-off of property, plant and equipment | — | 247 | 2 |
| Other | 3,143 | 4,650 | 13,654 |
| | <u>45,794</u> | <u>88,385</u> | <u>120,037</u> |

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8. Employee compensation

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Wages, salaries and short-term benefits | 5,278 | 10,965 | 14,324 |
| Employer's contribution to defined contribution plans | 251 | 610 | 591 |
| | <u>5,529</u> | <u>11,575</u> | <u>14,915</u> |

9. Finance expenses

| | 2007 | 2008 | 2009 |
|---------------------------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Interest on bank borrowings | 104 | 410 | 558 |
| Interest on finance lease | 187 | 239 | 300 |
| Interest on loan from a related party | 313 | 34 | — |
| | <u>604</u> | <u>683</u> | <u>858</u> |

10. Income tax expenses

| | 2007 | 2008 | 2009 |
|--|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Tax expense attributable to profit is made up of: | | | |
| — Current income tax | 2,302 | 6,071 | 5,944 |
| — Deferred income tax (Note 21) | (51) | 1,009 | 1,066 |
| | <u>2,251</u> | <u>7,080</u> | <u>7,010</u> |
| Over provision of current income tax in preceding financial year | (20) | (7) | (865) |
| | <u>2,231</u> | <u>7,073</u> | <u>6,145</u> |

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10. Income tax expenses (Cont'd)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Profit before income tax | <u>12,795</u> | <u>38,479</u> | <u>40,741</u> |
| Tax using Singapore corporate tax rate at 18%, 18% and 17% | 2,303 | 6,926 | 6,926 |
| Tax effect of: | | | |
| Expenses not tax deductible for tax purposes | 695 | 1,047 | 1,126 |
| Utilisation of capital allowance | (675) | (780) | (1,090) |
| Deferred income tax assets not recognised | 33 | — | 66 |
| Statutory stepped income exemption | (82) | (82) | (93) |
| Other | (23) | (31) | 75 |
| | <u>2,251</u> | <u>7,080</u> | <u>7,010</u> |

11. Earnings per share

Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company for the respective years and the pre-Invitation share capital of the Company and were assumed to be in issue throughout the entire period presented.

| | 2007 | 2008 | 2009 |
|---|--------------------|--------------------|--------------------|
| Profit attributable to equity holders of the Company (\$'000) | <u>10,139</u> | <u>30,246</u> | <u>34,297</u> |
| Pre-Invitation share capital (number of shares) | <u>573,268,240</u> | <u>573,268,240</u> | <u>573,268,240</u> |
| Basic and diluted earnings per share (cents) | <u>1.8</u> | <u>5.3</u> | <u>6.0</u> |

There were no dilutive potential ordinary shares as at 30 June 2007, 2008 and 2009.

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12. Cash and cash equivalents

| | 2007 | 2008 | 2009 |
|--|---------------------|----------------------|----------------------|
| | \$'000 | \$'000 | \$'000 |
| Cash at banks and on hand | 3,057 | 25,278 | 10,319 |
| Short-term bank deposits | 674 | 3,552 | 30,203 |
| | <u>3,731</u> | <u>28,830</u> | <u>40,522</u> |
| Less: bank deposits pledged | (632) | (1,240) | (802) |
| Cash and cash equivalents in the cash flow statement | <u><u>3,099</u></u> | <u><u>27,590</u></u> | <u><u>39,720</u></u> |

Short-term bank deposits as at each of the balance sheet date had an average maturity date of one to three months from the end of all the financial year with the weighted average interest rates of 2.4% per annum.

Bank deposits are pledged to the bank for the banking facility of the Group.

13. Derivative financial instruments

| | Contract Notional Amount \$'000 | Fair value | |
|-------------------------|--|-------------------------|-----------------------------|
| | | Asset \$'000 | Liability \$'000 |
| 2007 | | | |
| Non-hedging instruments | | | |
| — Currency forwards | 257 | 3 | — |
| — Options | 594 | — | 14 |
| | | <u>3</u> | <u>14</u> |
| 2008 | | | |
| Non-hedging instruments | | | |
| — Currency forwards | 381 | 5 | — |
| — Options | 3,845 | 44 | — |
| | | <u>49</u> | <u>—</u> |
| 2009 | | | |
| Non-hedging instruments | | | |
| — Options | 2,243 | — | 28 |

Currency forwards and options are entered to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within three months from the balance sheet date. The currency forwards and options have maturity dates that coincide within the expected occurrence of these transactions.

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14. Trade and other receivables

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|--|------------------------|------------------------|------------------------|
| Trade receivables: | | | |
| — Non-related parties | 6,779 | 15,552 | 13,068 |
| — Related parties | 178 | 3 | — |
| | 6,957 | 15,555 | 13,068 |
| Less: Allowance for impairment of receivable | — | (16) | — |
| Trade receivables — net | 6,957 | 15,539 | 13,068 |
| Construction contracts | | | |
| — Due from customers (Note 16) | 11,046 | 19,066 | 7,241 |
| — Retentions (Note 16) | 2,204 | 4,010 | 2,581 |
| Other receivables: | | | |
| Staff loan | 32 | — | — |
| Non-related parties | 833 | 15 | 4 |
| Advances to related parties | 425 | — | — |
| | 1,290 | 15 | 4 |
| | <u>21,497</u> | <u>38,630</u> | <u>22,894</u> |

The advances to related parties are unsecured, interest-free and are repayable on demand.

15. Inventories

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|-------------------------------|------------------------|------------------------|------------------------|
| Raw materials and consumables | 600 | 603 | 89 |

The cost of inventories recognised as an expense and included in “cost of sales” for FY2007, FY2008 and FY2009 approximately amounts to \$21,707,000, \$41,853,000 and \$50,970,000, respectively.

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16. Construction contract work-in-progress

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Beginning of financial year | 646 | 175 | 1,492 |
| Contract costs incurred | 39,792 | 79,519 | 107,881 |
| Contract expenses recognised in the income statement | (40,263) | (78,202) | (107,925) |
| End of financial year | 175 | 1,492 | 1,448 |
| Aggregate costs incurred and profits recognised (less losses recognised) | 56,630 | 125,112 | 160,317 |
| Less: Progress billings | (45,826) | (106,838) | (153,280) |
| | 10,804 | 18,274 | 7,037 |
| Analysed as: | | | |
| Due from customers on construction contracts (Note 14) | 11,046 | 19,066 | 7,241 |
| Due to customers on construction contracts (Note 23) | 242 | 792 | 204 |
| Retentions on construction contracts (Note 14) | 2,204 | 4,010 | 2,581 |

17. Other current assets

| | 2007 | 2008 | 2009 |
|-------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Deposits | 135 | 681 | 274 |
| Prepayments | 5 | 231 | 279 |
| | 140 | 912 | 553 |

18. Investment in associated company

| | 2007 | 2008 | 2009 |
|---|------------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Equity investments at cost | | | |
| Equity share | — | 142 | 142 |
| Beginning of financial year | — | — | 760 |
| Incorporation of associated company | — ⁽¹⁾ | — | 253 |
| Additional investment in associated company | — | 142 | — |
| Disposal of associated company | — | — | (253) |
| Share of results of associated company | — | 618 | (45) |
| End of financial year | — | 760 | 715 |

(1) The Group incurred \$475 for incorporation of an associated company, SEAFCO-Ryobi Pte Ltd on 8 June 2007.

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18. Investment in associated company (Cont'd)

The summarised financial information of associated company is as follows:

| | 2007 | 2008 | 2009 |
|---------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| — Assets | — | 1,892 | 1,541 |
| — Liabilities | — | 292 | 35 |
| — Revenue | — | 2,791 | — |
| — Net profit/(loss) | — | 1,300 | (94) |

The principal activity, place of business and incorporation of the associated company are as follows:

| Name of company | Principal activity | Place of business/ country of incorporation | Effective interest held 2007 | Effective interest held 2008 | Effective interest held 2009 |
|------------------------|---|--|---|---|---|
| SEAFCO-Ryobi Pte Ltd | Construction and piling work, soil improvement and diaphragm wall | Republic of Singapore | 47.5% | 47.5% | 47.5% |

On 6 January 2009, the Group incorporated an associated company in Switzerland for consideration of CHF200,000 (equivalent to SGD253,560). The associated company was disposed subsequently at the same consideration on 2 June 2009.

19. Club memberships

| | 2007 | 2008 | 2009 |
|-------------------------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Club memberships — at cost | 124 | 124 | 124 |
| Additions | — | — | 188 |
| Less: Accumulated impairment losses | (92) | (92) | (92) |
| | 32 | 32 | 220 |

The impairment losses of club memberships recognised as expense and included in “other operating expenses” for FY2007 amounts to \$28,000. No impairment losses were recognised in FY2008 and FY2009.

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20. Financial assets, available-for-sale

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Beginning of financial year | 625 | 1,551 | 1,680 |
| Additions | 2,558 | 1,980 | 974 |
| Fair value gains/(losses) (Note 27) | 577 | (983) | (381) |
| Disposals | (2,209) | (868) | (390) |
| End of financial year | <u>1,551</u> | <u>1,680</u> | <u>1,883</u> |
| Available-for-sale financial assets are analysed as follows:- | | | |
| Listed securities | | | |
| — equity securities — Singapore | <u>1,551</u> | <u>1,680</u> | <u>1,883</u> |

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21. Property, plant and equipment

| 2007 | Leasehold Property \$'000 | Computer and Office Equipment \$'000 | Machinery and Equipment \$'000 | Motor Vehicles \$'000 | Furniture and Fittings \$'000 | Leasehold Improvement \$'000 | Total \$'000 |
|---|---------------------------------|---|---|-----------------------------|-------------------------------------|------------------------------------|-----------------|
| Cost | | | | | | | |
| Beginning of financial year | 5,827 | 441 | 26,400 | 1,397 | 76 | 160 | 34,301 |
| Additions | — | 56 | 6,592 | 244 | 41 | — | 6,933 |
| Disposals | — | (15) | (772) | (71) | (36) | — | (894) |
| Written off | — | (168) | (1,329) | (9) | (22) | — | (1,528) |
| End of financial year | 5,827 | 314 | 30,891 | 1,561 | 59 | 160 | 38,812 |
| Accumulated Depreciation | | | | | | | |
| Beginning of financial year | 2,036 | 259 | 15,434 | 560 | 45 | 150 | 18,484 |
| Depreciation charge | 233 | 83 | 1,954 | 246 | 14 | 3 | 2,533 |
| Disposals | — | (13) | (666) | (68) | (19) | — | (766) |
| Written off | — | (168) | (1,329) | (9) | (22) | — | (1,528) |
| End of financial year | 2,269 | 161 | 15,393 | 729 | 18 | 153 | 18,723 |
| Net Book Value End of financial year | 3,558 | 153 | 15,498 | 832 | 41 | 7 | 20,089 |

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21. Property, plant and equipment (Cont'd)

| 2008 | Leasehold Property \$'000 | Computer and Office Equipment \$'000 | Machinery and Equipment \$'000 | Motor Vehicles \$'000 | Furniture and Fittings \$'000 | Leasehold Improvement \$'000 | Total \$'000 |
|---|--|---|---|--------------------------------------|--|---|-------------------------|
| Cost | | | | | | | |
| Beginning of financial year | 5,827 | 314 | 30,891 | 1,561 | 59 | 160 | 38,812 |
| Additions | — | 205 | 20,426 | 412 | 261 | 169 | 21,473 |
| Disposal | — | — | (230) | (92) | — | — | (322) |
| Written off | — | (230) | (662) | — | (28) | (160) | (1,080) |
| End of financial year | 5,827 | 289 | 50,425 | 1,881 | 292 | 169 | 58,883 |
| Accumulated Depreciation | | | | | | | |
| Beginning of financial year | 2,269 | 161 | 15,393 | 729 | 18 | 153 | 18,723 |
| Depreciation charge | 233 | 95 | 4,329 | 299 | 41 | 11 | 5,008 |
| Disposal | — | — | (230) | (90) | — | — | (320) |
| Written off | — | (157) | (512) | — | (10) | (154) | (833) |
| End of financial year | 2,502 | 99 | 18,980 | 938 | 49 | 10 | 22,578 |
| Net Book Value End of financial year | 3,325 | 190 | 31,445 | 943 | 243 | 159 | 36,305 |

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21. Property, plant and equipment (Cont'd)

| 2009 | Leasehold Property \$'000 | Computer and Office Equipment \$'000 | Machinery and Equipment \$'000 | Motor Vehicles \$'000 | Furniture and Fittings \$'000 | Leasehold Improvement \$'000 | Total \$'000 |
|---|---------------------------------|---|---|-----------------------------|-------------------------------------|------------------------------------|-----------------|
| Cost | | | | | | | |
| Beginning of financial year | 5,827 | 289 | 50,425 | 1,881 | 292 | 169 | 58,883 |
| Additions | — | 120 | 11,675 | 236 | 1 | — | 12,032 |
| Disposal | — | (3) | (137) | — | (5) | — | (145) |
| Written off | — | — | — | — | (6) | — | (6) |
| End of financial year | 5,827 | 406 | 61,963 | 2,117 | 282 | 169 | 70,764 |
| Accumulated Depreciation | | | | | | | |
| Beginning of financial year | 2,502 | 99 | 18,980 | 938 | 49 | 10 | 22,578 |
| Depreciation charge | 233 | 118 | 4,993 | 334 | 69 | 34 | 5,781 |
| Disposal | — | (2) | (137) | — | (2) | — | (141) |
| Written off | — | — | — | — | (4) | — | (4) |
| End of financial year | 2,735 | 215 | 23,836 | 1,272 | 112 | 44 | 28,214 |
| Net Book Value End of financial year | 3,092 | 191 | 38,127 | 845 | 170 | 125 | 42,550 |

Property, plant and equipment with carrying amount for FY2007, FY2008 and FY2009 amounting to \$10,109,000, \$23,290,000 and \$27,581,000 are under finance lease respectively. (Note 25)

Bank borrowings are secured on property, plant and equipment of the Group with carrying amount for FY2007, FY2008 and FY2009 amounting to \$3,558,000, \$3,325,000 and \$3,092,000 respectively. (Note 24)

The additions of plant and machinery for FY2007, FY2008 and FY2009 amounting to \$3,300,000, \$13,141,000 and \$6,859,000 are under finance lease respectively.

