

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

### BUSINESS DEVELOPMENT OF OUR GROUP

Our history started on 19 April 2007, when Zhixin Construction Material was established in Xiamen as a limited liability company by Mr. Ye, Mr. Ye Xiaojian, who was Mr. Ye's nephew, and an Independent Third Party. In late 1990s, having considered the potential business opportunity for the concrete industry in the PRC arising from the development of infrastructure and having accumulated sufficient experience in the PRC construction industry, Mr. Ye decided to specialise in the concrete industry in the PRC. For further details about Mr. Ye's experience in the PRC construction industry and concrete industry, please refer to Mr. Ye's biography in the section headed "Directors and senior management" in this prospectus. The initial registered capital of Zhixin Construction Material was RMB4,500,000, in which 40%, 30% and 30% was contributed by Mr. Ye, Mr. Ye Xiaojian and an Independent Third Party, respectively. The corresponding portion of registered capital of Zhixin Construction Material contributed by Mr. Ye was initially financed by Mr. Ye's personal financial resources. We commenced construction of our RMC Plant in 2007 which commenced commercial operation in 2007. Zhixin Construction Material was principally engaged in manufacturing, processing and sale of ready-mixed concrete.

In the course of expansion of our business, Mr. Ye founded Zhixin Logistics in December 2012 which principally engaged in the logistics business, with a view to secure the availability of transportation of raw materials and products of our Group. Zhixin Logistics later became a subsidiary of Zhixin Construction Material in November 2013.

In September 2014, with a view to expand our business to the production of PC component for prefabricated constructions, Zhixin Construction Material acquired Zhixin Construction Technology from two Independent Third Parties as Zhixin Construction Technology owned the land use right of a parcel of land that was later used for the construction of our PC Plant in order to cater for our business expansion. Zhixin Construction Technology principally engages in manufacturing and sale of PC components.

In February 2015, Mr. Huang, who was then a supplier of our Group and had more than 10 years of experience in the construction and construction material industries, envisaged the potential in the PC components business and became an equity holder of Zhixin Construction Technology. For further details about Mr. Huang's experience in the construction and construction material industries, please refer to Mr. Huang's biography in the section headed "Directors and senior management" in this prospectus.

We commenced the construction of our PC Plant and commenced production and sale of PC components in 2017.

### Business milestones

The following sets out our business development milestones:

- 2007 • Zhixin Construction Material was established as a limited liability company in the PRC and commenced the production and sale of ready-mixed concrete

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

- 2008 ● We were first accredited as Excellent Enterprise of Xiamen Ready-mixed Concrete Industry\* (廈門市預拌混凝土行業優秀企業) by Xiamen Bulk Cement Office\* (廈門市散裝水泥辦公室) and Xiamen Construction Engineering Material Equipment Association\* (廈門市建設工程材料設備協會)
- 2008 ● We were first accredited as Excellent Enterprise of China Concrete Industry\* (中國混凝土行業優秀企業) by Concrete Branch of China Construction Industry Association\* (中國建築業協會混凝土分會)
- 2011 ● We were first accredited as Model Enterprise of Green Production of China Concrete Industry\* (中國混凝土行業綠色生產示範企業) by Concrete Branch of China Construction Industry Association\* (中國建築業協會混凝土分會)
- 2012 ● Zhixin Logistics was established as a limited liability company
- 2014 ● We acquired Zhixin Construction Technology
- 2016 ● We obtained the Professional Contracting of Ready-mixed Concrete Qualification\* (預拌混凝土專業承包) from Xiamen Construction Bureau (廈門市建設局)
- 2016 ● We were first awarded the Certificate of Green Building Materials Evaluation\* (綠色建材評價標識證書) from China Building Material Test & Certification Group Co., Ltd.\* (中國建材檢驗認證集團股份有限公司)
- 2017 ● We commenced the construction of our PC Plant and commenced production and sale of PC Components
- 2018 ● We received various accreditation including GB/T 23001-2017 Integration of Informatisation and Industrialisation Management System, GB/T 19001-2016/ISO 9001:2015 Quality Management System, GB/T 24001-2016/ISO 14001:2015 Environmental Management System and GB/T 28001-2011/OHSAS 18001:2007 Occupational Health Safety Management System
- 2018 ● We were appointed as a standing council unit of the Integrated Pipe Gallery Construction and Underground Space Utilisation Committee\* (綜合管廊建設及地下空間利用專業委員會) of China Municipal Engineering Association
- 2019 ● We expanded our production base for manufacturing and storage of PC components by leasing a property in Guankou Town, Jimei District, Xiamen, with gross floor area of approximately 12,360 sq.m. of production facilities and site area of approximately 13,250 sq.m. of land, which is located on the east of the production facilities

