

FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act on 14 November 2018. Our Company was registered under Part 16 of the Companies Ordinance on 29 May 2019. Our principal place of business in Hong Kong is at Suite No. 2, 3/F Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong. Mr. Yuen Chi Wai has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, we operate subject to the relevant laws and regulations of the Cayman Islands and our constitution which comprises the Memorandum of Association and the Articles of Association. A summary of the relevant laws and regulations of the Cayman Islands and of our Company's constitution is set out in Appendix V to this prospectus.

2. Changes in share capital of our Company**(a) *Sub-division of shares***

On 4 March 2021, each issued and unissued ordinary share of our Company of HK1.00 each was sub-divided into 100 Shares of HK\$0.01 each and following the sub-division of share capital of our Company, the number of issued shares of our Company was increased from 10,000 to 1,000,000.

(b) *Change in authorised share capital*

The authorised share capital of our Company was increased from HK\$50,000 to HK\$30,000,000 by the creation of 2,995,000,000 new Shares pursuant to a resolution passed by our Shareholders referred to in paragraph 3 below and subject to the conditions contained therein.

Pursuant to the resolutions passed by our Board and our Shareholders on 4 March 2021, an aggregate of 560,000,000 Shares will be issued and allotted under the Capitalisation Issue to our Shareholders whose names appear on the register of members of our Company as of the date of such resolutions.

Immediately following completion of the Capitalisation Issue and the Share Offer, our authorised share capital will be HK\$30,000,000 divided into 3,000,000,000 Shares, of which 748,000,000 Shares will be issued fully paid or credited as fully paid, and 2,252,000,000 Shares will remain unissued. There is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this paragraph and in the paragraphs headed “Incorporation of our Company” and “Resolutions of our Shareholders” in this Appendix and the section headed “History, Reorganisation and corporate structure” in this prospectus, there has been no alteration in the share capital of our Company since its incorporation.

(c) *Founder shares*

Our Company has no founder shares, management shares or deferred shares.

3. Resolutions of our Shareholders

By resolutions in writing of all of our Shareholders passed on 4 March 2021, pursuant to which, among other matters:

- (a) our Company conditionally approved and adopted the Memorandum of Association and the Articles of Association which will take effect on the Listing Date, the terms of which are summarised in Appendix V to this prospectus;
- (b) the authorised share capital of our Company was increased from HK\$50,000 to HK\$30,000,000 by the creation of 2,995,000,000 new Shares; and
- (c) conditional on (i) the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus, and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date falling 30 days after the date of the issue of this prospectus:
 - (i) the Share Offer was approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer;
 - (ii) conditional on the share premium account of our Company being credited as a result of the Share Offer, our Directors were authorised to capitalise HK\$5,600,000 standing to the credit of the share premium account of our Company by applying that sum in paying up in full at par 560,000,000 Shares for allotment and issue to the holders of Shares whose names appear on the register of members of our Company at the close of business on 4 March 2021 (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be issued and allotted) to their then existing respective shareholdings in our Company and so that the Shares be issued and allotted pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation;

- (iii) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the Articles, or under the Share Offer or the Capitalisation Issue, Shares with an aggregate number of not exceeding the sum of (aa) 20% of the aggregate number of issued shares of our Company immediately following completion of the Share Offer and the Capitalisation Issue; (bb) the number of issued shares of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in paragraph (iv) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of the Company is required by the Articles or any applicable law to be held, or the passing of an ordinary resolution by Shareholders revoking or varying the authority given to our Directors, whichever occurs first;
 - (iv) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws and requirements of the Listing Rules (or of such other stock exchange), such number of Shares as will represent up to 10% of the aggregate number of the issued Shares immediately following completion of the Share Offer and the Capitalisation Issue, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable law to be held, or the passing of an ordinary resolution by Shareholders revoking or varying the authority given to our Directors, whichever occurs first;
 - (v) the extension of the general mandate to allot, issue and deal with Shares pursuant to paragraph (iii) above to include the number of Shares which may be purchased or repurchased pursuant to (iv) above; and
- (d) the form and substance of each of the service agreements made between our executive Directors and our Company, and the form and substance of each of the appointment letters made between each of our independent non-executive Directors and our Company, were approved.

4. Changes in share capital of the subsidiaries of our Company

The subsidiaries of our Company are listed in the Accountant’s Report set out in Appendix I to this prospectus.