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22. Deferred income tax (assets)/liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The details of deferred income tax (assets)/liabilities are as follows:

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Deferred income tax (assets)/liabilities | | | |
| — property, plant and equipment | 1,062 | 2,071 | 3,137 |
| — fair value gains/(losses) on available-for-sale, financial assets | 52 | (125) | (183) |
| | <u>1,114</u> | <u>1,946</u> | <u>2,954</u> |

The movement in the deferred income tax account is as follows:

| | 2007 | 2008 | 2009 |
|------------------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Beginning of financial year | 1,056 | 1,114 | 1,946 |
| Tax (credited)/charge to: | | | |
| — income statement (Note 10) | (51) | 1,009 | 1,066 |
| — equity (Note 27) | 109 | (177) | (58) |
| End of financial year | <u>1,114</u> | <u>1,946</u> | <u>2,954</u> |

23. Trade and other payables

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| <u>Trade payables:</u> | | | |
| — Non-related parties | 10,043 | 24,443 | 11,211 |
| — Related parties | 183 | — | — |
| | 10,226 | 24,443 | 11,211 |
| <u>Construction contract</u> | | | |
| — Due to customers (Note 16) | 242 | 792 | 204 |
| <u>Other payables:</u> | | | |
| — Due to related parties (non-trade) | 1,163 | 127 | — |
| — Loan from a related party | 1,764 | — | — |
| — Dividend payable | — | 15,000 | 10,000 |
| — Other payables and accrual for operating expenses | 3,049 | 6,401 | 18,544 |
| | <u>5,976</u> | <u>21,528</u> | <u>28,544</u> |
| | <u>16,444</u> | <u>46,763</u> | <u>39,959</u> |

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23. Trade and other payables (Cont'd)

The non-trade amounts due to related parties (non-trade) are unsecured, interest-free and are repayable on demand.

The loan from a related party is unsecured and carried at an interest of 5.3% per annum and it has been fully repaid in December 2007.

24. Borrowings

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|-------------------------------------|------------------------|------------------------|------------------------|
| Current | | | |
| Bank borrowings | 795 | 3,123 | 3,298 |
| Finance lease liabilities (Note 25) | 1,590 | 2,089 | 3,223 |
| | 2,385 | 5,212 | 6,521 |
| Non-current | | | |
| Bank borrowings | 3,635 | 9,375 | 6,965 |
| Finance lease liabilities (Note 25) | 2,574 | 3,587 | 5,231 |
| | 6,209 | 12,962 | 12,196 |
| Total borrowings | 8,594 | 18,174 | 18,717 |

The bank borrowings for FY2006, FY2007 and FY2008 bear the interest rates ranging from 4.4% to 5.0%, 4.0% to 6.0% and 4.0% to 5.0% per annum, respectively.

Bank borrowings of the Group are secured over certain property, plant and equipment of the Group. (Note 21)

25. Finance lease liabilities

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|---|------------------------|------------------------|------------------------|
| Minimum lease payments due: | | | |
| — Not later than one year | 1,728 | 2,289 | 3,523 |
| — Between one and five years | 2,843 | 3,982 | 5,767 |
| | 4,571 | 6,271 | 9,290 |
| Less: Future finance charges | (407) | (595) | (836) |
| Present value of finance lease liabilities | 4,164 | 5,676 | 8,454 |

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25. Finance lease liabilities (Cont'd)

The present values of finance lease liabilities are analysed as follows:

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|------------------------------|------------------------------|------------------------------|------------------------------|
| — Not later than one year | 1,590 | 2,089 | 3,223 |
| — Between one and five years | 2,574 | 3,587 | 5,231 |
| | <u>4,164</u> | <u>5,676</u> | <u>8,454</u> |

The average effective interest rate for FY2007, FY2008 and FY2009 are 6.4%, 6.4% and 5.5% per annum, respectively.

Finance lease liabilities of the Group are secured over certain property, plant and equipment of the Group. (Note 21)

26. Share capital

As the Company was incorporated on 28 February 2008, the share capital in the combined balance sheets as at 30 June 2007, 2008 and 2009 represented the combined paid-up capital of Ryobi Kiso (S) Pte. Ltd., the major direct wholly-owned subsidiary of the Company.

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|---|------------------------------|------------------------------|------------------------------|
| <u>Issued and fully paid — Ordinary shares</u> | | | |
| At beginning and end of financial year | <u>2,500</u> | <u>2,500</u> | <u>2,500</u> |

27. Other reserves

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|------------------------------|------------------------------|------------------------------|------------------------------|
| (a) Composition: | | | |
| Fair value reserve | 237 | (569) | (892) |
| Currency translation reserve | — | (14) | (5) |
| | <u>237</u> | <u>(583)</u> | <u>(897)</u> |

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27. Other reserves (Cont'd)

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|--|----------------|----------------|----------------|
| (b) Movements: | | | |
| (i) Fair value reserve | | | |
| Beginning of financial year | (231) | 237 | (569) |
| — Fair value gains/(losses) (Note 20) | 577 | (983) | (381) |
| — Tax on fair value (gains)/losses (Note 22) | (109) | 177 | 65 |
| — Effect on change in Singapore tax rate | — | — | (7) |
| | 468 | (806) | (323) |
| End of financial year | 237 | (569) | (892) |
| (ii) Currency translation reserve | | | |
| Beginning of financial year | — | — | (14) |
| Net currency translation of financial statements of foreign subsidiary | — | (14) | 9 |
| End of financial year | — | (14) | (5) |

28. Dividend

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|---|----------------|----------------|----------------|
| Ordinary shares dividends paid | | | |
| Tax exempt (one-tier) interim/special dividends | 1,000 | 15,000 | 25,000 |

Ryobi Kiso (S) Pte. Ltd. paid a tax exempt (one-tier) interim dividends amounting to \$1,000,000 (\$0.40 per ordinary share), a tax exempt (one-tier) special dividend amounting to \$15,000,000 (\$6.00 per ordinary share), and tax exempt (one-tier) special dividends amounting to \$25,000,000 (\$10.00 per ordinary share) for FY2007, FY2008 and FY2009 respectively.

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29. Related party transactions

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

(a) Revenue, expenses and other

| | 2007 | 2008 | 2009 |
|--|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| <u>Related parties</u> | | | |
| Management fee | 300 | — | — |
| Interest expense | 313 | 33 | — |
| Dividend paid | 510 | 7,650 | 12,750 |
| Revenue from rental and service income | 420 | 125 | 77 |
| Sales of machinery | 198 | 180 | 2 |
| Purchase and rental of plant and machinery | 888 | 1,308 | 902 |
| Sub-contractor fees | 8 | 331 | — |
| Professional fee paid | 27 | 27 | 22 |
| Interest income | 33 | — | — |

The related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at each of the balance sheet date arising from sale/purchase of goods and services, are set out in Note 14 and 23 respectively.

(b) Key management personnel compensation

| | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Salaries and other short term employee benefits | 1,363 | 2,362 | 3,592 |
| Contribution to Central Provided Fund | 27 | 39 | 49 |
| | <u>1,390</u> | <u>2,401</u> | <u>3,641</u> |

Above includes compensation to directors of the Group amounting to \$1,086,000, \$1,918,000 and \$2,740,000 for FY2007, FY2008 and FY2009 respectively.

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30. Operating lease commitment

(a) Where the Group is a lessee

The Group leases premises under non-cancellable operating lease agreement. The lease has varying terms, escalation clauses and renewal rights. The future minimum lease payments under non-cancellable operating lease contracted for at the balance sheet but not recognised as liabilities were as follows:

| | 2007 | 2008 | 2009 |
|----------------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Not later than one year | 163 | 320 | 527 |
| Between one and five years | 651 | 651 | 605 |
| Later than five years | 2,008 | 1,845 | 1,487 |
| | <u>2,822</u> | <u>2,816</u> | <u>2,619</u> |

(b) Where the Group is a lessor

The Group leases out premises under cancellable lease agreement. The lease has varying terms, escalation clauses and renewal rights. The future minimum lease receivables under cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

| | 2007 | 2008 | 2009 |
|----------------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Not later than one year | 257 | 131 | 70 |
| Between one and five years | 67 | 60 | 1 |
| | <u>324</u> | <u>191</u> | <u>71</u> |

31. Financial risk management

The Group's activities expose it to market risk (including price risk, interest risk and currency risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forward and foreign currency borrowings to hedge certain financial risk exposures. The Board of directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

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31. Financial risk management (Cont'd)

(a) Market risk

(i) Price risk

The Group is exposed to equity securities and unit trusts price risk arising from investments held under financial assets, available-for-sale. The equity securities are listed in Singapore and the unit trusts are vested in foreign countries. The management of the Group oversees its price risk by diversifying its portfolio.

As at each of the balance sheet date, if prices for equity securities and unit trusts change by 5% with all other variables including tax rate being held constant, the equity will be increased/decreased by \$78,000, \$84,000 and \$94,000 for FY2007, FY2008 and FY2009 respectively.

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market risk rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group exposure to cash flow interest rate risks arises mainly from variable rate borrowings from term loans. The management assessed that the fluctuation of the interest rates would not have significant impact to the Group. The effective interest rates of the Group's borrowings are set out in table below:

| | Effective interest rate % | Not later than one year \$'000 | Between one and five years \$'000 | Later than five years \$'000 | Total \$'000 |
|---------------------------|---------------------------------|---|--|------------------------------------|-----------------|
| 2007 | | | | | |
| Term loans | 4.4 to 5.0 | 795 | 2,665 | 970 | 4,430 |
| Finance lease liabilities | 6.4 | 1,590 | 2,574 | — | 4,164 |
| | | 2,385 | 5,239 | 970 | 8,594 |
| 2008 | | | | | |
| Term loans | 4.0 to 6.0 | 3,123 | 8,701 | 674 | 12,498 |
| Finance lease liabilities | 6.4 | 2,089 | 3,587 | — | 5,676 |
| | | 5,212 | 12,288 | 674 | 18,174 |
| 2009 | | | | | |
| Term loans | 4.0 to 5.0 | 3,298 | 6,465 | 500 | 10,263 |
| Finance lease liabilities | 5.5 | 3,223 | 5,231 | — | 8,454 |
| | | 6,521 | 11,696 | 500 | 18,717 |

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31. Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(ii) Cash flow and fair value interest rate risks (Cont'd)

As at each of the balance sheet date, if the bank prime lending rate change by 3% with all other variables including tax rate being held constant, the net profit will be increased/decreased by \$133,000, \$375,000 and \$308,000 for FY2007, FY2008 and FY2009 respectively.

(iii) Foreign currency risk

The Group's business is not exposed to significant foreign exchange risk as its transactions are mainly denominated in Singapore Dollar. The foreign exchange gains/(losses) which mainly resulted from purchases of machineries and equipment and placement of short-term bank deposits in FY2007, FY2008 and FY2009 were \$18,000, \$329,000 and (\$477,000) respectively.

In addition, the Group is not exposed to significant currency translation risk on the net assets in foreign operations as the Group operates mainly in Singapore.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group adopts the policy of accepting customers with good credit worthiness, market reputation and the existing relationship with customer. The Group performs ongoing credit evaluation of its customers' financial condition and requires no collateral from its customers. The allowance for doubtful debts, if any, is based upon a review of the expected collectability of all trade and other receivables.

The credit risk arising from the other financial assets are exposed to credit risk equal to the carrying amount of these assets.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

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31. Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

The age analysis of trade receivables past due but not impaired is as follows:

| | 2007 | 2008 | 2009 |
|------------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Past due 0 to 30 days | 1,014 | 1,474 | 2,116 |
| Past due 31 to 60 days | 43 | 24 | 87 |
| Past due above 60 days | 393 | 81 | 32 |
| | <u>1,450</u> | <u>1,579</u> | <u>2,235</u> |

The trade receivables impaired as at 30 June 2008 is \$16,000. There is no trade receivable impaired for the financial years ended 30 June 2007 and 2009.

(c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages its liquidity risk by ensuring the availability of adequate funds to meet its obligation.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

| | Not later than one year \$'000 | Between one and five years \$'000 | Later than five years \$'000 |
|--------------------------|---|--|---|
| <u>2007</u> | | | |
| Trade and other payables | 16,444 | — | — |
| Borrowings | 2,385 | 5,239 | 970 |
| | <u>18,829</u> | <u>5,239</u> | <u>970</u> |
| <u>2008</u> | | | |
| Trade and other payables | 46,763 | — | — |
| Borrowings | 5,212 | 12,288 | 674 |
| | <u>51,975</u> | <u>12,288</u> | <u>674</u> |

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31. Financial risk management (Cont'd)

(c) Liquidity risk (Cont'd)

| | Not later than one year \$'000 | Between one and five years \$'000 | Later than five years \$'000 |
|--------------------------|--------------------------------------|---|------------------------------------|
| 2009 | | | |
| Trade and other payables | 39,959 | — | — |
| Borrowings | 6,521 | 11,696 | 500 |
| | 46,480 | 11,696 | 500 |

(d) Capital risk

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and cash equivalents.

| | 2007 \$'000 | 2008 \$'000 | 2009 \$'000 |
|---------------|----------------|----------------|----------------|
| Net debt | 4,863 | (10,656) | (21,805) |
| Total equity | 19,194 | 34,427 | 43,350 |
| Total capital | 24,057 | 23,771 | 21,545 |
| Gearing ratio | 20% | (45%) | (101%) |

The Group has complied all the capital requirements for the financial years ended 30 June 2007, 2008 and 2009.

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32. Segment information

The primary segment reporting format is determined to be business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced. The Group operates mainly in Singapore.