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

- 2019 ● We were recognised as a Xiamen Municipal High and New Technology Enterprise\* (廈門市市級高新技術企業) by Xiamen Municipal Bureau of Science and Technology\* (廈門市科學技術局)
- 2020 ● We were recognised as a Xiamen New Materials Enterprise\* (廈門市新材料企業) by Xiamen Municipal Bureau of Industry and Information Technology\* (廈門市工業和信息化局)
- 2020 ● We were recognised as a Fujian Science and Technology Little Giant Leader Enterprise\* (福建省科技小巨人領軍企業) by Fujian Department of Science and Technology\* (福建省科學技術廳), Fujian Development and Reform Commission\* (福建省發展和改革委員會), Fujian Provincial Bureau of Industry and Information Technology\* (福建省工業和信息化廳) and Fujian Provincial Bureau of Finance (福建省財政局)
- 2020 ● We were recognised as a Xiamen Science and Technology Little Giant Leader Enterprise\* (廈門市科技小巨人領軍企業) by Xiamen Municipal Bureau of Science and Technology\* (廈門市科學技術局), Xiamen Municipal Bureau of Finance\* (廈門市財政局), Xiamen Development and Reform Commission\* (廈門市發展和改革委員會), Xiamen Municipal Bureau of Industry and Information Technology\* (廈門市工業和信息化局) and Xiamen Torch Development Zone for High Technology Industries Management Committee\* (廈門火炬高技術產業開發區管理委員會)
- 2020 ● We were recognised as a National Prefabricated Construction Industrial Base\* (國家裝配式建築產業基地) by MOHURD
- 2020 ● We were recognised as a Green Factory\* (綠色工廠) by the Energy Conservation and Resources Utilisation Department of the Ministry of Industry and Information Technology\* (工業和信息化部節能與綜合利用司) of the PRC

### OUR CORPORATE HISTORY

#### Zhixin Construction Material

On 19 April 2007, Zhixin Construction Material was established in Xiamen as a limited liability company by Mr. Ye, Mr. Ye Xiaojian, who was Mr. Ye's nephew, and an Independent Third Party. Zhixin Construction Material commenced business in 2007 and was principally engaged in manufacturing, processing and sale of ready-mixed concrete. Its initial registered capital was RMB4,500,000, in which 40%, 30% and 30% was contributed by Mr. Ye, Mr. Ye Xiaojian and an Independent Third Party, respectively, at the time of the establishment of Zhixin Construction Material.

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

Zhixin Construction Material had subsequently undergone a series of capital injections and transfers of equity interest. As at 3 March 2015, the registered capital of Zhixin Construction Material was RMB100,000,000 and was contributed by Mr. Ye and an Independent Third Party as to 60% and 40% respectively.

Zhixin Logistics and Zhixin Construction Technology became a direct wholly-owned subsidiary of Zhixin Construction Material on 20 November 2017 and 1 December 2017, respectively.

On 4 December 2017, Mr. Ye and Mr. Huang acquired 15% and 25% equity interest of Zhixin Construction Material respectively held by a former business partner of Mr. Ye (“**Former Shareholder**”), who became a shareholder of Zhixin Construction Material in August 2009 and is an Independent Third Party, at a consideration of RMB15,000,000 and RMB25,000,000, respectively, which was determined with reference to the registered capital of Zhixin Construction Material of RMB100,000,000 at that time. After the acquisitions, Mr. Ye and Mr. Huang were interested in Zhixin Construction Material as to 75% and 25%, respectively. The disposal of equity interest in Zhixin Construction Material by the Former Shareholder was part of his divestment plan from our Group as he was not interested in developing PC components business.

