
OUR CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and collectively the “**Cornerstone Investment Agreements**”) with Mr. Wang Miao (王苗先生) (“**Mr. Wang**”) and Tenancy Co., Limited (“**Tenancy Co**”) (the “**Cornerstone Investors**“, and each a “**Cornerstone Investor**”), pursuant to which the Cornerstone Investors have agreed to subscribe for or purchase 16,832,000 and 31,976,000 Shares at the Offer Price at the consideration of approximately HK\$25,248,000 and HK\$47,964,000 respectively (the “**Cornerstone Placing**”).

The following table sets forth details of the Cornerstone Placing and approximate corresponding percentage of the total number of Offer Shares and percentage of the total issued share capital of our Company upon Listing:

Based on the Offer Price of HK\$1.50				
<u>Cornerstone Investor</u>	<u>Investment amount</u>	<u>Number of Offer Shares to be subscribed for</u>	<u>Approximate percentage of the total number of Offer Shares</u>	<u>Approximate percentage of the total issued share capital of our Company immediately following completion of the Capitalisation Issue and the Share Offer</u>
Mr. Wang	HK\$25,248,000	16,832,000	9.00%	2.25%
Tenancy Co	HK\$47,964,000	31,976,000	17.10%	4.27%
Total	<u>HK\$73,212,000</u>	<u>48,808,000</u>	<u>26.1%</u>	<u>6.52%</u>

To the best knowledge of our Directors, each of the Cornerstone Investors is an Independent Third Party, independent from our Company, our connected persons (as defined in the Listing Rules) and their respective associates and independent of each other. The Cornerstone Investors will subscribe for the Offer Shares pursuant to, and as part of, the Placing.

The Cornerstone Placing forms part of the Placing. The Offer Shares to be subscribed for by the Cornerstone Investors will rank equally in all respects with the other fully paid Shares then in issue and to be listed on the Stock Exchange upon completion of the Share Offer and will be counted towards the public float of our Company. The Cornerstone Investors will not subscribe for any Offer Shares under the Share Offer other than pursuant to the Cornerstone Investment Agreements. Immediately following completion of the Share Offer, none of the Cornerstone Investors will have any board representation in our Company, nor will any of the Cornerstone Investors become a substantial shareholder of our Company. No special rights have been granted to the Cornerstone Investors as part of the Cornerstone Placing.

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To the best knowledge of our Company, (i) there is no deferred settlement in payment and/or deferred delivery of the Shares to be subscribed by the Cornerstone Investors; (ii) there are no side agreements or arrangements between our Group and each of the Cornerstone Investors for the purpose of the Cornerstone Placing; (iii) we became acquainted with each of the Cornerstone Investors either through business networking or social gathering and, in particular, Mr. Wang has served as the chairman of the board since 2013 and the legal representative since 2018 of Fujian Yongding Minfu Constructure Materials Co., Ltd., the largest supplier of our Group for each of the three years ended 31 December 2019 and ten months ended 31 October 2020; (iv) each of the Cornerstone Investors expects to finance his/its respective cornerstone investment with his/its own financial resources; (v) none of the Cornerstone Investors are accustomed to take instructions from our Company and our subsidiaries, Directors, chief executive of our Company, Controlling Shareholders, substantial shareholders or existing Shareholders or any of our subsidiaries or their respective close associates; and (vi) none of the subscription of the Offer Shares by the Cornerstone Investors are financed by our Company and our subsidiaries, Directors, chief executive, Controlling Shareholders, substantial shareholders, or existing Shareholders or any of our subsidiaries or their respective close associates.

The number of Offer Shares to be subscribed by the Cornerstone Investors will not be affected by reallocation of the Offer Shares between the Placing and the Public Offer in the event of over-subscription under the Public Offer as described in the section headed “Structure of the Share Offer” in this prospectus. The investment amount for the Offer Shares to be subscribed by the Cornerstone Investors under the Cornerstone Placing shall be settled by 12:00 noon (Hong Kong time) on the trading day immediately prior to the Listing Date. Delivery of the Offer Shares subscribed by the Cornerstone Investors is expected to take place on the Listing Date subject to due payment being made.

The information about the Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

Mr. Wang

Mr. Wang is a Chinese citizen and has extensive experience in real estate development and cement building materials industry in the PRC. He has invested and managed a number of companies in the real estate development and construction materials industry in the PRC. Since 2007, he has served as the vice chairman of Fujian Yongding Xingxin Cement Co., Ltd.* (福建省永定興鑫水泥有限公司). In 2011, he invested in Fujian Jianrong Finance Guarantee Co., Ltd.* (福建建融融資擔保有限公司) and is one of its directors as at the Latest Practicable Date. In 2011, he invested in Longyan Kaisheng Real Estate Development Co., Ltd.* (龍岩凱盛房地產開發置業有限公司) and has served as its chairman of the board since 2015. Mr. Wang has served as the chairman of the board and the legal representative of Fujian Yongding Minfu Construction Materials Co., Ltd.* (福建省永定閩福建材有限公司) since 2013 and 2018 respectively. Since 2018, he has served as the manager and executive director of Longyan Juran Home Market Management Co., Ltd.* (龍岩居然之家市場管理有限公司).

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Tenancy Co

Tenancy Co is a company incorporated in Hong Kong with limited liability. Its principal business activities include investment holding, machinery leasing and the sales and maintenance of electronic equipment and accessories. Tenancy Co is wholly owned by Sany Group Company Limited* (三一集團有限公司) (“**Sany Group**”), where Mr. Liang Wengen (梁穩根) is interested in approximately 56.7% of its total equity interest as at the Latest Practicable Date. The Sany Group is one of the leading companies in the PRC primarily engaged in the manufacturing and sale of construction and mining equipment, oil drilling machinery, and renewable wind energy systems in the PRC.

CONDITIONS PRECEDENT

The subscription obligation of each Cornerstone Investor under the respective Cornerstone Investment Agreement is subject to, among other things, the following conditions precedent:

- (a) the Public Offer Underwriting Agreement and the Placing Underwriting Agreement being entered into and having become effective and unconditional and not having been terminated (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in these underwriting agreements;
- (b) the Listing Committee having granted the listing of, and permission to deal in, the Shares and that such approval or permission not having been revoked prior to the commencement of dealings in the Shares;
- (c) no relevant laws or regulations shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Public Offer, the Placing or in the Cornerstone Investment Agreement, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (d) the respective representations, warranties, undertaking and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor.

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RESTRICTIONS ON DISPOSAL OF SHARES BY THE CORNERSTONE INVESTORS

The Cornerstone Investors have agreed that without prior written consent of the Company and the relevant Joint Bookrunner, he/it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the “**Lock-up Period**”), dispose of any of the Shares he/it has purchased pursuant to the Cornerstone Investment Agreement, save for transfers to any of his/its wholly-owned subsidiaries who which will be bound by the same obligations of the Cornerstone Investors, including the Lock-up Period restriction.