Primary reporting format — business segments

| 2007 | Bored Piling \$'000 | Eco-friendly Piling and Geoservices \$'000 | Total \$'000 |
|-----------------------------------|------------------------------------|---|-------------------------|
| Revenue | | | |
| External sales | 46,099 | 10,531 | 56,630 |
| Segment results | 12,460 | 3,907 | 16,367 |
| Other income | | | 2,563 |
| Unallocated costs | | | (5,531) |
| | | | 13,399 |
| Finance expenses | | | (604) |
| Profit before income tax | | | 12,795 |
| Income tax expense | | | (2,231) |
| Total profit | | | <u>10,564</u> |
| Assets | | | |
| Segment assets | 34,646 | 6,320 | 40,966 |
| Unallocated corporate assets | | | 6,852 |
| | | | <u>47,818</u> |
| Liabilities | | | |
| Segment liabilities | 10,425 | 423 | 10,848 |
| Unallocated corporate liabilities | | | 17,776 |
| | | | <u>28,624</u> |
| Other segment information | | | |
| Capital expenditure | 5,553 | 1,253 | 6,806 |
| Unallocated capital expenditure | | | 127 |
| | | | <u>6,933</u> |
| Depreciation | 1,514 | 558 | 2,072 |
| Unallocated depreciation | | | 461 |
| | | | <u>2,533</u> |

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32. Segment information (Cont'd)

Primary reporting format — business segments (Cont'd)

| 2008 | Bored Piling \$'000 | Eco-friendly Piling and Geoservices \$'000 | Total \$'000 |
|---------------------------------------|------------------------------------|---|-------------------------|
| Revenue | | | |
| External sales | 96,064 | 29,048 | 125,112 |
| Segment results | 35,775 | 11,135 | 46,910 |
| Other income | | | 1,817 |
| Unallocated costs | | | (10,183) |
| | | | 38,544 |
| Finance expenses | | | (683) |
| Share of profit of associated company | | | 618 |
| Profit before income tax | | | 38,479 |
| Income tax expense | | | (7,073) |
| Total profit | | | 31,406 |
| Assets | | | |
| Segment assets | 62,187 | 14,843 | 77,030 |
| Unallocated corporate assets | | | 32,388 |
| | | | 109,418 |
| Liabilities | | | |
| Segment liabilities | 46,003 | 666 | 46,669 |
| Unallocated corporate liabilities | | | 28,322 |
| | | | 74,991 |
| Other segment information | | | |
| Capital expenditure | 16,359 | 4,495 | 20,854 |
| Unallocated capital expenditure | | | 619 |
| | | | 21,473 |
| Depreciation | 3,606 | 900 | 4,506 |
| Unallocated depreciation | | | 502 |
| | | | 5,008 |

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32. Segment information (Cont'd)

Primary reporting format — business segments (Cont'd)

| 2009 | Bored Piling \$'000 | Eco-friendly Piling and Geoservices \$'000 | Total \$'000 |
|-------------------------------------|---------------------------|---|-----------------|
| Revenue | | | |
| External sales | 128,633 | 31,684 | 160,317 |
| Segment results | 44,255 | 8,137 | 52,392 |
| Other income | | | 1,364 |
| Unallocated costs | | | (12,112) |
| | | | 41,644 |
| Finance expenses | | | (858) |
| Share of loss of associated company | | | (45) |
| Profit before income tax | | | 40,741 |
| Income tax expense | | | (6,145) |
| Total profit | | | <u>34,596</u> |
| Assets | | | |
| Segment assets | 52,249 | 10,884 | 63,133 |
| Unallocated corporate assets | | | 47,924 |
| | | | <u>111,057</u> |
| Liabilities | | | |
| Segment liabilities | 28,397 | 942 | 29,339 |
| Unallocated corporate liabilities | | | 38,368 |
| | | | <u>67,707</u> |
| Other segment information | | | |
| Capital expenditure | 9,937 | 2,013 | 11,950 |
| Unallocated capital expenditure | | | 82 |
| | | | <u>12,032</u> |
| Depreciation | 3,983 | 1,257 | 5,240 |
| Unallocated depreciation | | | 541 |
| | | | <u>5,781</u> |

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33. Events occurring after balance sheet date

Other than the events disclosed in Note 3, the following events took place subsequent to 30 June 2009:

1. On 29 July 2009, the Group registered and incorporated a new subsidiary, Raffles Piling Vietnam Company Limited in the Socialist Republic of Vietnam for registered share capital of VND3,600,000,000 equivalent to US\$200,000, including US\$50,000 in cash and US\$150,000 in the form of machinery and equipment.
2. On 14 September 2009, Ryobi Kiso (S) Pte Ltd, one of the subsidiaries of the Company paid up the remaining accrued special dividend of \$10 million, which was declared on 29 June 2009.
3. On 23 November 2009, the Company's name was subsequently changed to "Ryobi Kiso Holdings Pte. Ltd." The Company was converted into a public limited company and the name of the Company changed to "Ryobi Kiso Holdings Ltd." in connection therewith on 24 November 2009.
4. At the extraordinary general meeting held 13 January 2010, the shareholders of the Company approved, *inter alia*, the following:
 - (a) the subdivision of every one ordinary share to twenty ordinary shares;
 - (b) the issuance of the new ordinary shares of the Company pursuant to the Invitation which when allotted and issued and fully paid, will rank *pari passu* in all respects with the existing issued shares;
 - (c) that authority be given, pursuant to Section 161 of the Act, to the directors to (i) issue and allot shares (other than the New Shares) in the Company; and (ii) convertible securities and any shares in the Company pursuant to the convertible securities, (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of shares and/or convertible securities to be issued pursuant to such authority shall not exceed 50% of the number of shares in the post-Invitation share capital of the Company and that the aggregate number of shares and/or convertible securities to be issued other than on a *pro-rata* basis to the then existing shareholders of the Company shall not exceed 20% of the number of shares in the post-Invitation share capital of the Company. Unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law or by our Articles of Association to be held, whichever is earlier, except that the Directors shall be authorised to allot and issue new shares pursuant to the convertible securities notwithstanding that such authority has ceased; and
 - (d) the adoption of the RKSAS.

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34. Authorisation of combined financial statements for issue

The combined financial statements of Ryobi Kiso Holdings Ltd for the financial years ended 30 June 2007, 2008 and 2009 were authorised for issue in accordance with a resolution of the Directors on 18 January 2010.

APPENDIX B — TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of our Shares by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase our Shares. Prospective investors should consult their tax advisors regarding Singapore tax and other tax consequences of owning and disposing our Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in the Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

SINGAPORE INCOME TAX

Corporate income tax

Singapore resident and non-resident corporate taxpayers are subject to Singapore income tax on:

- (i) income accruing in or derived from Singapore; and
- (ii) foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

However, foreign income in the form of branch profits, dividends and service fee income (“specified foreign income”) received or deemed received in Singapore by a Singapore tax resident corporate taxpayer are exempted from Singapore tax subject to meeting the qualifying conditions as follows:

- (i) in the year the income is received in Singapore, the headline tax rate of the foreign jurisdiction from which the income is received is at least 15.0%; and
- (ii) the specified foreign income has been subjected to tax in the foreign jurisdiction from which they were received.

As announced in the 2009 Budget Statement, with effect from 22 January 2009, resident non-individuals and resident partners of partnerships in Singapore will be exempted from tax on their remittance of all foreign-sourced income earned / accrued outside Singapore on or before 21 January 2009, if they remit their foreign-sourced income to Singapore during 22 January 2009 to 21 January 2010 (both dates inclusive). The Government will also temporarily lift the conditions that are currently required for foreign-sourced income to be exempted from tax when remitted into Singapore.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accrued in or derived from Singapore, and on foreign income received or deemed received in Singapore.

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore. Normally, control and management of the company is vested in its board of directors and the place of residence of the company is where its directors meet.

The corporate tax rate in Singapore is 18.0% with effect from Year of Assessment 2008 after allowing partial exemption which will apply to the first \$300,000 of a company’s normal chargeable income, and three-quarters of up to the first \$10,000 of normal chargeable income will be exempt from tax and one half of up to the next \$290,000 will be exempt from tax. The partial tax exemption does not apply to Singapore dividends received by companies. As announced in the 2009 Budget Statement the corporate tax rate in Singapore will be reduced to 17.0% with effect from year of assessment 2010.

APPENDIX B — TAXATION

Under a tax exemption scheme for new start-up companies introduced in Year of Assessment 2005, a newly incorporated company that satisfies certain prescribed conditions can claim for full tax exemption on the first \$100,000 of normal chargeable income (excluding Singapore franked dividends) for each of its first three consecutive Years of Assessment. With effect from YA 2008, a further 50.0% exemption is given on the next \$200,000 of the normal chargeable income (excluding Singapore franked dividends) for each of the first three consecutive Years of Assessment.

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced personal income received or deemed received in Singapore by a Singapore tax resident individual (except where such income is received through a partnership) is exempt from tax in Singapore. Certain investment income derived from Singapore sources by individuals will also be exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0.0% to 20.0%.

A non-Singapore tax resident individual is normally taxed at the tax rate of 20.0% except that Singapore employment income is taxed at a flat rate of 15.0% or at resident rates, whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if, in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

DIVIDEND DISTRIBUTIONS

Dividend Distributions — One Tier Corporate Taxation System (“One-Tier System”)

The previous Imputation System was replaced by a One-Tier Corporate Taxation System (“One-Tier System”) on 1 January 2003. Under the One-Tier System, the tax paid by a company is a final tax and the after-tax profits of the company can be distributed to shareholders as Tax Exempt (One-Tier) dividends.

Dividends paid by our Company will be exempt from tax in the hands of Shareholders, regardless of the tax residence status or the legal form of the Shareholders. However, foreign Shareholders are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

GAINS ON DISPOSAL OF SHARES

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains may be construed to be of an income nature and subject to tax especially if they arise from activities which the Inland Revenue Authority of Singapore (“IRAS”) regards as the carrying on of a trade or business in Singapore. Any profits from the disposal of our Shares, if regarded as capital gains by the IRAS, are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the disposal profits would be taxable as trading income and not treated as non-taxable capital gains.

APPENDIX B — TAXATION

STAMP DUTY

No stamp duty is payable on the allotment or holding of our Shares.

Stamp duty is payable on an instrument of transfer of our Shares at the rate of \$0.20 for every \$100 or any part thereof of the consideration for our Shares.

The purchaser is liable for stamp duty, unless otherwise agreed. However, no stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

ESTATE DUTY

Singapore estate duty has been abolished with effect from 15 February 2008.

GOODS AND SERVICES TAX (“GST”)

The sale of our Shares by an investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any GST directly or indirectly incurred by an investor in respect of this exempt supply will become an additional cost to the investor. Where our Shares are sold by the investor belonging outside Singapore, the sale is generally a taxable supply subject to GST at zero-rate. Any GST incurred by a GST-registered investor in the making of this supply in the course of furtherance of a business may be recovered from the Comptroller of GST. Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase, sale or holding of the Shares will be subject to GST at the current rate of seven per cent. Similar services rendered to an investor belonging outside Singapore would generally be zero-rated i.e. subject to GST at zero percent.

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APPENDIX C — DESCRIPTION OF OUR SHARES

The following statements are brief summaries of our capital structure and of the more important rights and privileges of our ordinary shareholders as conferred by the laws of Singapore and our Articles of Association (“Articles”). These statements summarize the material provisions of our Articles but are qualified in entirety by reference to our Articles, a copy of which will be available for inspection at our offices during normal business hours for a period of six months from the date of this Prospectus.

Ordinary Shares

All of our Shares are in registered form. We may, subject to the provisions of the Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to a share issue mandate may not exceed 100% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital, of which the aggregate number of Shares to be issued other than on a pro rata basis to our Shareholders may not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital (the percentage of issued share capital being based on our Company’s issued share capital at the time such authority is given after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or subdivision of Shares). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier. Subject to the foregoing, the provisions of the Act and any special rights attached to any class of shares currently issued, all Award Shares are under the control of our Board of Directors who may allot and issue the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered in our Register of Members and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our Register of Members for any time or times if we provide the Accounting and Corporate Regulatory Authority of Singapore with at least 14 days’ notice and the SGX-ST at least ten clear Market Days’ notice. However, the Register of Members may not be closed for more than 30 days in aggregate in any calendar year. We typically close our Register of Members to determine shareholders’ entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Listing Manual or the rules or by-laws of any stock exchange on which our Company is listed. Our Board of Directors may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been

APPENDIX C — DESCRIPTION OF OUR SHARES

duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed \$2 and furnishes any evidence and indemnity that our Board of Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if shareholders representing not less than 10.0% of the total voting rights of all shareholders request in writing that such a meeting be held.

In addition, two or more shareholders holding not less than 10.0% of our issued share capital may call a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Memorandum of Association and our Articles, a change of our corporate name and a reduction in our share capital. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing.

The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be shareholders. A person who holds Shares through the Depository will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every Shareholder present in person and by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, the chairman of the meeting shall be entitled to treat the first named proxy as the authorised representative to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10.0% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through

APPENDIX C — DESCRIPTION OF OUR SHARES

the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issue

Our Board of Directors may, with approval of our Shareholders at a general meeting, capitalise any reserves or profits (including profits or moneys carried and standing to any reserve) and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Takeovers

Under the Singapore Code on Take-overs and Mergers (“Singapore Take-over Code”), issued by the Authority pursuant to Section 321 of the Securities and Futures Act, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting shares acquires additional voting shares representing more than 1.0% of the voting shares in any six month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv); and
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v);
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

APPENDIX C — DESCRIPTION OF OUR SHARES

- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i); and
 - (v) companies controlled by any of (i), (ii), (iii) or (iv).

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six months.

Liquidation or Other Return of Capital

If we liquidate or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

As permitted by Singapore law, our Articles provide that, subject to the Act, our Board of Directors and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgement is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, wilful default, breach of duty or breach of trust of which they may be guilty in relation to us.

APPENDIX C — DESCRIPTION OF OUR SHARES

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Takeovers” above, there are no limitations imposed by Singapore law or by our Articles on the rights of non-resident shareholders to hold or vote in respect of our Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our shareholders; or
- (b) we take an action, or threaten to take an action, or our shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our shareholders, including the applicant.

Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name of, or on behalf of, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority shareholder’s Shares by our other shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
or
- (e) provide that we be wound up.

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APPENDIX D — SUMMARY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides a summary of the principal objects of our Company as set out in our Memorandum of Association and certain provisions of our Articles of Association and the laws of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Memorandum and Articles of Association.