As part of the Reorganisation, on 14 January 2019, Pakhim Chen HK acquired 9.99% and 3.33% equity interest in Zhixin Construction Material from Mr. Ye and Mr. Huang at a consideration of RMB10,489,500 and RMB3,496,500, respectively, which was determined with reference to the appraised net asset value of Zhixin Construction Material of RMB105,000,000 as at 31 December 2018. Pakhim Chen HK was wholly owned by Pakhim Chen BVI which was in turn wholly owned by Ms. Chen. Ms. Chen has over 10 years of finance work experience in a company established in the PRC which was principally engaged in, among others, trading of construction materials, and she was acquainted with Mr. Ye during her tenure in the related industry. Ms. Chen envisaged the potential in our Group and decided to invest in our Group by acquiring an aggregate of 13.32% equity interest in Zhixin Construction Material from Mr. Ye and Mr. Huang as aforementioned in this paragraph.

Set out below is the shareholding structure of Zhixin Construction Material as at 14 January 2019:

<u>Name of shareholder</u>	<u>Registered capital (RMB million)</u>	<u>Percentage of shareholding (%)</u>
Mr. Ye	65.01	65.01
Mr. Huang	21.67	21.67
Pakhim Chen HK	<u>13.32</u>	<u>13.32</u>
<b>Total</b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

On 23 January 2019, each of Mr. Ye and Mr. Huang transferred his entire interest in Zhixin Construction Material (representing 65.01% and 21.67% of the registered capital in Zhixin Construction Material) to Zhixin HK at a consideration of RMB68,260,500 and RMB22,753,500, respectively, which was determined with reference to the appraised net asset value of Zhixin Construction Material of RMB105,000,000 as at 31 December 2018.

Set out below is the equity holding structure of Zhixin Construction Material as at 23 January 2019 and up to the Latest Practicable Date:

<u>Name of equity holder</u>	<u>Registered capital (RMB million)</u>	<u>Percentage of equity holding (%)</u>
Zhixin HK	86.68	86.68
Pakhim Chen HK	<u>13.32</u>	<u>13.32</u>
<b>Total</b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>

As advised by the PRC Legal Advisers, the registered capital of Zhixin Construction Material was fully paid-up as at the Latest Practicable Date.

### Zhixin Logistics

On 27 December 2012, Zhixin Logistics was established in Xiamen as a limited liability company by Mr. Ye and an Independent Third Party. Zhixin Logistics commenced business in 2013 and principally engaged in the logistics business. Its initial registered capital was RMB2,000,000, of which 56% and 44% was contributed by Mr. Ye and an Independent Third Party, respectively, at the time of the establishment of Zhixin Logistics.

On 11 November 2013, the registered capital of Zhixin Logistics increased from RMB2,000,000 to RMB5,000,000, whereby the additional registered capital was contributed by Zhixin Construction Material, and Zhixin Construction Material became a shareholder of Zhixin Logistics. Upon completion of the capital injection, Zhixin Logistics was owned by Zhixin Construction Material as to 60%, Mr. Ye as to 22.40% and an Independent Third Party as to 17.60%.

On 6 May 2017, Mr. Ye acquired the entire interest held by the Former Shareholder in Zhixin Logistics (representing 17.60% of the then registered capital in Zhixin Logistics) at a consideration of RMB880,000, which was determined with reference to the registered capital of Zhixin Logistics. Upon completion of the equity transfer, Zhixin Logistics was owned by Zhixin Construction Material as to 60% and Mr. Ye as to 40%. The disposal of equity interest in Zhixin Logistics by the Former Shareholder was part of his divestment plan from our Group as disclosed in the paragraph headed “Our corporate history — Zhixin Construction Material” in this section.

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

On 20 November 2017, Zhixin Construction Material acquired 40% equity interest in Zhixin Logistics held by Mr. Ye at a consideration of RMB2,000,000, which was determined with reference to the registered capital of Zhixin Logistics. Following the acquisition and as at the Latest Practicable Date, Zhixin Logistics has become a direct wholly-owned subsidiary of Zhixin Construction Material.

As advised by the PRC Legal Advisers, the registered capital of Zhixin Logistics was fully paid-up as at the Latest Practicable Date.

### **Zhixin Construction Technology**

On 2 November 2010, Zhixin Construction Technology was established in Xiamen as a limited liability company. On 23 September 2014, Zhixin Construction Material acquired 66% and 34% equity interest in Zhixin Construction Technology from two Independent Third Parties at a consideration of RMB12,210,000 and RMB6,290,000, respectively, which was determined with reference to the registered capital of Zhixin Construction Technology at the time of the acquisition, being RMB16,500,000. Zhixin Construction Technology principally engaged in manufacturing and sale of PC components and it commenced PC components business in 2017.