Save as disclosed in the section headed “History, Reorganisation and corporate structure” in this prospectus, there is no alteration in the share capital of our subsidiaries which took place within the two years immediately preceding the date of this prospectus.

5. Group Reorganisation

The companies comprising our Group underwent the Reorganisation to rationalise our Group's structure in preparation for Listing, steps of the Reorganisation are set out in the section headed "History, Reorganisation and corporate structure" in this prospectus.

6. Repurchase by our Company of our own securities

This section includes information relating to the repurchase of securities, including information required by the Listing Rules to be included in this prospectus concerning such repurchase. The Listing Rules permit companies whose primary listing is on the Main Board of the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important restrictions are summarised below:

(a) *Shareholders' approval*

All proposed repurchases of securities (which must be fully paid up) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholder, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution in writing passed by our Shareholders on 4 March 2021, the Repurchase Mandate was given to our Directors authorising any repurchase by our Company of Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate number of issued Shares immediately following completion of the Capitalisation Issue and the Share Offer, such mandate to expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first. Please refer to the above paragraph headed "Resolutions of our Shareholders" in this Appendix for further details.

(b) *Source of funds*

Any repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association, Listing Rules and all the applicable laws and regulations of the Cayman Islands. We may not repurchase our own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Companies Act, any repurchases by us may be made out of our profits, our share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles and subject to the Cayman Companies Act, out of capital. Any premium

payable on a redemption or purchase over the par value of the Shares to be repurchased must be provided for out of either or both of our profits or our share premium account or, if authorised by the Articles and subject to the Cayman Companies Act, out of capital.

(c) *Connected parties*

The Listing Rules prohibit our Company from knowingly repurchasing its Shares on the Main Board of the Stock Exchange from a core connected person and a core connected person shall not knowingly sell his/her/its Shares to our Company.

No core connected person has notified our Company that he/she/it has a present intention to sell his/her/its Shares to our Company, or has undertaken not to do so, if any repurchase mandate is exercised.

(d) *Reasons for repurchases*

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(e) *Funding of repurchases*

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

(f) *General*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles, and the applicable laws of the Cayman Islands.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

Our Company has not made any repurchase of its own securities since its incorporation.

(g) *Takeovers Code*

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

To the best knowledge and belief of our Directors, Mr. Ye will be deemed to be interested in 364,706,100 Shares through its controlled corporation under the SFO, representing 48.7575% of the issued share capital of the Company immediately following completion of the Capitalisation Issue and the Share Offer. In the event that our Directors should exercise in full the Repurchase Mandate, such interests will be increased to approximately 54.18% of the issued share capital of the Company, which would trigger an obligation to make a mandatory offer under the Takeovers Code. Our Directors have no present intention to repurchase the Shares to the extent that will trigger the obligation under the Takeovers Code for Mr. Ye to make a mandatory offer. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY**7. Summary of material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) the share purchase agreement dated 12 August 2019 and entered into between our Company, Zhixin Enterprises BVI, Pakhim Chen BVI and Ms. Chen, pursuant to which Pakhim Chen BVI shall sell the entire issued share capital in Pakhim Chen HK to Zhixin Enterprises BVI in consideration of the allotment and issue of 1,332 ordinary shares of HK\$1.00 each in our Company, credited as fully paid, to Pakhim Chen BVI;
- (b) the cornerstone investment agreement dated 8 March 2021 and entered into among our Company, Wang Miao and Kingsway Financial Services Group Limited (acting as a Joint Bookrunner and a Joint Lead Manager), pursuant to which Wang Miao conditionally agreed to subscribe for 16,832,000 Shares at the Offer Price (details of the cornerstone placing are set out in the section headed “Our cornerstone investors” in this prospectus);
- (c) the cornerstone investment agreement dated 8 March 2021 and entered into among our Company, Tenancy Co., Limited and Kingsway Financial Services Group Limited (acting as a Joint Bookrunner and a Joint Lead Manager), pursuant to which Tenancy Co., Limited conditionally agreed to subscribe for 31,976,000 Shares at the Offer Price (details of the cornerstone placing are set out in the section headed “Our cornerstone investors” in this prospectus);
- (d) the Deed of Indemnity; and
- (e) the Public Offer Underwriting Agreement.