MEMORANDUM OF ASSOCIATION AND REGISTRATION NUMBER

We are registered in Singapore with the Registrar of Companies and Businesses. Our company registration number is 200803985D. Our Memorandum of Association sets out the objects for which our Company was formed, including taking, or otherwise acquiring, and holding shares, debentures, or other securities of any other company.

SUMMARY OF OUR ARTICLES OF ASSOCIATION

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he has any personal material interest, and he shall not be counted in the quorum present at the meeting.

(b) Remuneration

Our Directors shall be entitled to receive by way of fees for their services as Directors in each year such sum as shall from time to time, be determined by the Company by resolution passed at a General Meeting, the notice of which shall specify the proposals concerning the same. Such remuneration shall be divided amongst our Directors as they shall determine or failing agreement equally.

The fees payable to our Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the Meeting.

The remuneration of a non-executive Director shall be by a fixed sum and not by a commission on or percentage of profits or turnover. The remuneration of an executive Director may not include a commission on or a percentage of turnover.

If any Director shall hold an executive office in our Company or shall perform services of which in the opinion of our Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as our Directors may determine.

Subject to the provisions of the Statutes, the Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme of fund to pay premiums.

APPENDIX D — SUMMARY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

(c) Borrowing

The Directors may exercise all the powers of our Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as a security for any debt, liability, or obligation of our Company or of any third party.

These powers conferred on the Directors may be varied by amending our Articles of Association.

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Articles of Association. Section 153(1) of the Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company, unless he is appointed or re-appointed as a director of our Company or authorised to continue in office as a director of our Company by way of an ordinary resolution passed at an annual general meeting of our Company.

(e) Shareholding Qualification

A Director need not be a Member and shall not be required to hold any share qualification in our Company.

2. Share rights and restrictions

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of shareholders are recognised as our shareholders. In cases where the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the ordinary shares are recognised as our shareholders.

(a) Dividends and distribution

Our Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by our Directors. Our Directors may from time to time pay to the Members such interim dividends as appear to our Directors to be justified by the profits of our Company.

No dividend shall be paid otherwise than out of profits or shall bear interest against our Company. All dividends are paid pro-rata amongst our shareholders in proportion to the amount paid up on each shareholder's ordinary shares, unless the rights attaching to an issue of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by our Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after

APPENDIX D — SUMMARY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

a period of six years after having been declared may be forfeited and shall revert to our Company but our Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Our Directors may retain any dividends or other moneys payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our ordinary shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the Depository will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles of Association, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles of Association, on a show of hands, every shareholder present in person and by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any shareholder present in person or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

Our Company may by ordinary resolution change the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital). Our Company may by Special Resolution, reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. For the passing of an ordinary resolution, at least fourteen (14) days' notice in writing of a general meeting shall be given to Shareholders. For the passing of a special resolution, at least twenty-one (21) days' notice in writing of a general meeting shall be given to Shareholders.

4. Variation of rights of existing shares or classes of shares

Subject to the Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Articles of Association relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within

APPENDIX D — SUMMARY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Articles of Association on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

APPENDIX E — GOVERNMENT REGULATIONS

Save as disclosed below, as at the Latest Practicable Date, our business operations in Singapore are not subject to any special legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore.

SINGAPORE

The following is a summary of the main laws and regulations of Singapore that are relevant to our business as at the Latest Practicable Date.

Contractors Registry

The construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore's building and construction industry. Currently, companies that carry on business activities in the construction industry are not required to register with the BCA, although registration in the Contractors Registry maintained by the BCA is a pre-requisite to tendering for projects in the public sector. Presently, there are six major categories of registration, some of which are further sub-classified into seven grades, depending on the category of registration. Registration of a contractor with the BCA is dependent on the contractor fulfilling certain requirements relating to, *inter alia*, the value of previously completed projects, personnel resources, and consistent and continuous good performance record. The grade assigned to each contractor is dependent on its minimum net worth and paid-up capital.

Ryobi Singapore is currently registered with the BCA with a BCA grading of C3 under the category CW02 for Civil Engineering (C3) and L6 under the category of CR08 for Piling. The L6 grading is currently the highest grade for contractors' registration in CR08 for Piling and enables Ryobi Singapore to tender for public sector construction projects without limitations to the contractual value.

To maintain Ryobi Singapore's existing L6 grading, there are certain requirements to be complied with, including but not limited to the following:

- To maintain a track record of securing, for the past three years, contracts with an aggregate contract value of at least \$30.0 million, of which at least \$7.5 million must be executed in Singapore; at least \$3.0 million must be main contracts or nominated sub-contracts; and at least \$3.0 million minimum size single project (whether as main contractor or sub-contractor) executed entirely by Ryobi Singapore;
- To have a minimum paid-up share capital and a minimum net worth of \$1.5 million;
- To employ at least two professional personnel each with a minimum professional qualification with a recognized degree in Architecture, Building, Civil/Structural Engineering or equivalent qualifications approved by BCA. Both professional personnel must each have at least five years' experience;
- Own at least four piling rigs;
- Possess ISO 9000:2000 certification; and
- Possess SMC (Safety Management Certificate) or OHSAS18000 certification.

APPENDIX E — GOVERNMENT REGULATIONS

Ryobi Singapore is also currently registered with the BCA with a BCA grading of C3 under the category CW02 for civil engineering. To maintain its existing C3 grading, Ryobi Singapore has to comply with the following requirements:

- To have a minimum paid-up share capital and a minimum net worth of \$25,000; and
- To employ at least one technical personnel who has any of the following technical qualifications:
 - (i) a recognised polytechnic diploma in Architecture, Building and Civil/Structural Engineering; or
 - (ii) a National Certificate in Construction Supervision; or
 - (iii) a Certificate/Specialist Diploma in Mechanical and Electrical Coordination; or
 - (iv) other equivalent qualifications approved by the BCA.

Factory registration/Factory permit

For premises that are carrying out building operations (other than excavation or piling works) and works of engineering construction for a period not exceeding two months, the occupiers are required by the MOM to register the premises (or worksite) as a “factory” with the Commissioner for Workplace Safety and Health (“CWSH”) pursuant to the Workplace Safety and Health (Registration of Factories) Regulations (“WSH Factories Regulations”). Under the WSH Factories Regulations, occupiers of premises or worksites in which building operations and works of engineering construction are intended to be carried out (save for any premises or worksites in which building operations (other than excavation or piling works) or works of engineering construction are being carried out for a period not exceeding two months) must apply to the CWSH to register the worksites as a “factory” one month before the work begins. A certificate of registration issued by the CWSH is valid for a period of one year or such other period as the Commissioner may determine, and may be renewed subsequently upon the payment of a renewal fee. The CWSH may, instead of registering any premises as a “factory”, issue a factory permit, with or without conditions, authorising the applicant to occupy the premises as a factory. A factory permit is valid for such period not exceeding six months as may be specified in the permit and may be extended subsequently for such period not exceeding six months as the CWSH may determine upon the payment of an extension fee.

Workplace and Health Safety Measures

Under the MOM’s Workplace Safety and Health Act 2006 (“WSHA”), every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work. More specific duties imposed by the MOM on employers are laid out in the Workplace

APPENDIX E — GOVERNMENT REGULATIONS

Safety and Health (General Provisions) Regulations (“WSHR”). Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health. Pursuant to the WSHR, the following equipment, amongst others, are required to be tested and examined by an examiner who is authorised by the CWSH (“Authorised Examiner”), before they can be used in a factory and thereafter, at specified intervals:

- hoist or lift;
- lifting gears; and
- lifting appliances and lifting machines.

Upon examination, the Authorised Examiner will issue and sign a certificate of test and examination, specifying the safe working load of the equipment. Such certificate of test and examination shall be kept available for inspection. Under the WSHR, it is the duty of the owner of the equipment/occupier of the factory to ensure that the equipment complies with the provisions of the WSHR and to keep a register containing the requisite particulars with respect to the lifting gears, lifting appliances and lifting machines.

In addition to the above, under the WSHA, inspectors appointed by the CWSH may, *inter alia*, enter, inspect and examine any workplace and any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is required for the purpose of an investigation or inquiry under the WSHA.

Under the WSHA, the CWSH may serve a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The stop-work order shall direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The MOM has also introduced a demerit point scheme for contractors with bad safety and health records. The purpose of such scheme is to improve the safety and health situation in the construction industry. Under this scheme, contractors will be issued with demerit points for breaches under the WSHA and relevant subsidiary legislation. The number of demerit points awarded will depend on the severity of the infringement. A contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning letter from MOM, while the continued accumulation of demerit points will result in more stringent corrective actions. For example, if a worksite of a main contractor accumulates more than 18 demerit points, the worksite will have no access to work permit holders from non-traditional sources countries and the PRC for six months. If the main contractor does not make improvements and continues to commit workplace safety and health offences, applications

APPENDIX E — GOVERNMENT REGULATIONS

from the company for new and renewal of all types of work passes for all foreign employees will be rejected by MOM. The application of the demerit point scheme to main contractors is detailed as follows:

First Stage: A warning letter will be issued to the main contractor if the total points accumulated by the company exceed 18 demerit points within a 12-month rolling period.

Second Stage: The following will apply to an individual worksite if the total points accumulated by the worksite exceed 18 demerit points:

- Six-month Man-Year Entitlement freeze for first occurrence;
- 12-month Man-Year Entitlement freeze for second occurrence (within 12 months of the first occurrence); and
- 24-month Man-Year Entitlement freeze for third or subsequent occurrences (within 12 months of the previous occurrence)

A main contractor will have its records cleared when all its worksites do not accumulate any demerit points for a rolling period of 12 months.

Post Second Stage: A 24-month Man-Year Entitlement freeze will be extended to all worksites under the company if three of its worksites have each accumulated more than 18 demerit points within any 12-month period i.e. the company's Man-Year Entitlement has been frozen three times within a year. Applications from the company for new and renewal of all types of work passes for all foreign employees will also be rejected.

Ryobi Singapore does not have any demerit points as of the Latest Practicable Date.

Business under Surveillance Programme

The main purpose of the Business under Surveillance ("BUS") Programme is to help companies which:

- Have had a fatality at any one of their premises;
- Display consistently poor Occupational Safety and Health ("OSH") results e.g. high accident rates; and
- Have systemic lapses as identified through workplace inspections.

BUS aims to help companies improve OSH mindsets, standards and practices, with the ultimate goal of preventing incidents at the workplace. Companies placed on the BUS programme are monitored by the OSH Inspectorate department. The programme takes a systematic approach, whereby a company's OSH weaknesses will be identified through inspections and meetings with the company's top management.

BUS is also an opportunity for a company to identify any OSH risks that might be present in its operations/processes. Once a company has identified its OSH weaknesses and risk areas, it can take steps to address those issues. A company under the programme will be given a 12-month period to improve its OSH practices through an outcome-based action plan developed and implemented by the company. During this time, the OSH Inspectorate will monitor the company closely. Inspections will be

APPENDIX E — GOVERNMENT REGULATIONS

conducted at least every two months and the findings will be discussed with the company. Enforcement action such as directives for work improvement, composition fines and/or partial stop work orders will be taken against companies that do not co-operate.

Some of the findings of the OSH Inspectorate with regards to WHC under the BUS programme include, *inter alia*, not providing footholds and handholds for workers; nails used for formwork structure not being removed; excavated materials being placed at the edge of the excavated area; electrical wiring being left on the ground; electrical distribution boards not being provided with an intermediate barrier to prevent risk of electrical contact; and not ensuring that the passageways at worksite were clear from dirt, debris or other obstruction. As a result of these findings, WHC had been issued with directives for work improvement, composition fines and/or partial stop work orders, in relation to which WHC either complied with or duly settled.

Environmental laws and regulations

The Environmental Public Health Act (Chapter 95) (“EPHA”) requires, *inter alia*, a person, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance. The EPHA also regulates, *inter alia*, the disposal and treatment of industrial waste and public nuisances. Under the EPHA, the Ministry of the Environment and Water Resources (“MEWR”) has empowered the Director-General of Public Health to serve a nuisance order on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with by the MEWR and/or its statutory board, the NEA, summarily under the EPHA include any factory or workplace which is not kept in a clean state and any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety. The EPHA also requires the occupier of any construction site to employ a competent person to act as an Environmental Control Officer in the construction site for the purpose of exercising general supervision within the construction site of the observance of the provisions of, *inter alia*, the EPHA.

The Environmental Pollution Control Act (Chapter 94A) seeks to control the levels of pollution in Singapore by regulating the activities of various industries and regulates, *inter alia*, air pollution, water pollution, land pollution and noise control. Under the Environmental Pollution Control (Control of Noise at Construction Sites) Regulations, the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels prescribed in such Regulations.

Approval and execution of plans of building works

Under the Building Control Act (Chapter 29), no person shall commence or carry out, or permit or authorise the commencement or carrying out of, any building works unless the plans of the building works have been approved by the Commissioner of Building Control (“CBC”) and in the case of structural works, there is in force a permit granted by the CBC to carry out the structural works. Before an application to the CBC for the approval of the plans of the building works is made, every person for whom any relevant building works are or are to be carried out, or the builder of such building works, shall appoint either a registered architect or professional engineer (“Qualified Person”) to prepare the said plans in accordance with the Building Control Regulations 2003, and to supervise the building works. The carrying out of structural elements and concreting, piling, pre-stressing, tightening of

APPENDIX E — GOVERNMENT REGULATIONS

high-friction grip bolts or other critical structural works of a prescribed class of building works would also require the supervision of a Qualified Person or a site supervisor appointed by him. Under the Building Control Act, a builder undertaking any building works shall, *inter alia*, (i) ensure that the building works are carried out in accordance with the plans of the building works supplied to it by the Qualified Person and with any terms or conditions imposed by the CBC in accordance with the Building Control Act and the Building Control Regulations 2003, (ii) notify the CBC of any contravention of the provisions of the Building Control Act or the building regulations in connection with those building works and (iii) within seven days from the completion of the building works, certify that the new building has been erected or the building works have been carried out in accordance with the Building Control Act and the building regulations and deliver such certificate to the CBC.