On 24 December 2014, the registered capital of Zhixin Construction Technology increased from RMB16,500,000 to RMB26,500,000, whereby the additional registered capital was contributed by Zhixin Construction Material.

On 2 February 2015, the registered capital of Zhixin Construction Technology increased from RMB26,500,000 to RMB37,000,000, whereby the additional registered capital was contributed by Zhixin Construction Material and Mr. Huang as to RMB3,100,000 and RMB7,400,000, respectively. Since then, Mr. Huang became an equity holder of Zhixin Construction Technology. Upon completion of the capital injection, Zhixin Construction Technology was owned by Zhixin Construction Material as to 80% and Mr. Huang as to 20%.

On 28 March 2017, the registered capital of Zhixin Construction Technology increased from RMB37,000,000 to RMB200,000,000, whereby the additional registered capital was contributed by Zhixin Construction Material and Mr. Huang as to RMB130,400,000 and RMB32,600,000, respectively. Upon completion of the capital injection, Zhixin Construction Technology was owned by Zhixin Construction Material as to 80% and Mr. Huang as to 20%.

On 1 December 2017, Zhixin Construction Material acquired 20% equity interest in Zhixin Construction Technology from Mr. Huang at a consideration of RMB7,400,000, which was determined with reference to the paid-up capital of Zhixin Construction Technology contributed by Mr. Huang as at the date of transfer. Following the acquisition and as at the Latest Practicable Date, Zhixin Construction Technology has become a direct wholly-owned subsidiary of Zhixin Construction Material.

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

As advised by the PRC Legal Advisers, the registered capital of Zhixin Construction Technology was RMB200,000,000 as at the Latest Practicable Date, of which RMB167,024,895.28 was fully paid-up and the remaining RMB32,975,104.72 will be paid up before 31 October 2060, which is in compliance with the articles of association of Zhixin Construction Technology and the applicable laws of the PRC.

### REORGANISATION

In preparation for the Listing, the companies comprising our Group underwent the Reorganisation, pursuant to which our Company became the holding company of our Group. The main steps of the Reorganisation were:

#### (1) Incorporation of Yaohe BVI and Zhixin Investment BVI

On 24 October 2018, Yaohe BVI was incorporated in accordance with the laws of BVI as an investment holding company. It was authorised to issue a maximum of 50,000 shares of a single class of HK\$1.00 each, of which one share was allotted and issued as fully paid to Mr. Huang at par.

On 31 October 2018, Zhixin Investment BVI was incorporated in accordance with the laws of BVI as an investment holding company. It was authorised to issue a maximum of 50,000 shares of a single class of HK\$1.00 each, of which one share was allotted and issued as fully paid to Mr. Ye at par.

#### (2) Incorporation of our Company, Zhixin Enterprises BVI and Zhixin HK

On 14 November 2018, our Company was incorporated in the Cayman Islands as an exempted company with an initial authorised share capital of HK\$50,000 divided into 50,000 shares of HK\$1.00 each, of which one share was allotted and issued as fully paid to the initial subscriber (being an Independent Third Party) at par, and then transferred to Zhixin Investment BVI at par. On the same date, 74 shares and 25 shares were allotted and issued as fully paid to Zhixin Investment BVI and Yaohe BVI, respectively, at par. Set out below is the shareholding structure of our Company as at 14 November 2018:

<u>Name of shareholder</u>	<u>Percentage of shareholding (%)</u>
Zhixin Investment BVI	75.00
Yaohe BVI	<u>25.00</u>
Total	<u><u>100.00</u></u>

On 20 November 2018, Zhixin Enterprises BVI was incorporated in the BVI as a limited liability company which was authorised to issue a maximum of 50,000 shares of a single class of HK\$1.00 each, of which one share was allotted and issued as fully paid to our Company at par.



---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

On 13 December 2018, Zhixin HK was incorporated in Hong Kong as a limited liability company, of which one share was allotted and issued to Zhixin Enterprises BVI.

Zhixin Enterprises BVI and Zhixin HK would act as the intermediate holding companies of our Group.

**(3) Acquisition of 13.32% equity interest in Zhixin Construction Material by Pakhim Chen HK**

On 14 January 2019, Pakhim Chen HK acquired 9.99% and 3.33% equity interest in Zhixin Construction Material from Mr. Ye and Mr. Huang at a consideration of RMB10,489,500 and RMB3,496,500, respectively, which was determined with reference to the appraised net asset value of Zhixin Construction Material of RMB105,000,000 as at 31 December 2018. The considerations were fully settled on 21 January 2019.