8. Intellectual property rights of our Group

Patents

As at the Latest Practicable Date, members of our Group have registered the following patents:

No.	Title	Type	Place of registration	Registration number	Date of grant	Date of expiry
1	A concrete admixture tank (一種混凝土外加劑罐)	Utility Patent	The PRC	ZL201620851611.1	22 February 2017	7 August 2026
2	A composite plate type shear wall with exposed buckled steel bars and connection method (外露扣合鋼筋的疊合板式剪力牆及連接方法)	Invention	The PRC	ZL201410596094.3	5 December 2017	29 October 2034
3	A large prefabricated wall panel installation device (一種大型預製牆板安裝裝置)	Utility Patent	The PRC	ZL201721339371.8	3 July 2018	15 October 2027
4	A cement precast plastic mould (一種水泥預製板塑料模具)	Utility Patent	The PRC	ZL201721778037.2	24 August 2018	17 December 2027
5	An assembly type pipe gallery component and pipe gallery (一種裝配式管廊構件及管廊)	Utility Patent	The PRC	ZL201820540788.9	13 November 2018	16 April 2028
6	A connection structure of prefabricated concrete wall with strong stability (一種穩定性強的預製混凝土牆體的連接結構)	Utility Patent	The PRC	ZL201820551070.X	18 December 2018	17 April 2028
7	A fast-laying precast concrete pavement (一種快速鋪裝的預制混凝土路面)	Utility Patent	The PRC	ZL201820635500.6	21 December 2018	30 April 2028
8	A centralised gas supply system for powder transportation vehicles (一種粉料運輸車集中供氣系統)	Utility Patent	The PRC	ZL201820873244.4	4 January 2019	5 June 2028
9	A well-assembled assembled building structure (一種組裝牢固的裝配式建築結構)	Utility Patent	The PRC	ZL201820538320.6	22 January 2019	15 April 2028
10	A building prefabricated mould (一種建築預製件模具)	Utility Patent	The PRC	ZL201820846140.4	25 January 2019	1 June 2028
11	A prefabricated component of concrete component (一種混凝土構件預製構件)	Invention	The PRC	ZL201610226454.X	19 February 2019	12 April 2036

No.	Title	Type	Place of registration	Registration number	Date of grant	Date of expiry
12	A device and segment die for fixing pre-buried channel (一種用於固定預埋槽道的裝置及管片模具)	Utility Patent	The PRC	ZL201820630628.3	12 April 2019	27 April 2028
13	A square pile pouring positioning device (一種方樁澆築定位裝置)	Utility Patent	The PRC	ZL201820747385.1	12 April 2019	18 May 2028
14	A square pile pouring steel cage positioning device and square pile pouring mould (一種方樁澆築鋼筋籠定位裝置及其方樁澆築模具)	Utility Patent	The PRC	ZL201820952595.4	12 April 2019	19 June 2028
15	A structurally reinforced road board (一種結構加強型道路板)	Utility Patent	The PRC	ZL201821282362.4	12 April 2019	8 August 2028
16	An auxiliary cutting tool and cutting machine for processing laminated plate mould (一種用於加工疊合板模具的輔助切割工裝及切割機)	Utility Patent	The PRC	ZL201821627565.2	21 May 2019	7 October 2028
17	A concrete powder tank residual material measuring device (一種混凝土粉料罐餘料測量裝置)	Utility Patent	The PRC	ZL201921001139.2	3 January 2020	27 June 2029
18	Test device for performance of concrete mixture (混凝土拌合物性能試驗裝置)	Utility Patent	The PRC	ZL201920794325.X	21 January 2020	28 May 2029
19	A concrete silt raw material storage silo (一種混凝土砂石原料儲存料倉)	Utility Patent	The PRC	ZL201920794400.2	7 February 2020	28 May 2029
20	A concrete silt raw material storage silo (一種混凝土砂石原料儲存料倉)	Utility Patent	The PRC	ZL201920795355.2	11 February 2020	28 May 2029
21	A conveying device for concrete raw materials (一種用於混凝土原料的傳送裝置)	Utility Patent	The PRC	ZL201920845132.2	18 February 2020	4 June 2029
22	A conduit elbow for powder tank for conveying raw materials (一種用於粉料罐輸送原料的輸送管彎頭)	Utility Patent	The PRC	ZL201920873102.2	18 February 2020	10 June 2029
23	A cement consistency meter (一種水泥稠度儀)	Utility Patent	The PRC	ZL201921000867.1	24 March 2020	27 June 2029
24	A vehicle-mounted pump parking system (一種車載泵的停車系統)	Utility Patent	The PRC	ZL201921000351.7	10 April 2020	27 June 2029
25	A triple test mode for cement mortar vibrating table (一種用於水泥膠砂振實台的三聯試模)	Utility Patent	The PRC	ZL201921001712.X	24 March 2020	27 June 2029