The Building Control Regulations 2003 sets out certain requirements of the BCA relating to, *inter alia*, design and construction and the installation of exterior features. For example, no person shall, without the permission of the CBC, install any lift in any building, install an air-conditioning unit on the exterior of any building or which projects outwards from any building; a trained air-conditioning unit installer would have to be engaged to carry out the installation works relating to the air-conditioning unit; and whenever soil investigation and determination of the depth of the water table are to be carried out in respect of any building works, the Qualified Person shall submit the soil investigation reports to the CBC.

If the CBC is of the opinion that any building works, other than structural works, have been or are carried out in such a manner as (i) will cause, or will be likely to cause, a risk of injury to any person or damage to any property, (ii) will cause, or will be likely to cause, a total or partial collapse of any adjoining or other building or street or land; or (iii) will render, or will be likely to render, any adjoining or other building or street or land so dangerous that it will collapse or be likely to collapse either totally or partially, he may, by order, direct the person for whom those building works have been or are being carried out to immediately stop the building works and to take such remedial or other measures as he may specify to prevent the abovementioned situations from happening.

Under the Fire Safety Act (Chapter 109A) (“FSA”), the person for whom any proposed fire safety works are to be commenced or be carried out in any building shall apply to the Commissioner of Civil Defence (“CCD”) for approval of the plans of the fire safety works in accordance with the Fire Safety (Building Fire Safety) Regulations and such person shall appoint an appropriate qualified person to prepare those plans. No person shall commence or carry out or permit or authorise the commencement or carrying out of any fire safety works in any building unless the CCD has approved all the plans of the fire safety works. Upon completion of any fire safety works, the person for whom the fire safety works had been carried out shall apply for a fire safety certificate from the CCD in respect of the completed fire safety works.

Where, in the opinion of the CCD, any fire safety works are carried out or have been carried out in contravention of the Fire Code, the FSA or any regulations made thereunder, he may by order in writing require (i) the cessation of the unauthorised fire safety works until such order is withdrawn, (ii) such work or alteration to be carried out to the unauthorised fire safety works or the building or part thereof to which the unauthorised fire safety works relate as may be necessary to comply with the Fire Code, FSA or any regulations made thereunder, or (iii) the demolition of the building or part thereof to which the unauthorised fire safety works relate. Under the FSA, no person shall store or keep, or caused to be stored or kept, any petroleum or flammable material except, *inter alia*, under the authority of and in accordance with the provisions of a licence from the CCD and every condition specified therein, and such licence shall be applied for in accordance with the Fire Safety (Petroleum and Flammable Materials) Regulations 2005.

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Building Control (Amendment) Act 2007

Effective 15 February 2008, certain changes have been made to the Building Control Act by way of the Building Control (Amendment) Act 2007 which, *inter alia*, require mandatory appointment of supervision teams for projects where the first application for a permit from BCA is made on or after 1 February 2008.

Public Sector Standard Conditions of Contract for Construction Works

The Public Sector Standard Conditions of Contract for Construction Works (“PSSCOC”) was developed by the BCA to enable a common contract form to be used in all public sector construction projects. The PSSCOC contains terms relating to, *inter alia*, the general obligations of the contractor, programme for the works, quality in construction, commencement of works, suspension of works, time for completion, liquidated damages, defects, variations to the works, valuation of variations, procedures for claims, indemnity provisions, insurance, progress payments and final account and settlement of disputes.

Employment of Foreign Workers

The availability and the employment cost of skilled and unskilled foreign workers are affected by the Government’s policies and regulations on the immigration and employment of foreign workers in Singapore. The policies and regulations are set out in, *inter alia*, the Employment of Foreign Manpower Act, Chapter 91A, of Singapore and the relevant Government Gazettes.

The availability of the foreign workers to the construction industry is regulated by the MOM through the following policy instruments:

- (a) approved source countries;
- (b) issuance of work permits;
- (c) the imposition of security bonds and levies;
- (d) dependency ceilings based on the ratio of local to foreign workers; and
- (e) quotas based on Man-Year Entitlements (“MYE”) in respect of workers from non-traditional sources and the PRC.

The approved source countries for construction workers are Malaysia, the PRC, non-traditional sources and North Asian Sources (“NAS”). NAS countries include Hong Kong, Macau, South Korea and Taiwan. Before we are allowed to employ construction workers from the approved source countries, In-Principle Approvals (“IPAs”) have to be sought for each individual’s work permit. The foreign construction worker is required to undergo a medical examination by a registered Singapore doctor and must pass such medical examination before a work permit can be issued to him.

For each NAS, non-traditional sources or PRC construction worker whom we have successfully obtained a work permit, a security bond of \$5,000 in the form of a banker’s guarantee or insurance guarantee is required to be furnished to the Controller of Immigration. The employment of foreign workers is also subject to the payment of levies. The amount of foreign worker levy payable on each unskilled foreign worker is \$470 per month and with effect from 1 January 2007, the amount of foreign worker levy payable on each skilled foreign worker and non-traditional sources employed under the MYE waiver scheme is \$150 and \$300 per month respectively.

APPENDIX E — GOVERNMENT REGULATIONS

The dependency ceiling for the construction industry is currently set at a ratio of one full-time local worker to seven foreign workers. This means that for every full-time Singapore citizen or Singapore permanent resident employed by a company in the construction sector with regular full month CPF contributions made by the employer, the company can employ seven foreign workers.

The MYE allocation system is a work permit allocation system pertaining to the employment of construction workers from non-traditional sources and the PRC. MYEs represent the total number of foreign workers that each main contractor is entitled to employ based on the value of the projects or contracts awarded by the developers or owners. At the time of the MYE application, the balance duration of the project must be at least one month and the total remaining contract value of the project must be at least \$500,000. To employ non-traditional sources and PRC construction workers, the employer must make an application for MYE, “Prior Approval” and IPAs for individual work permits. The allocation of MYE is in the form of the number of “man-years” required to complete a project and only main contractors may apply for MYE. All levels of sub-contractors are required to obtain their MYE allocation from their main contractors. A main contractor’s MYE will expire on the completion date of the relevant project.

Under the work permit conditions, employers are required to provide acceptable accommodation for their foreign workers. Such accommodation must meet the statutory requirements set by various government agencies, including the NEA, the PUB, the Singapore Civil Defence Force and the BCA.

A list of approved off-site housing is provided by the relevant approving agencies, namely the URA, SLA, Jurong Town Corporation and the HDB.

An employer of foreign workers is also subject to, *inter alia*, the provisions set out in the Employment Act (Chapter 91), the Employment of Foreign Workers Act (Chapter 91A), the Immigration Act (Chapter 133) and the Immigration Regulations.

The Workmen’s Compensation Act (Chapter 354) (“WCA”), which is regulated by the MOM, applies to workmen in all industries in respect of injury suffered by them in the course of their employment and sets out, *inter alia*, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The WCA provides that personal injury by accident arising out of and in the course of the employment is caused to a workman, the employer shall be liable to pay compensation in accordance with the provisions of the WCA.

The WCA provides, *inter alia*, that, where any person (referred to as the principal) in the course of its business or for the purpose of his trade or business contracts with any other person (referred to as the contractor) for the execution by the contractor of the whole or any part of any work undertaken by the principal, the principal shall be liable to pay to any workman employed in the execution of the work any compensation which he would have been liable to pay if that workman had been immediately employed by the principal.

Building and Construction Industry Security of Payment Act

Prior to the introduction of the BCISPA, a construction contract between a main contractor and a sub-contractor would typically contain a “pay when paid” provision. Such provision would provide that the liability of the main contractor to pay money owing to the sub-contractor is contingent or conditional on payment to the main contractor by a third party of the whole or part of that money, or make the due date for payment of money owing by the main contractor to the sub-contractor contingent or conditional on the date on which payment of the whole or any part of that money is made to the main contractor by the third party. With the introduction of the BCISPA by the Ministry of National Development, such

APPENDIX E — GOVERNMENT REGULATIONS

“pay when paid” provisions in construction or supply contracts are now rendered unenforceable and have no effect in relation to any payment for construction work carried out or undertaken to be carried out, or for goods or services supplied or undertaken to be supplied, under the contract.

The BCISPA, regulated by the BCA, confers a statutory entitlement to progress payments on any person who has carried out any construction work or supplied any goods or services under a contract. The BCISPA also contains provisions relating to, *inter alia*, the amount of the progress payment to which a person who has carried out any construction work is entitled under a contract, the valuation of the construction work carried out and the date on which a progress payment becomes due and payable (even where a construction contract does not provide for such date). In addition, the BCISPA, *inter alia*, endorses the following rights:

- (i) the right of a claimant (being the person who is or claims to be entitled to a progress payment) who, in relation to a construction contract, fails to receive payment by the due date of an amount that is proposed to be paid by the respondent (being the person who is or may be liable to make a progress payment under a contract to a claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. The BCISPA has established an adjudication process by which a person may claim payments due under a contract and enforce payment of the adjudicated amount;
- (ii) the right of a claimant to suspend the carrying out of construction work or supply of goods or services, and to exercise a lien over goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, or to enforce the adjudication as if it were a judgment debt, if such claimant is not paid after it obtains judgment against the respondent pursuant to an adjudication; and
- (iii) where the respondent fails to pay the whole or any part of the adjudicated amount to a claimant, the right of a principal of the respondent (being the person who is liable to make payment to the respondent for or in relation to the whole or part of the construction work that is the subject of the contract between the respondent and the claimant) to make direct payment of the outstanding amount of the adjudicated amount to the claimant, together with the right for such principal to recover such payment from the respondent.

Our Directors confirm that as at the date of this Prospectus, our Group has obtained all necessary approvals and complied with the relevant laws and regulations that would materially affect its business operations in Singapore.

MALAYSIA

Foreign Investment Committee (“FIC”) Guidelines and Committee on Distributive Trade Guidelines

The FIC used to have a set of guidelines (the “FIC Guidelines”) governing the acquisition of assets or interests, mergers and takeovers of companies to ensure Malaysian participation in ownership and control.

The FIC Guidelines do not have the force of law as they are not legislation passed by Parliament or regulations made under any existing laws, and no penalty is imposed for non-compliance with the FIC Guidelines. However, the FIC Guidelines are enforced through the co-operation of certain government departments or agencies and a breach of the FIC Guidelines could lead to “blacklisting” or indirect sanctions by the relevant authorities by refusing to grant licenses or permits that may be required under

APPENDIX E — GOVERNMENT REGULATIONS

Malaysian law in relation to the operations of the company, rejecting any registrations relating to dealings in land or refusing to issue work permits for foreign employees of the company. The approval of the FIC would have to be submitted together with applications for the registration of dealings with land and for work permits.

On 30 June 2009, the Prime Minister of Malaysia had announced that the FIC Guidelines on acquisition of interest, mergers and takeovers have been repealed, and that the FIC no longer process such share transactions, nor impose equity conditions on such transactions.

The guidelines on Foreign Participation in the Distributive Trade Services, Malaysia (the “Distributive Trade Guidelines”) state that all proposals for foreign involvement in distributive trade must obtain the approval of the Committee on Distributive Trade, which comes under the purview of the Ministry of Domestic Trade and Consumer Affairs. As with the FIC Guidelines, the Distributive Trade Guidelines also imposes a requirement of at least 30.0% bumiputra equity in companies with foreign participation carrying on distributive trade.

The Distributive Trade Guidelines do not have the force of law and no penalty is imposed with regard to non-compliance with the guidelines. However, enforcement of the Distributive Trade Guidelines is carried out in a manner similar to that of the FIC Guidelines i.e. enforcement is performed by other relevant government authorities by refusing to grant licences or permits that may be required under Malaysian law related to the operations of the company, rejecting any registration relating to dealings in land or refusing to issue work permits for foreign employees.

For the above reasons, our Directors are of the view that we are not in breach of any laws or regulations in Malaysia for not seeking the approval of the FIC and the Committee on Distributive Trade with respect to our interest in our Malaysian Subsidiaries.

In order to carry out business in Malaysia, we are required to apply for and obtain certain licences, such as trade licence, business premises licence and advertising licence, from the local government of the district and municipality in which our business is carried out. Save as disclosed in this Prospectus, our Directors confirm that as at the date of this Prospectus, our Group has obtained all necessary approvals and complied with the relevant laws and regulations that would materially affect our current business operations.

Occupational Safety and Health Act, 1994 (“OSHA”)

OSHA contains provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work, to establish the National Council for Occupational Safety and Health, and for matters connected therewith. Under the OSHA, various regulations such as the Occupational Safety And Health (Safety and Health Committee) Regulations 1996 and the Occupational Safety And Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 have been passed.

The OSHA applies to various industries which includes manufacturing and wholesale and retail trades and sets out amongst others, the general duties of employers and self-employed person to their employees, general duties of designers, manufacturers and suppliers, general duties of employees and prohibition against use of plant or substance. Under Section 16 of the OSHA, it is provided that:

APPENDIX E — GOVERNMENT REGULATIONS

“Except in such cases as may be prescribed, it shall be the duty of every employer and every self-employed person to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organisation and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all his employees.”

Under the OSHA, it is an offence to contravene any provision of the OSHA and the maximum general penalty on conviction (if no penalty is expressly provided) is a fine not exceeding RM10,000 or to imprisonment for a term not exceeding one year or both, and in the case of a continuing offence, to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction. Where a corporate body contravenes a provision of the OSHA or any regulation made thereunder, certain officers of the company (directors, managers, secretaries and other like officers) at the time of contravention shall be deemed to have contravened the provision and guilty of the offence, and may be charged jointly or severally with the corporate body.

Factories and Machinery Act, 1967 (“FMA”)

The FMA provides for the control of factories with respect to matters relating to the safety, health and welfare of persons therein, the registration and inspection of machinery and for matters connected therewith. Under the FMA, various regulations such as the Factories and Machinery (Safety, Health and Welfare) Regulations, 1970 (Revised-1983) and the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 have been passed. There is a long and detailed definition of “factory” in the FMA, but essentially a factory is a place where manual labour is employed by way of trade for the purposes of gain or incidentally to a business.

Section 34(2)(a) of the FMA provides that, “No person shall except with the written permission of the Inspector begin to use any premises as a factory until one month after he has served on the Inspector a written notice in the prescribed form.”

Further, Section 36(1) provides that,

“No person shall install or caused to be installed:

- (a) any machinery in any factory; or
- (b) any machinery in respect of which a certificate of fitness is prescribed, except with the written approval of the Inspector.”