**(4) Acquisition of 86.68% equity interest in Zhixin Construction Material by Zhixin HK**

On 23 January 2019, Zhixin HK acquired 65.01% and 21.67% equity interest in Zhixin Construction Material from Mr. Ye and Mr. Huang at a consideration of RMB68,260,500 and RMB22,753,500, respectively, which was determined with reference to the appraised net asset value of Zhixin Construction Material of RMB105,000,000 as at 31 December 2018. The considerations were fully settled on 30 April 2019.

**(5) Allotment of shares by the Company and acquisition of 100% interest in Pakhim Chen HK by Zhixin Enterprises BVI**

On 12 August 2019, our Company issued and allotted 6,426 and 2,142 new shares at par to Zhixin Investment BVI and Yaohe BVI, respectively. On 12 August 2019, Zhixin Enterprises BVI acquired the entire interest in Pakhim Chen HK from Pakhim Chen BVI in consideration for the allotment and issue of 1,332 shares by our Company, credited as fully paid, to Pakhim Chen BVI at the direction of Zhixin Enterprises BVI. The acquisition of the entire interest in Pakhim Chen HK from Pakhim Chen BVI was completed on 27 September 2019.

Set out below is the shareholding structure of our Company as at 27 September 2019:

<u>Name of shareholder</u>	<u>Percentage of shareholding (%)</u>
Zhixin Investment BVI	65.01
Yaohe BVI	21.67
Pakhim Chen BVI	<u>13.32</u>
<b>Total</b>	<b><u><u>100.00</u></u></b>



---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

Following the Reorganisation:

- (i) our Company was owned by Zhixin Investment BVI, Yaohe BVI and Pakhim Chen BVI as to 65.01%, 21.67% and 13.32%, respectively; and
- (ii) each of Zhixin Construction Material, Zhixin Logistics and Zhixin Construction Technology has become an indirect wholly-owned subsidiary of our Company.

The Reorganisation of our Group (being completion of the acquisition of Pakhim Chen HK by Zhixin Enterprises BVI) was completed on 27 September 2019. Each of the share or equity transfers regarding the Reorganisation mentioned above was properly and legally completed and settled.

### PRE-IPO INVESTMENT

#### Investment by Pakhim Chen BVI

On 14 January 2019, Pakhim Chen HK, a company wholly owned by Pakhim Chen BVI which is in turn wholly owned by Ms. Chen, entered into a sale and purchase agreement with each of Mr. Ye and Mr. Huang pursuant to which Mr. Ye and Mr. Huang agreed to sell and Pakhim Chen HK agreed to purchase 9.99% and 3.33% equity interest in Zhixin Construction Material at a consideration of RMB10,489,500 and RMB3,496,500, respectively. Upon completion of such investment by Pakhim Chen BVI (the “**Pre-IPO Investment**”), Pakhim Chen BVI became interested in 13.32% of the equity interest in Zhixin Construction Material. On 12 August 2019, as part of the Reorganisation, Pakhim Chen BVI sold its entire interest in Pakhim Chen HK to Zhixin Enterprises BVI in consideration for the allotment and issue of 1,332 shares by our Company. Details of the Pre-IPO Investment are set out below:

Name of investor:	Pakhim Chen BVI (through Pakhim Chen HK)	
Name of counterparty of the Pre-IPO Investment:	Mr. Ye	Mr. Huang
Equity interest in Zhixin Construction Material acquired:	9.99%	3.33%
Amount of consideration paid:	RMB10,489,500	RMB3,496,500
Basis of determination of the consideration:	Based on the appraised net asset value of Zhixin Construction Material of approximately RMB105,000,000 as at 31 December 2018	
Date of the agreement in relation to the Pre-IPO Investment:	14 January 2019	