No.	Title	Type	Place of registration	Registration number	Date of grant	Date of expiry
26	A password-type feeding management system for the main building of concrete mixer (一種用於混凝土攪拌機主機樓密碼式入料管理系統)	Utility Patent	The PRC	ZL201921000707.7	24 April 2020	27 June 2029
27	A spray device for ash opening on concrete (一種用於混凝土上灰口的噴淋裝置)	Utility Patent	The PRC	ZL201920844878.1	24 March 2020	4 June 2029
28	An air cleaner filter element cleaning machine (一種空氣濾清器濾芯清理機)	Utility Patent	The PRC	ZL201921077087.7	3 April 2020	9 July 2029
29	A hopper of concrete pump truck (一種混凝土泵車的料斗)	Utility Patent	The PRC	ZL201921076769.6	10 April 2020	9 July 2029
30	A concrete conveying pump tube storage device (一種混凝土輸送泵管存放裝置)	Utility Patent	The PRC	ZL201921078153.2	7 April 2020	9 July 2029
31	An explosion-proof device for tire of concrete mixer (一種混凝土攪拌車輪胎防爆裝置)	Utility Patent	The PRC	ZL201921080069.4	17 March 2020	9 July 2029
32	A slag pump system (一種渣漿泵系統)	Utility Patent	The PRC	ZL201921005373.2	17 March 2020	27 June 2029
33	Car washing platform of concrete mixer truck with automatic cleaning function (具有自動清洗功能的混凝土攪拌車洗車台)	Utility Patent	The PRC	ZL201920845354.4	7 April 2020	4 June 2029
34	Dust removal device for concrete mixing main building (混凝土攪拌主機樓除塵裝置)	Utility Patent	The PRC	ZL201920873869.5	24 March 2020	10 June 2029
35	An embedded window frame mould for prefabricated components (一種預製構件用窗框預埋模具)	Utility Patent	The PRC	ZL201920968249.X	8 May 2020	24 June 2029
36	A concrete mixer for prefabricated components (一種預製構件用混凝土攪拌機)	Utility Patent	The PRC	ZL201920966980.9	5 May 2020	24 June 2029
37	A prefabricated beam mould with adjustable bottom plate (一種底板可調的預製橫梁模具)	Utility Patent	The PRC	ZL201920968341.6	5 May 2020	24 June 2029
38	A fixing structure for pre-embedded steel sleeve of prefabricated member crossbeam mould (一種用於預製構件橫梁模具預埋鋼套管的固定結構)	Utility Patent	The PRC	ZL201920901538.8	21 April 2020	14 June 2029

No.	Title	Type	Place of registration	Registration number	Date of grant	Date of expiry
39	A composite beam mould (一種疊合梁模具)	Utility Patent	The PRC	ZL201920901911.X	21 April 2020	14 June 2029
40	A prefabricated member beam mold for easy disassembly (一種便於拆裝的預製構件橫梁模具)	Utility Patent	The PRC	ZL201920902200.4	21 April 2020	14 June 2029
41	A hole blocking structure of square pile forming mould (一種方樁成型模具堵孔結構)	Utility Patent	The PRC	ZL201920902232.4	21 April 2020	14 June 2029
42	A prefabricated stair mould (一種預製樓梯模具)	Utility Patent	The PRC	ZL201920968384.4	21 April 2020	24 June 2029
43	A single-piece wall prefabricated component with template (一種帶模板的單片牆預製構件)	Utility Patent	The PRC	ZL201921076184.4	10 April 2020	9 July 2029
44	A reinforced cage tooling of prefabricated comprehensive pipe corridor (一種預製綜合管廊鋼筋籠工装)	Utility Patent	The PRC	ZL201920902100.1	3 April 2020	14 June 2029
45	A laminated pipe corridor with improved durability (一種提高耐久性的疊合管廊)	Utility Patent	The PRC	ZL201921076116.8	3 April 2020	9 July 2029
46	A simple sand and stone cleaning device (一種簡易式砂石清洗裝置)	Utility Patent	The PRC	ZL201920968184.9	20 March 2020	24 June 2029
47	A device for punching sealing strip of pre-buried channel of shield segment (一種盾構管片預埋槽道的密封條打孔裝置)	Utility Patent	The PRC	ZL201920967328.9	17 March 2020	24 June 2029
48	A reinforced cage tooling (一種鋼筋籠工装)	Utility Patent	The PRC	ZL201920967701.0	17 March 2020	24 June 2029
49	A stacking rack of laminated board (一種疊合板堆放架)	Utility Patent	The PRC	ZL201920968518.2	17 March 2020	24 June 2029
50	A decompression mechanism for concrete powder tank (一種用於混凝土粉料罐的減壓機構)	Utility Patent	The PRC	ZL201920845314.X	8 May 2020	4 June 2029
51	A connecting sleeve for discharge pipe of concrete aggregate warehouse (一種用於混凝土骨料倉卸料管的連接套)	Utility Patent	The PRC	ZL201921005945.7	8 May 2020	27 June 2029