Other regulations made under the FMA include the following:

- (a) Factories and Machinery (Noise Exposure) Regulations 1989. These regulations cover matters such as the permissible exposure limit, exposure monitoring, methods of compliance, hearing protection devices and audiometric testing program.
- (b) Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970.

These regulations provide, *inter alia*, for the notification of the operation of factory and use of machinery, the types of machinery which require certificates of fitness, and the procedures for the inspection of factories and machineries by Inspectors who are appointed pursuant to section 4 of the FMA.

Under the FMA, any person who contravenes the provisions of the FMA or any regulation made under the FMA shall on conviction of an offence be liable to a fine or imprisonment or to both.

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Construction Industry Development Board Act 1994

Under the Construction Industry Development Board Act 1994 (Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994) (the “CIDB Act”), no contractor shall undertake to carry out and complete any construction works unless it is registered with the Construction Industry Development Board (Lembaga Pembangunan Industri Pembinaan) (“CIDB”) and holds a valid certificate of registration issued by CIDB. A contractor who undertakes to carry out or carries out and completes any construction works without being registered as a registered contractor with CIDB shall be guilty of an offence under the CIDB Act and shall, on conviction, be liable to a fine not exceeding RM50,000. Where CIDB finds that construction works are being undertaken or carried out by a contractor who is not registered with CIDB, it may by notice in the prescribed form served on the contractor require the contractor to abstain from commencing or proceeding with the construction work. A person who fails to comply with the requirements of such notice shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500/-, and in the case of a continuing offence, to a fine not exceeding RM500/- for every day or part of a day during which the offence continues after conviction. For the purposes of carrying out its functions, CIDB may by notice in the prescribed form require any person to furnish any particulars which are within the person’s knowledge, or which such person is able to obtain, relating to any contractor or construction works. A person who fails to comply with such requirements of the notice or knowingly or recklessly furnishes any false particulars pursuant to such notice shall be guilty of an offence and shall, on conviction be liable to a fine not exceeding RM500/-, and in the case of a continuing offence, to a fine not exceeding RM500/- for every day or part of a day during which the offence continues after conviction.

A contractor can seek registration with the CIDB under one of the three alternative categories and specifications: namely, (1) Building Construction (2) Civil Engineering and (3) Mechanical and Electrical. Under each such category and specification, a contractor will be registered under different grades. Every registered contractor shall be capable of carrying out construction works according to the grade of registration. The grade of registration determines the value of construction works which a registered contractor is capable of carrying out. A contractor registered under Grade 1 is capable of carrying out construction works to a value of not exceeding RM200,000/-. A contractor registered under Grade 2 is capable of carrying out construction works to a value of not exceeding RM500,000/-. A contractor registered under Grade 3 is capable of carrying out construction works to a value of not exceeding RM1,000,000/-. A contractor registered under Grade 4 is capable of carrying out construction works to a value of not exceeding RM3,000,000/-. A contractor registered under Grade 5 is capable of carrying out construction works to a value of not exceeding RM5,000,000/-. A contractor registered under Grade 6 is capable of carrying out construction works to a value of not exceeding RM10,000,000/-. There is no value limit placed on a contractor registered under Grade 7.

A company which has more than 30 per cent of its equity being foreign owned will be classified as a “foreign contractor” and hence cannot submit for a general registration with the CIDB. Such company has to apply for registration as a foreign contractor as and when it has projects/contracts in Malaysia. Registration as a foreign contractor will be specific to and for the purposes of the project/contract concerned.

A registered contractor has to comply with the provisions of the CIDB Act. For example, every registered contractor has to notify and submit to the CIDB any contract which it has executed on any construction works having a contract sum of above RM5,000/-. A levy at the prescribed rate of the consideration for such construction contract is payable by the registered contractor to CIDB. The rate currently prescribed by the Minister of Works is 0.125%. Registered contractors of any housing projects who use 50.0% or more Industrialized Building System component as per calculation prescribed by CIDB as well as registered contractors of low, low medium and medium cost houses projects are

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currently exempted from having to pay the levy. Any other registered contractor who fails to pay such levy, shall be guilty of an offence and shall, be liable to a fine not exceeding RM50,000/-. The amount of the unpaid levy shall also be recoverable as a civil debt due to CIDB.

CIDB also carries out registration, accreditation and certification of skilled construction workers and construction site supervisors.

Pursuant to the CIDB Act, several rules and regulations have been made. The following are some of the rules and regulations have also been made pursuant to the CIDB Act:

- (a) Registration of Contractors (Construction Industry) Regulations 1995;
- (b) Construction Industry (Collection of Levy) Regulations 1997;
- (c) Construction Industry (Prescribed Notice) Regulations 1997;
- (d) Lembaga Pembangunan Industri Pembinaan Malaysia (Accreditation and Certification) Regulations 1999;
- (e) Lembaga Pembangunan Industri Pembinaan Malaysia (Fees for Accreditation and Certification) Regulations 1999.

VIETNAM

The construction industry in Vietnam is regulated by the Law on Construction (“LOC”), whose primary role is to develop and regulate building and construction industry in Vietnam. The Government and Ministry of Construction also issued a number of regulatory documents to provide detailed guidelines for implementation of the LOC.

In order to carry out business in Vietnam, we are required to apply for and obtain an investment certificate for incorporation a company from the local business registration authority. Raffles Piling Vietnam is licensed to conduct piling and developing of structural works for civil construction project in Vietnam. It is eligible to carry out construction works in projects with construction permit issued by Vietnamese competent state authority.

Save as disclosed in this Prospectus, our Directors confirm that as at the date of this Prospectus, our Group has obtained all necessary approvals and certificates complied with the relevant laws and regulations that would materially affect our current business operations in Vietnam.

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APPENDIX F — RULES OF THE RYOBİ KISO SHARE AWARD SCHEME

1. Name of the Scheme

The scheme shall be called the “Ryobi Kiso Share Award Scheme” (hereinafter, “RKSAS”).

2. Definitions

2.1 Except where the context otherwise requires, the following expressions in the Rules shall have the following meanings:

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| “Act” | The Companies Act, Chapter 50 of Singapore, as modified, supplemented or amended or modified from time to time |
| “Adoption Date” | The date on which the RKSAS is adopted by the Company in general meeting |
| “Associate” | Shall have the same meaning as defined in the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST, as modified, supplemented or amended from time to time |
| “Associated Company” | A company in which at least 20.0% but not more than 50.0% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control over |
| “Auditors” | The auditors of the Company for the time being |
| “Awards” | The contingent award of Shares under the RKSAS |
| “Board” | The board of directors of the Company from time to time |
| “CDP” | The Central Depository (Pte) Limited |
| “CPF” | The Central Provident Fund |
| “Committee” | The Remuneration Committee of the Company, or such other committee comprising Directors of the Company duly authorised and appointed by the Board to administer the RKSAS |
| “Commencement Date” | The date of commencement of the RKSAS |
| “Company” | Ryobi Kiso Holdings Ltd. |
| “Controlling Shareholder” | Shall have the same meaning as defined in the Listing Manual |
| “Corporation” | Shall have the same meaning as defined in the Act |
| “Date of Grant” | In relation to an Award, the date on which the Award Shares are granted to a Selected Person |
| “Financial Year” | The financial year of the Company ended 30 June or as the case may be |
| “Group” | The Company, its Subsidiaries and its Associated Companies |

APPENDIX F — RULES OF THE RYOBI KISO SHARE AWARD SCHEME

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| “Group Employee” | A full-time employee of the Group (including any Group Executive Director) |
| “Group Executive Director” | A director of any of the Company, its Subsidiaries and/or its Associated Companies, as the case may be, who performs an executive function |
| “Group Non-Executive Director” | A director of any of the Company, its Subsidiaries and/or its Associated Companies (including an independent Director), as the case may be, other than a Group Executive Director |
| “Listing Manual” | The Listing Manual of the SGX-ST |
| “Market Day” | A day on which the SGX-ST is open for trading of securities |
| “Market Price” | The average of the last dealt prices for the Shares on the SGX-ST for the five consecutive Market Days immediately preceding the relevant date of grant for which there was trading in the Shares |
| “month” | Calendar month |
| “Selected Person” | A person who is selected by the Committee to participate in the RKSAS in accordance with the provisions of the RKSAS |
| “Performance Targets” | The performance targets prescribed by the Committee to be fulfilled by a Selected Person for any particular period under the RKSAS |
| “Record Date” | Means the date as at the close of business on which shareholders of the Company must be registered in order to participate in any dividends, rights, allotments or other distributions |
| “Rules” | The rules of the RKSAS, as the same may be amended from time to time |
| “Ryobi Kiso Share Award Scheme” or “Scheme” or “RKSAS” | Ryobi Kiso Share Award Scheme, as the same may be modified or altered from time to time |
| “SGX-ST” | Singapore Exchange Securities Trading Limited |
| “Shareholders” | The registered holders of the Shares or in the case of depositors, depositors who have Shares entered against their names in the Depository Register |
| “Shares” | Ordinary shares in the capital of the Company |
| “Subsidiary” | Shall have the same meaning in relation to the Company as defined in the Act |
| “%” | Percentage or per centum |
| “\$” or “S\$” | Singapore dollars |

APPENDIX F — RULES OF THE RYOBI KISO SHARE AWARD SCHEME

- 2.2 The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 130A of the Act.
- 2.3 Any reference in the RKSAS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.
- 2.4 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.
- 2.5 Any reference to a time of day shall be a reference to Singapore time.

3. Objectives

The purpose of the RKSAS is to provide an opportunity for Group Employees and directors of the Group, who have met the Performance Targets to be remunerated not just through cash bonuses but also by an equity stake in the Company. The RKSAS is also extended to the Group Non-Executive Directors.

The Company believes that the retention of outstanding employees within the Group is paramount to the Group’s long-term objective of pursuing continuous growth and expansion in its business and operations. The Group also acknowledges that it is important to preserve financial resources for future business developments and to withstand difficult times. As such, one of the Group’s strategies is to contain the remuneration of its employees and executives that is a major component of the Group’s operating costs.

The RKSAS is formulated with those objectives in mind. It is hoped that through the RKSAS, the Company would be able to remain an attractive and competitive employer and better able to manage its fixed overhead costs without compromising on performance standards and efficiency.

4. Eligibility

- 4.1 The following persons (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the RKSAS at the absolute discretion of the Committee:
- (a) Group Employees who have attained the age of 21 years on or before the Date of Grant;
 - (b) Group Executive Directors; and
 - (c) Group Non-Executive Directors (including independent directors).
- 4.2 Group Employees, Group Executive Directors and Group Non-Executive Directors who are also Controlling Shareholders or Associates of a Controlling Shareholder are also eligible to participate in the RKSAS provided that the terms of each grant and the actual number of Awards granted under the RKSAS to a Selected Person who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in a separate resolution.

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- 4.3 The participation of the Controlling Shareholders or Associates of a Controlling Shareholder is subject to the following:
- (a) the aggregate of the number of Shares comprised in Awards granted to Controlling Shareholders or Associate(s) of a Controlling Shareholders under the RKSAS shall not exceed 25.0% of the aggregate of the total number of Shares (comprised in Awards) which may be granted under the RKSAS; and
 - (b) the aggregate of the number of Shares in respect of Awards granted to each Controlling Shareholder or Associate(s) of a Controlling Shareholder shall not exceed 10.0% of the total number of Shares (comprised in Awards) which may be granted under the RKSAS.
- 4.4 For the purposes of paragraph 4.1 (a) above, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- 4.5 There shall be no restriction on the eligibility of any Selected Person to participate in any other share option or share incentive schemes implemented by the Company or any other company within the Group.
- 4.6 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the RKSAS may be amended from time to time at the absolute discretion of the Committee.

5. Limitations under the RKSAS

- 5.1 The aggregate number of Shares to be delivered pursuant to the vesting of the Awards on any date, when added to the number of Shares issued and/or issuable under such other share-based incentive plans of the Company, shall not exceed 15.0% of the total number of issued Shares of the Company (including treasury shares) on the day preceding that date.
- 5.2 Awards may only be vested, and consequently any Shares comprised in such Awards shall only be delivered, upon the Committee being satisfied that the Selected Person has achieved the Performance Targets.

6. Date of Grant

The Committee may grant Awards at any time during the Financial Year of the Company, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

7. Awards

- 7.1 Awards are personal to the Selected Person to whom it is given and shall not be transferred (other than to a Selected Person's personal representative on the death of that Selected Person), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

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7.2 Once an Award is finalised by the Committee, the Committee shall send an Award letter to the Selected Person confirming the said Award. The said Award letter shall specify *inter alia*, the following:

- (a) The number of Shares which are the subject of the Award;
- (b) the Performance Target(s) for the Selected Person;
- (c) the performance period during which the Performance Target(s) shall be satisfied;
- (d) the date on which the Award shall be vested; and
- (e) any other condition which the Committee may determine in relation to that Award.

8. Vesting of the Awards

8.1 Notwithstanding that a Selected Person may have met his Performance Targets:

- (a) no Awards shall be made; or
- (b) any Award, to the extent not yet vested, shall forthwith become void and cease to have any effect,

upon the occurrence of any of the following events:

- (a) the bankruptcy of the Selected Person or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award; or
- (b) misconduct on the part of the Selected Person as determined by the Committee in its absolute discretion;
- (c) if the Committee shall, at its absolute discretion, deems it appropriate that such Award to be given or given, as the case may be, to a Selected Person shall so lapse on the grounds that any of the objectives of the RKSAS (as set out in Rule 3) have not been met;
- (d) subject to Rule 8.2 below, the Selected Person ceases to be in the employment of or ceases to hold any office in the Group for any reason whatsoever,

and in such an event, the Selected Person shall have no claim whatsoever against the Group and its respective directors and employees.

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- 8.2 Where the Selected Person ceases to be employed by or ceases to hold any office in the Group by reason of:
- (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before the legal retirement age with the consent of the Committee; or
 - (e) any other reason, the cessation of employment is approved by the Committee,

the Committee may, in its absolute discretion, notwithstanding Rule 8.1(d), preserve all or any part of any Award and decide either to give the Award to the Selected Person. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Selected Person, the extent to which the Performance Targets have been fulfilled.