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

Date of full settlement of consideration:	21 January 2019
Total number of Shares held by Pakhim Chen BVI:	Before completion of the Capitalisation Issue and the Share Offer: 1,332 Shares  After completion of the Capitalisation Issue and the Share Offer: 74,725,200 Shares
Cost per Share paid:	Before completion of the Capitalisation Issue and the Share Offer: Approximately RMB10,500 (equivalent to approximately HK\$11,550) per Share  After completion of the Capitalisation Issue and the Share Offer: Approximately RMB0.19 (equivalent to approximately HK\$0.209) per Share
Discount to the Offer Price:	A discount of approximately 86.07% to the Offer Price of HK\$1.50
Approximate effective shareholding in our Company upon Listing:	9.99%
Special rights:	No special rights were granted.
Use of proceeds:	N/A, as the payment was made to Mr. Ye and Mr. Huang.
Lock-up period:	Nil.
Strategic benefits brought to our Group by the investor:	Our Directors are of the view that the Pre-IPO Investment is beneficial to our Group as it can assist us in broadening our shareholder base. In addition, Ms. Chen's positioning as a strategic investor of our Company, coupled with her financial work experience in, among others, trading of construction materials, will add value to the profile of our Company. With her experience, our Directors believe that Ms. Chen could provide industry specific insights and advice on our business development and expansion in the PRC.

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

### **Information regarding Pakhim Chen BVI**

Pakhim Chen BVI is an investment holding company incorporated in the BVI and is wholly owned by Ms. Chen. Between 2006 and 2018, Ms. Chen worked in a company established in Fujian Province, the PRC which was principally engaged in, among others, trading of construction materials where she acquainted with property developers and construction companies in Fujian Province, the PRC, and she gained knowledge about the construction and infrastructure industry in the PRC and was optimistic towards its development. In mid-2018, Ms. Chen became acquainted with Mr. Ye through Mr. Qiu Limiao, an executive Director and son-in-law of Mr. Ye, who was also a family friend of Ms. Chen. Ms. Chen considered that our Group had good reputation and she envisaged the potential in our Group's PC components business since it was a new type of construction material and there were favourable policies from the government, therefore, she decided to invest in our Group in late 2018. At the same time, our Group intended to expand our PC components business and we believed we could benefit from Ms. Chen's network of property developers and construction companies in Fujian Province so that we could be more familiar with the trends of local demands of PC components and the related business opportunities. After arm's length negotiation, Ms. Chen invested in our Group via the abovementioned Pre-IPO Investment arrangement.

Ms. Chen is a director of Pakhim Chen HK, which is a subsidiary of the Company. Therefore, she is a core connected person of the Company.

### **Lock-up and public float**

The Shares held by Pakhim Chen BVI will not be subject to lock-up. As Ms. Chen, the sole shareholder of Pakhim Chen BVI, is a director of a subsidiary of the Company, Pakhim Chen BVI is an associate of a core connected person of our Company. Shares held by Pakhim Chen BVI will not be counted towards the public float upon Listing.

### **Compliance with interim guidance**

On the basis that (i) the consideration for the Pre-IPO Investment has been settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange; and (ii) Pakhim Chen HK is not entitled to any special rights under the Pre-IPO Investment, the Sole Sponsor has confirmed that the terms of the Pre-IPO Investment are in compliance with (i) the Guidance Letter HKEx-GL-29-12 issued by the Stock Exchange in January 2012 and as updated in March 2017; and (ii) the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017.

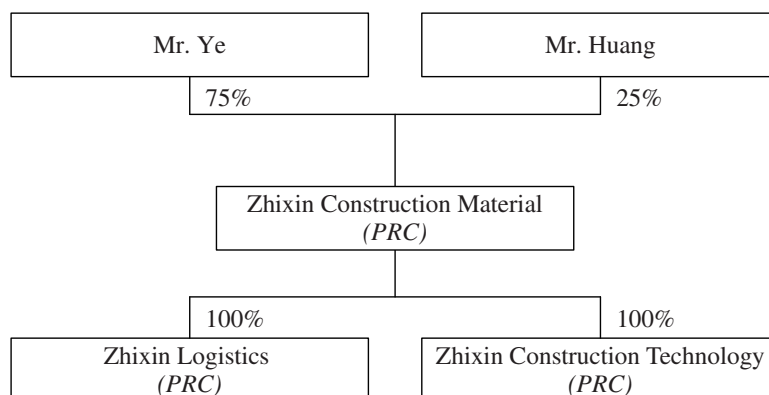
---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