- 8.3 If a Selected Person has fulfilled his Performance Targets but dies before an Award is made, the Award shall in such circumstances be given to the personal representatives of the Selected Person.

9. Take-over and winding up of the Company

- 9.1 Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Selected Person shall be entitled to Awards if he has met the Performance Targets within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last date on which the Performance Targets are to be fulfilled); or
- (b) the date of expiry of the period for which the Performance Targets are to be fulfilled.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Selected Persons that it intends to exercise such rights on a specified date, the Selected Person shall be obliged to fulfill such Performance Target until the expiry of such specified date or the expiry date of the Performance Target relating thereto, whichever is earlier, before an Award can be vested.

- 9.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Selected Person shall be entitled, notwithstanding Rule 8 but subject to Rule 9.5, to any Awards so determined by the Committee to be vested in him during the period commencing on the date upon which the compromise or

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arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.

- 9.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so vested shall be deemed or become null and void.
- 9.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Awards shall so vest in the Selected Person for so long as, in the absolute determination by the Committee, the Selected Person has met the Performance Targets prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Selected Persons, whether by the payment of cash or by any other form of benefit, no Award shall be made in such circumstances.

10. Operation of the RKSAS

- 10.1 Subject to legislation and SGX-ST guidelines such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the RKSAS and the Memorandum and Articles of Association of the Company, the Company will have the flexibility to deliver Shares to Selected Persons upon vesting of their Awards by the following means as it deems fit in its sole and absolute discretion:
- (a) the allotment and issue to each Selected Person of the number of new Shares ("New Shares"), deemed to be fully paid or credited upon their allotment and issuance;
 - (b) delivering existing Shares to the Selected Person, whether such existing Shares are acquired pursuant to a share purchase mandate or (to the extent permitted by law) held as treasury shares or otherwise; and/or
 - (c) payment of the aggregate Market Price of the Shares in cash in lieu of allotment or transfer.
- 10.2 The Company shall, within ten Market Days after the vesting of an Award, allot the New Shares or transfer the purchased Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit. If payment in cash for the aggregate Market Price of the Shares is to be made in lieu of allotment or transfer, the payment shall be made, within ten Market Days after the vesting of an Award.
- 10.3 The Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of the New Shares.
- 10.4 Shares which are the subject of an Award shall be issued in the name of CDP to the credit of the securities account of that Selected Person maintained with CDP, the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.

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- 10.5 New Shares issued and allotted upon the vesting of an Award shall be subject to all the provisions of the Memorandum and Articles of Association of the Company, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or after the relevant vesting date of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 10.6 The "aggregate Market Price" of the Shares to be paid to a Selected Persons in lieu of allotment or transfer, shall be calculated in accordance with the following formula:

$$A = B \times C$$

Where:

- A is the aggregate Market Price of the Shares to be paid to the Selected Person in lieu of all or some of the Shares to be issued or transferred upon the Release of an Award;
- B is the Market Price of each Share; and
- C is such number of Shares (as determined by the Committee in its sole and absolute discretion) to be issued or transferred to a Selected Person upon the release of an Award in accordance with the rules of the RKSAS.
- 10.7 The Committee shall have the discretion to amend or waive the prescribed performance target, the prescribed performance period and the prescribed vesting period or any of them in respect of any Award and the Committee shall notify the Selected Person of such amendment or waiver (but accidental omission to give notice to any Selected Person(s) shall not invalidate any such amendment or waiver).

11. Variation of Capital

- 11.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place:

- (a) the class and/or number of Shares comprised in an Award; and/or
- (b) the class and/or number of Shares which may be granted under the RKSAS,

shall be adjusted by the Committee to give each Selected Person the same proportion of the equity capital of the Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

11.2 Unless the Committee considers an adjustment to be appropriate:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;

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- (b) the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles entitling holders of such options or convertibles to acquire Shares in the capital of the Company;
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; and
- (d) the increase in the issued share capital of the Company as a consequence of the delivery of New Shares pursuant to the vesting of the Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company,

shall not normally be regarded as a circumstance requiring adjustment.

11.3 Notwithstanding the provisions of Rule 11.1:

- (a) no such adjustment shall be made if as a result, the Selected Person receives a benefit that a Shareholder does not receive; and
- (b) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

11.4 Upon any adjustment required to be made pursuant to this Rule 11, the Company shall notify the Selected Person (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

12. Administration of the RKSAS

12.1 The RKSAS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

12.2 The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the RKSAS) for the implementation and administration of the RKSAS as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each Financial Year; and
- (b) amending or waiving the prescribed performance target, the prescribed performance period and the prescribed vesting period or any of them in respect of any Award.

12.3 Any decision of the Committee made pursuant to any provision of the RKSAS (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the number of Shares to be vested) or to disputes as to the interpretation of the RKSAS or any rule, regulation, procedure thereunder or as to any rights under the RKSAS).

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13. Notices and Annual Report

- 13.1 Any notice required to be given by a Selected Person to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.
- 13.2 Any notices or documents required to be given to a Selected Person or any correspondence to be made between the Company and the Selected Person shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company or at the last known address of the Selected Person and if sent by post, shall be deemed to have been given on the day following the date of posting.
- 13.3 The Company shall disclose the following in its annual report:
- (a) the names of the members of the Committee administering the RKSAS;
 - (b) in respect of the following Selected Persons of the RKSAS:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Selected Persons (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the vesting of Awards granted under the RKSAS which, in aggregate, represent 5.0% or more of the total number of New Shares available under the RKSAS, the following information:
 - (1) name of the Selected Person;
 - (2) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS during the financial year under review;
 - (3) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS since the commencement of the RKSAS to the end of the financial year under review;
 - (4) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS which have vested during the financial year under review and in respect of such Awards, the proportion of Shares issued or transferred upon the release of the vested Awards; and
 - (5) the aggregate number of Shares comprised in Awards granted to such Selected Person under the RKSAS which have not been released as at the end of the financial year under review.
 - (c) in relation to the RKSAS, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards vested since the commencement of the RKSAS to the end of the financial year under review;
 - (ii) the aggregate number of New Shares issued which are comprised in Awards vested during the financial year under review; and

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(iii) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review.

(d) such other information as may be required by the Listing Manual or the Act.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

14. Modifications to the RKSAS

14.1 Any or all the provisions of the RKSAS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

(a) any modification or alteration which would be to the advantage of Selected Persons under the RKSAS shall be subject to the prior approval of Shareholders in general meeting;

(b) no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Selected Persons under the RKSAS who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued in full pursuant to all outstanding Awards under the RKSAS; and

(c) no modification or alteration shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

14.2 The Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the rules or provisions of the RKSAS in any way to the extent necessary to cause the RKSAS to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

14.3 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Selected Persons.

15. Terms of employment unaffected

The terms of employment of a Selected Person (who is a Group Employee) shall not be affected by his participation in the RKSAS, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

16. Duration of the RKSAS

16.1 The RKSAS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten years commencing on the Adoption Date, provided always that the RKSAS may continue beyond the above stipulated period with the approval of the Company's Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

16.2 The RKSAS may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the RKSAS is so terminated, no further Awards shall be vested thereunder.

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- 16.3 The termination of the RKSAS shall not affect Awards which have been vested, whether such Shares have been delivered or not.

17. Taxes

- 17.1 All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Selected Person under the RKSAS shall be borne by that Selected Person.

18. Costs and expenses

- 18.1 Each Selected Person shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Awards in CDP's name, the deposit of share certificate(s) with CDP, the Selected Person's securities account with CDP, or the Selected Person's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank (collectively, the "CDP Charges").
- 18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the RKSAS to be payable by the Selected Persons, all fees, costs and expenses incurred by the Company in relation to the RKSAS including but not limited to the fees, costs and expenses relating to the allotment, issue, transfer and/or delivery of Shares pursuant to the Awards shall be borne by the Company.

19. Disclaimer of liability

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of the New Shares on the SGX-ST in accordance with Rule 10.2.

20. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

21. Condition of Awards

Every Award shall be subject to the condition that no Shares would be issued pursuant to the vesting of any Award if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

22. Governing law

The RKSAS shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Selected Persons, by accepting Awards in accordance with the RKSAS, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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You are invited to apply for and/or purchase the New Shares at the Issue Price for each Offer Share and each Placement Share, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 NEW SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF NEW SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of printed WHITE Offer Shares Application Forms or by way of Electronic Applications through ATMs belonging to the Participating Banks (“ATM Electronic Applications”) or through Internet Banking (“IB”) websites of the relevant Participating Banks (“Internet Electronic Applications”, which together with ATM Electronic Applications, shall be referred to as “Electronic Applications”).

Your application for the Placement Shares may only be made by way of printed BLUE Placement Shares Application Forms. **YOU MAY NOT USE CENTRAL PROVIDENT FUND (“CPF”) FUNDS TO APPLY FOR THE NEW SHARES.**

3. **You are allowed to submit only one application in your own name for the Offer Shares. If you submit an application for Offer Shares by way of an Application Form, you MAY NOT submit another application for Offer Shares by way of an Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and shall be rejected, (except in the case of applications by approved nominees companies, where each application is made on behalf of a different beneficiary.**

If you submit an application for Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Offer Shares by way of an Internet Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and shall be rejected.

If you, being other than an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected.

You are allowed to submit only one application in your own name for the Placement Shares. Any separate application by you for the Placement Shares are be deemed to be multiple applications and the Company has the discretion whether to accept or reject such multiple applications.

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the Company’s discretion.

If you have made an application for Placement Shares, and you have also made a separate application for Offer Shares, either by way of an Application Form or through an Electronic Application, the Company shall have the discretion to either (i) reject both of such separate application or (ii) accept any one (but not the other) out of such separate applications.

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Conversely, if you have made an application for Offer Shares either by way of an Application Form or through an Electronic Application, and you have also made a separate application for Placement Shares, the Company shall have the discretion to either (i) reject both of such separate application or (ii) accept any one (but not the other) out of such separate applications.

Joint applications shall be rejected. Multiple applications for New Shares may be rejected at the discretion of our Company. If you submit or procure submissions of multiple share applications (whether for Offer Shares, Placement Shares or both Offer Shares and Placement Shares), you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers.
5. We will not recognise the existence of a trust. An application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.
6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form or in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated**

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address promptly, failing which the notification letter on successful allotment and/or allocation and other correspondence from CDP will be sent to your address last registered with CDP.

9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Prospectus or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Prospectus and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/ or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the New Shares to a reasonable number of Applicants with a view to establishing an adequate market for our Shares.
11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Offer Shares allotted to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument and/or other documents required for the issue of the Offer Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.
12. In the event of an under-subscription for Offer Shares as at the close of the Application List, that number of Offer Shares under-subscribed shall be made available to satisfy applications for Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

In the event of an under-subscription for Placement Shares as at the close of the Application List, that number of Placement Shares under-subscribed shall be made available to satisfy applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an over-subscription for Offer Shares as at the close of the Application List and Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Directors, and approved by the SGX-ST (if required).

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In all the above instances, the basis of allotment and/or allocation of the New Shares as may be decided by our Company in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, via an announcement through the SGX-ST and by advertisement in a generally circulating daily press.

13. You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allotted to you pursuant to your application, to authorised operators, e.g.: CDP, our Company, the Issue Manager and the Underwriter and Placement Agent.
14. Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares by way of a Placement Shares Application Form.
15. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen (as the case may be) in accordance with the provisions of this Prospectus, you:
 - (a) irrevocably offer, agree and undertake to subscribe for and/or purchase the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price and agree that you will accept such New Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Prospectus and the Memorandum and Articles of Association of our Company;
 - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and those set out in the IB websites or ATMs of the Participating Banks, the terms and conditions set out in this Prospectus shall prevail;
 - (c) agree that the aggregate Issue Price for the New Shares applied for is due and payable to our Company forthwith upon application;
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any New Shares to you; and
 - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Issue Manager and the Underwriter and/or the Placement Agent will infringe any such laws as a result of the acceptance of your application.
16. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
 - (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares and the New Shares on the Official List of SGX-ST;
 - (b) no stop order has been issued by the Authority under the Securities and Futures Act; and

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- (c) the Management and Underwriting Agreement and the Placement Agreement referred to in the section “Management and Underwriting Agreement and the Placement Arrangements” of this Prospectus have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine.
17. We will not hold any applications in reserve.
18. We will not allot Shares on the basis of this Prospectus later than six months after the date of registration of this Prospectus.
19. Additional terms and conditions for applications using Application Forms are set out below.
20. Additional terms and conditions for applications using Electronic Applications are set out below.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under the section on “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE” of this Prospectus, as well as the Memorandum and Articles of Association of our Company.

1. Your application must be made using the **WHITE** Application Forms for Offer Shares and **WHITE** envelope “A” and “B” for Offer Shares, the **BLUE** Application Forms for Placement Shares accompanying and forming part of this Prospectus. We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper drawn of remittance.**
2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as it appears in your identity cards (if you have such an identification documents) or in your passports and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs on the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

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5. (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Forms with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the New Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.
7. You may apply for the New Shares Using cash only. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a **BANKER'S DRAFT or CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**RYOBI KISO SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by **ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED**. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company or the Issue Manager for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such applications have been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Management and Underwriting Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days from the date of the stop order.
9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

APPENDIX G — TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

10. By completing and delivering the Application Form, you agree that:
- (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 25 January 2010** or such other time or date as our Company may, in consultation with the Issue Manager, decide and by completing and delivering the Application Form:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) all applications, acceptances and contracts resulting there from under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) in making your application, reliance is placed solely on the information contained in this Prospectus and that none of our Company, the Issue Manager and the Underwriter and Placement agent or any other person involved in the Offer shall have any liability for any information not so contained.
 - (f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, the share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Issue Manager and the Underwriter and Placement Agent or other authorised operators; and
 - (g) you irrevocably offer, agree and undertake to purchase and/or subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allotted to you in respect of your application. In the event that we decide to allot a smaller number of New Shares or not to allot any New Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** envelopes "A" and "B". **ONLY ONE APPLICATION** should be enclosed in each envelope.

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2. You must:
 - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Prospectus in the **WHITE** envelope “A” provided;
 - (b) in the appropriate spaces on **WHITE** envelope “A”:
 - (i) write your name and address;
 - (ii) state the number of Offer Shares applied for;
 - (iii) tick the relevant box to indicate the form of payment; and
 - (iv) affix adequate Singapore postage;
 - (c) Seal **WHITE** envelope “A”;
 - (d) write, in the special box provided on the larger **WHITE** envelope “B” addressed to B.A.C.S. Private Limited, 63 Cantonment Road Singapore 089758, the number of Offer Shares you have applied for; and
 - (e) insert **WHITE** envelope “A” into **WHITE** envelope “B”, seal **WHITE** envelope “B”, and affix adequate Singapore postage on **WHITE** envelope “B” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** at your own risk to B.A.C.S. Private Limited, 63 Cantonment Road Singapore 089758, to arrive by **12.00 noon on 25 January 2010 or such other time as our Company may, in consultation with the Issue Manager, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances are liable to be rejected.
4. **ONLY ONE APPLICATION** should be enclosed in each envelope.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed **BLUE** Placement Shares Application Form and the correct remittance (in accordance with the terms and conditions of this Prospectus) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to B.A.C.S. Private Limited, 63 Cantonment Road Singapore 089758, to arrive by **12.00 noon on 25 January 2010 or such other time as our Company may, in consultation with the Issue Manager, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances are liable to be rejected.

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ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks.

Currently, DBS Bank and UOB Group are the only Participating Banks through which Internet Electronic Applications can be made.

For illustrative purposes, the procedures for Electronic Application through ATMs of DBS Bank and the IB website of DBS Bank are set out respectively in the “Steps for an ATM Electronic Application through the ATM of DBS Bank” and the “Steps for an Internet Electronic Application through the IB Website of DBS Bank” (the “Steps”) appearing below. The Steps set out the actions that you must take at an ATM or the IB website of DBS Bank to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with and an IB User Identification (“**User ID**”) and a Personal Identification Number/Password (“**PIN**”) given by a relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of DBS Bank to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed out for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card issued in your own name or if you do not key in your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application on the terms and subject to the conditions of this Prospectus including but not limited to the terms and conditions appearing below and those set out on “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” in Appendix G of this Prospectus as well as the Memorandum of Association and Articles of our Company.

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1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating the Electronic Application:
 - (a) that you have received a copy of this Prospectus (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residents status, CPF Investment Account number (if applicable), CDP Securities Account number, and application details (the “Relevant Particulars”) by the relevant Participating Bank to the Share Registrar, CDP, SGX-ST, SCCS, CPF, our Company, the Issue Manager, the Underwriter and the Placement Agent (the “Relevant Parties”); and
 - (c) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless you press the “Enter” or “Confirm” or “Yes” or “OK” key on the ATM or click “Confirm” or “OK” on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1 (b) above, such confirmation, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by the relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS A BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES, WHETHER AT THE ATMS OR THE IB WEBSITES (IF ANY) OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed. **Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATM or the IB website through which your Electronic Application is being made shall be rejected.**
4. You irrevocably agree and undertake to subscribe for and/or purchase and to accept the number of Offer Shares applied for as stated on the Transaction Record and/or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application.

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In the event that our Company decides to allot any lesser number of such Offer Shares and/or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” key on the ATM or clicking “Confirm” or “OK” on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum of Association and Articles of our Company.

5. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours after balloting. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List, provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application moneys have been received in the designated share issue account.

Responsibility for timely refund of application monies arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading of the New Shares on SGX-ST. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon application for the service) and keying in the stock code (that will be made available together with the results of the allotment and/or allocation via announcement through SGX-ST and by advertisement in a local English newspaper). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, the Issue Manager nor the Underwriter and Placement Agent assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. If your Electronic Application is made through an ATM of one of the Participating Banks and is unsuccessful, no notification will be sent by such Participating Bank.

If your Internet Electronic Applications made through the IB website of DBS Bank or UOB is unsuccessful, no notification will be sent by such Participating Bank.

If your Electronic Application is made through an ATM of one of the following Participating Banks, you may check the provisional results of your Electronic Application as follows:

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| Bank | Telephone | Available at | Operating Hours | Service Expected From |
|-------------|---|---|------------------------|------------------------------|
| DBS Bank | 1800 339 6666 (POSB accounts holders) 1800 111 1111 (DBS Bank account holders) | Internet Banking http://www.dbs.com ⁽¹⁾ | 24 hours a day | Evening of the balloting day |
| OCBC Bank | 1800 363 3333 | Phone Banking/ ATM/ Internet banking ⁽²⁾ | 24 hours a day | Evening of the balloting day |
| UOB Group | 1800 222 2121 | ATM (Other Transactions — “IPO Enquiry”) http://www.uobgroup.com ^{(1),(3)} | 24 hours a day | Evening of the balloting day |

Notes:

- (1) If you have made your Internet Electronic Application through the IB websites of DBS Bank or UOB Group, you may check the results through the same channels listed in the table above in relation to ATM Electronic Applications made at ATMs of DBS Bank or UOB Group.
- (2) If you have made your Electronic Application through the ATMs of OCBC Bank, you may check the results of your application through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services
- (3) If you have made your Electronic Application through the ATMs or IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group’s ATMs or UOB Phone Banking services.

7. **Electronic Applications shall close at 12.00 noon on 25 January 2010 or such other time or date as our Company may, in consultation with the Issue Manager, decide. All Internet Electronic Applications must be received by 12.00 noon on 25 January 2010.** Subject to paragraph 9 below, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank.
8. You are deemed to have irrevocably requested and authorised us to:
 - (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account as entered by you;
 - (b) send the relevant Share certificate(s) to CDP;
 - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours after of balloting of applications; and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 Market Days of balloting of applications.

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9. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and break downs, fires, acts of God and other events beyond the control of the Participating Banks and if, in any such event, our Company, the Issue Manager and/or the relevant Participating Bank does not receive your Electronic Application, or data relating to your Electronic Application is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Issue Manager and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your Participating Bank at the time you make your Electronic Applications shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your Participating Bank.
12. You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
13. By making and completing an Electronic Application, you are deemed to have agreed that:
 - (a) in consideration of us making available the Electronic Application facility, through the Participating Banks acting as our agents, at the ATM and the IB websites (if any)
 - (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (b) neither our Company, the Issue Manager, the Underwriter and Placement Agent nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and

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- (e) in making your application, reliance is placed solely on the information contained in this Prospectus and neither our Company, the Issue Manager, the Underwriter and the Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained.

STEPS FOR ELECTRONIC APPLICATIONS THROUGH THE ATMS AND IB WEBSITE OF UOB GROUP

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through UOB Group's ATMs or through the IB website of UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

Owing to space constraints on UOB Group's ATM screens, the following terms will appear in abbreviated form:

| | | |
|------------------|---|--|
| "&" | : | and |
| "A/C" and "A/CS" | : | ACCOUNT AND ACCOUNTS, respectively |
| "ADDR" | : | ADDRESS |
| "AMT" | : | AMOUNT |
| "APPLN" | : | APPLICATION |
| "CDP" | : | THE CENTRAL DEPOSITORY (PTE) LIMITED |
| "CPF" | : | CENTRAL PROVIDENT FUND BOARD |
| "CPFINVT A/C" | : | CPF INVESTMENT ACCOUNT |
| "ESA" | : | ELECTRONIC SHARE APPLICATION |
| "IC/PSSPT" | : | NRIC or PASSPORT NUMBER |
| "NO" or "NO." | : | NUMBER |
| "PERSONAL NO" | : | PERSONAL IDENTIFICATION NUMBER |
| "REGISTRARS" | : | SHARE REGISTRARS |
| "SCCS" | : | SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD |
| "YR" | : | YOUR |

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Steps for an ATM Electronic Application through ATMs of UOB Group

1. Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.
2. Select “CASHCARD/OTHER TRANSACTIONS”.
3. Select “SECURITIES APPLICATION”.
4. Select the share counter which you wish to apply for.
5. Read and understand the following statements which will appear on the screen:
 - THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENTS
(Press “ENTER” key to continue)
 - PLEASE CALL 1800-22-22-121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT
 - WHERE APPLICABLE, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT
(Press “ENTER” key to confirm that you have read and understood the above statements)
6. Read and understand the following terms which will appear on the screen:
 - YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/DOCUMENT/SUPPLEMENTARY DOCUMENT AND THIS ELECTRONIC APPLICATION
 - YOU CONSENT TO DISCLOSE YR NAME, IC/PSSPT, NATIONALITY, ADDR, APPLN AMT, CPFINVT A/C NO & CDP A/C NO FROM YR A/CS TO CDP, CPF, SCCS, REGISTRARS, SGX-ST AND ISSUER
 - THIS IS YR ONLY FIXED PRICE APPLN & IS IN YR NAME & AT YR RISK
(Press “ENTER” key to continue)
7. Screen will display:

NRIC/Passport No. XXXXXXXXXXXX

IF YOUR NRIC NO / PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.

(Press “CANCEL” or “CONFIRM”)

APPENDIX G — TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

8. Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e., “CURRENT ACCOUNT/I-ACCOUNT”, “CAMPUS” OR “SAVINGS ACCOUNT / TX ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
9. After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change (This screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of UOB Group). If this is the first time you are using UOB Group’s ATM to apply for Shares your CDP Securities Account number will not be stored in the ATM system of UOB Group, and the following screen will be displayed for your input of your CDP Securities Account number.
10. Read and understand the following terms which will appear on the screen:
 - **PLEASE DO NOT APPLY FOR YOUR JOINT A/C HOLDER OR OTHER THIRD PARTIES**
 - **PLEASE USE YOUR OWN ATM CARD**
 - **DO NOT KEY IN THE CDP A/C NO. OF YOUR JOINT A/C HOLDER OR OTHER THIRD PARTIES**
 - **KEY IN YOUR CDP A/C NO. (12 DIGITS) 1681-XXXX-XXXX**
 - **PRESS ENTER KEY**
11. Key in your CDP Securities Account number (12 digits) and press the “ENTER” key.
12. Select your nationality status.
13. Key in the number of Shares you wish to apply for and press the “ENTER” key.
14. Check the details of your Electronic Application on the screen and press “ENTER” key to confirm your Electronic Application.
15. Select “NO” if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only.

Steps for an Internet Electronic Application through the IB website of UOB Group

Owing to space constraints on UOB Group’s IB website screens, the following terms will appear in abbreviated form:

| | | |
|-----------------|---|--------------------------------------|
| “CDP” | : | The Central Depository (Pte) Limited |
| “CPF” | : | The Central Provident Fund |
| “NRIC” or “I/C” | : | National Registration Identity Card |
| “PR” | : | Permanent Resident |
| “SGD” or “\$” | : | Singapore Dollars |

APPENDIX G — TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- “SCCS” : Securities Clearing & Computer Services (Pte) Ltd
- “SGX” : Singapore Exchange Securities Trading Limited
- Step 1 : Connect to UOB website at <http://www.uobgroup.com>
- 2 : Locate the Login icon on the left hand side next to “Internet Banking”
- 3 : Click on Login and at the drop list select “UOB Personal Internet Banking”
- 4 : Enter your Username and Password and click “Submit”
- 5 : Select “Investment Services” (“IPO” should be the default transaction that appears, click “Application”)
- 6 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
- 7 : Click “Continue”
- 8 : Select your country of residence (you must be residing in Singapore to apply), and click “Continue”
- 9 : Select the IPO counter from the drop list (if there are concurrent IPOs) and click “Continue”
- 10 : Check the share counter, select the mode of payment and account number to debit and click on “Continue”
- 11 : Read the important instructions and click on “Continue” to confirm that:
1. **You have read, understood and agreed to all terms and conditions of the application and Prospectus/ Document or Supplementary Document.**
 2. **You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable), and application details to the share registrars, SGX, SCCS, CDP, CPF Board and issuer.**
 3. **This application is made in your own name and at your own risk.**
 4. **For FIXED/MAX price shares application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**

APPENDIX G — TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

5. For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in \$, based on the Bank’s prevailing board rates at the time of application. The different prevailing board rates at the time of the application and at the time of refund of applications monies may result in either a foreign exchange profit or loss, or application monies may be debited and refunds credited in \$ at the same exchange rate.
 6. For **1st-Come-1st Serve securities**, the number of securities applied for may be reduced, subject to the availability at the point of application.
- 12 : Check your personal details, details of the share counter you wish to apply for and account to debit
- Select (a) Nationality;
- Enter (b) your CDP securities account number; and
- (c) the number of shares applied for Click “Submit”
- 13 : Check the details of your application, your NRIC/Passport number, CDP securities account number and the number of shares applied for, share counter, payment mode and account to debit
- 14 : Click “Confirm”, “Edit” or “Cancel”
- 15 : Print the Confirmation Screen (optional) for your own reference and retention only

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NOTABLE COMPLETED PROJECTS



Private Residences

- Aalto
- Ardmore II
- De Centurion
- Draycott 8
- Goodwood Residences
- Helios Residences
- Martin Road No.38
- The Marq at Paterson Hill
- Newton One
- The Orange Grove
- The Peak
- Trevista
- The Trillium
- The Vermont

Public Housing

- HDB Punggol West Contract 5
- HDB Punggol West Contract 6
- HDB Punggol East Contract 20
- HDB Clementi Neighbourhood 4 Contract 8
- HDB Punggol West Contract 17



Commercial Projects

- Ang Mo Kio Hub
- The Centris
- Cintech IV
- City Square
- Credit Suisse Singapore Branch
- Jurong Data Centre Complex
- Oasia Hotel
- Orchid Hotel
- Park Regis Singapore
- Resorts World @ Sentosa
- Science Park 3
- Sci-Fi City @ Resorts World
- Singapore Flyer
- The St. Regis Singapore
- The Tanglin Club



Institutional Projects

- Duke – NUS
- LaSalle – SIA City College of the Arts
- Singapore Island Country Club
- University Town Development
- Yong Loo Lin School of Medicine
- Education Resource Centre

Infrastructure Projects

- Aircraft Hangar 6
- Service Tunnel for Marina Bay Financial Centre Phase 3a
- MRT Contract 909 (Downtown Line)
- Widening of Seletar Expressway

Environmental Protection Engineering Projects

- Pollution Control at Sungei Serangoon



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