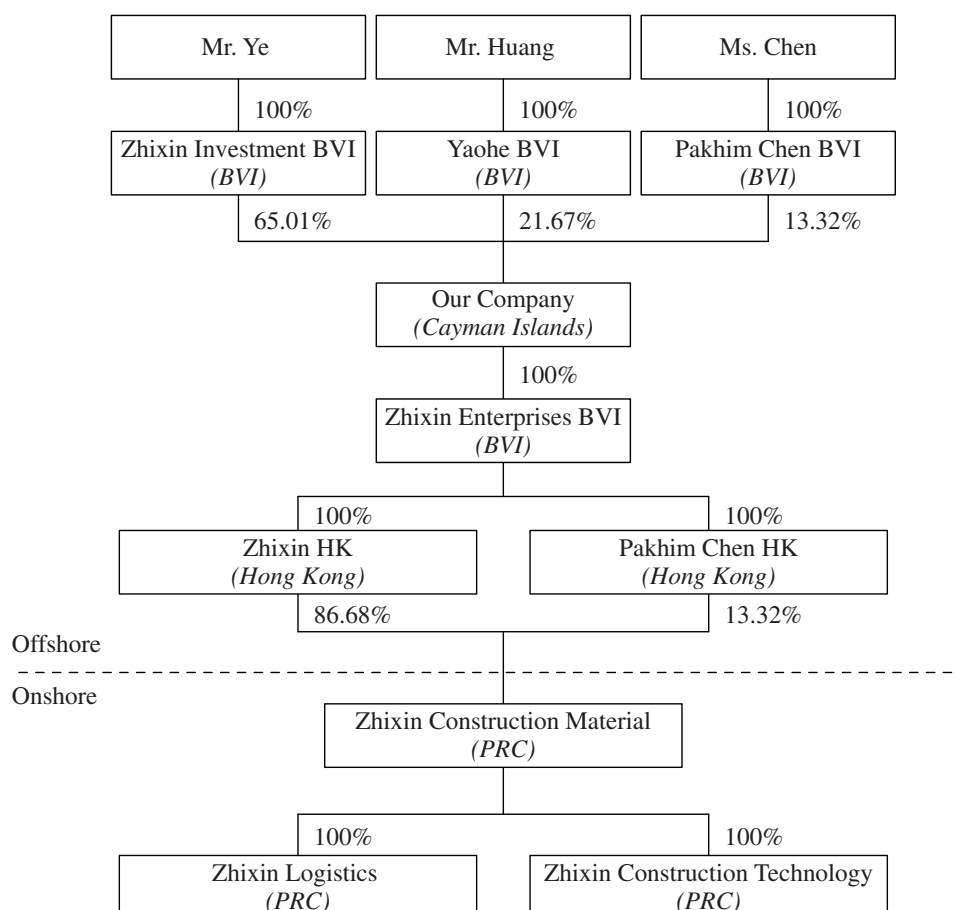
---

### Group structure

Set forth below was the corporate structure of our Group immediately prior to the Reorganisation:

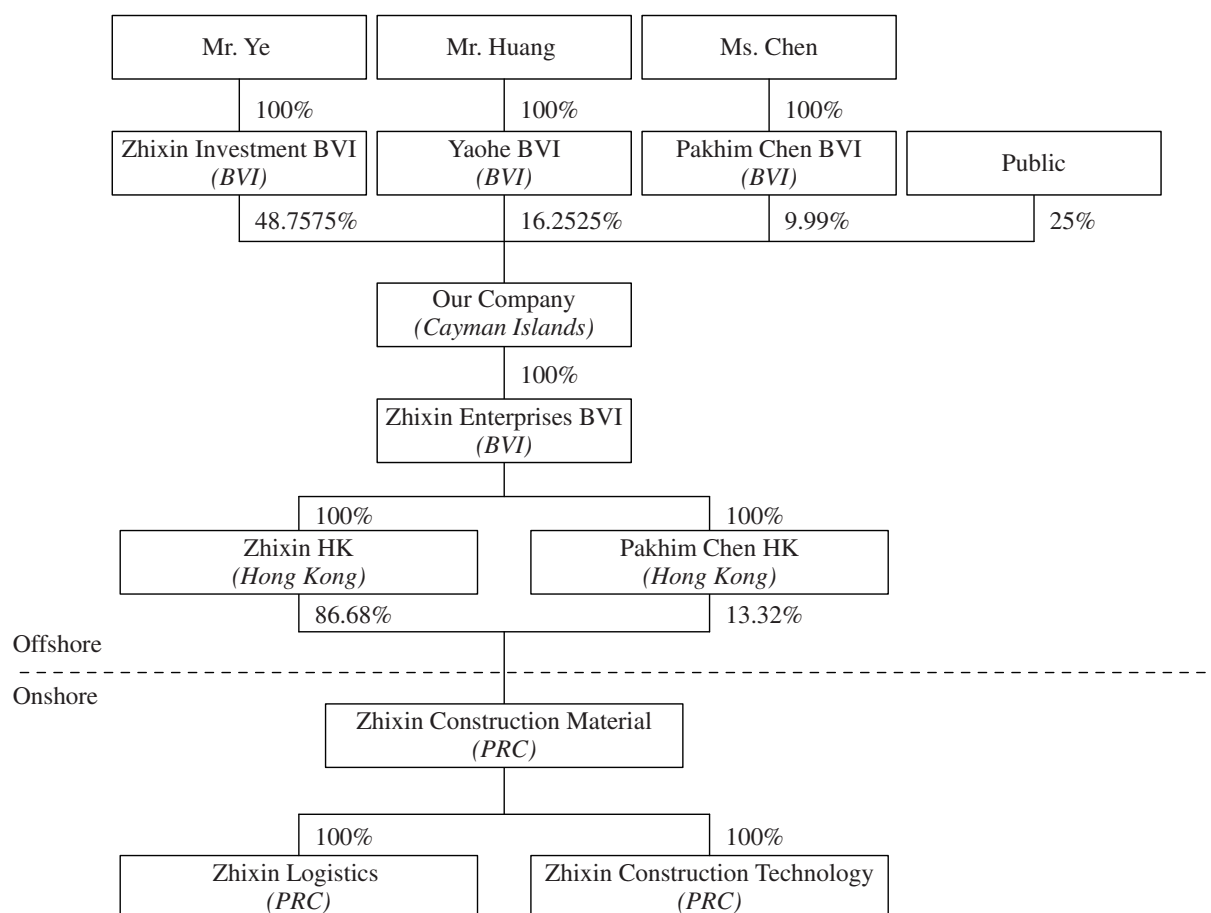


Set forth below is the corporate structure of our Group after the Reorganisation but immediately prior to the Capitalisation Issue and the Share Offer:



## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Set forth below is the corporate structure of our Group following completion of the Capitalisation Issue and the Share Offer:



### GENERAL

Pursuant to the Circular 37, special purpose vehicles (the “SPV”) refers to overseas companies directly incorporated or indirectly controlled by domestic residents (including domestic institutions and individual domestic residents) using the assets or rights and interests of domestic companies that they legally possess or the overseas assets or rights and interests they legally possess for the purpose of investments and financing. The Circular 37 requires timely amendments to the registration for any major change in respect of the SPV, including, among other things, any major change in the SPV’s domestic resident shareholder, name of the SPV, term of operation, or any increase or reduction of the SPV’s registered capital contributed by the domestic resident, share transfer or swap, and merger or division.

As advised by our PRC Legal Advisers, the Circular 37 applies to the Reorganisation and the Share Offer as Mr. Ye and Mr. Huang fall within the meaning of a domestic resident in the Circular 37. In accordance with the Circular 37, each of Mr. Ye and Mr. Huang completed the registration

---

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

---

and filing of an overseas investment by a PRC resident with Xiamen Branch, China Minsheng Bank, in respect of his overseas investments in our Group and has complied with all the relevant formalities for such registration and filing.

Our PRC Legal Advisers have also confirmed that we have complied with applicable PRC laws and regulations and have completed relevant registrations and filings from PRC government authorities for the Reorganisation, including the registration with Xiamen Market Regulation Bureau\* (廈門市市場監督管理局) regarding Pakhim Chen HK's acquisition of the 13.32% equity interest in Zhixin Construction Material from Mr. Ye and Mr. Huang, and the acquisition by Zhixin HK of 86.68% equity interest in Zhixin Construction Material from Mr. Ye and Mr. Huang, as part of the Reorganisation pursuant to the PRC Company Law, the SAFE registration pursuant to the Circular 37 and the filing with Xiamen Municipal Bureau of Commerce pursuant to the then relevant PRC laws and regulations. In addition to the above-mentioned registrations and filings, we are not required to obtain other approvals from CSRC, MOFCOM or other relevant authorities for the Reorganisation and the Listing in the PRC.