No.	Title	Type	Place of registration	Registration number	Date of grant	Date of expiry
52	A concrete weighing bucket with conductive wire (一種具有導電線的混凝土稱重斗)	Utility Patent	The PRC	ZL201920872482.8	5 May 2020	10 June 2029
53	A respirator of weighing tank for concrete mixer (一種用於混凝土攪拌機的稱量罐呼吸器)	Utility Patent	The PRC	ZL201920872824.6	5 May 2020	10 June 2029
54	A rainproof device for feed hopper of concrete mixer truck (一種混凝土攪拌車進料斗的防雨裝置)	Utility Patent	The PRC	ZL201921077053.8	5 May 2020	9 July 2029
55	A pile hopper for pouring concrete (一種樁基混凝土澆築下料斗)	Utility Patent	The PRC	ZL201920844838.7	24 April 2020	4 June 2029
56	A concrete mixer with discharge opening enclosure (一種帶有卸料口圍擋的混凝土攪拌機)	Utility Patent	The PRC	ZL201921000449.2	24 April 2020	27 June 2029
57	An unloading mechanism of concrete transition warehouse (一種混凝土過渡倉的卸料機構)	Utility Patent	The PRC	ZL201921002475.9	24 April 2020	27 June 2029
58	A concrete test block curing room (一種混凝土試塊養護室)	Utility Patent	The PRC	ZL201920794297.1	6 March 2020	28 May 2029
59	A concrete sand and gravel raw material storage silo (一種混凝土砂石原料儲存料倉)	Utility Patent	The PRC	ZL201920795631.5	19 May 2020	28 May 2029
60	Sand and stone conveying device of concrete mixing station with dustproof function (具有防塵功能的混凝土攪拌站沙石輸送裝置)	Utility Patent	The PRC	ZL201921000408.3	19 May 2020	27 June 2029
61	An agitating spindle cleaning device for agitator (一種用於攪拌機的攪拌主軸清洗裝置)	Utility Patent	The PRC	ZL201920845282.3	19 May 2020	4 June 2029
62	A storage structure of prefabricated laminated plates (一種預製疊合板儲放結構)	Utility Patent	The PRC	ZL202021158370.5	2 February 2021	19 June 2030

As at the Latest Practicable Date, members of our Group have applied for the following patent(s):

No.	Title	Type	Place of registration	Application number	Date of application
1	A device and segment die for fixing pre-buried channel (一種用於固定預埋槽道的裝置及管片模具)	Invention	The PRC	2018104022544	28 April 2018

Trademark

As at the Latest Practicable Date, members of our Group have registered the following trademarks:

No.	Trademark	Place of registration	Class	Registration No.	Date of registration	Date of expiry
1	 智欣集团 Zhixin Group	The PRC	19 ⁽¹⁾	15237318	14 October 2015	13 October 2025
2		The PRC	19 ⁽¹⁾	24298475	21 May 2018	20 May 2028
3	中建智欣	The PRC	19 ⁽¹⁾	24303090	21 May 2018	20 May 2028
4	 智欣建科 Zhixin Constr.&Tech.	The PRC	19 ⁽²⁾	34175394	28 June 2019	27 June 2029
5		Hong Kong	19 ⁽³⁾	304955365	11 June 2019	10 June 2029
6	 智欣建科 ZhiXin Constr.&Tech.	The PRC	19 ⁽⁴⁾	43686699	21 September 2020	20 September 2030

Notes:

- The specific goods or services (as the case may be) under the respective classes in respect of which these trademarks were registered for under the PRC trademark law are as follows:

Class	Goods/Services
19	Fine sand; concrete; sandstone for construction; cement; concrete building component; cement column; cement board; brick; asphalt; non-metal prefabricated house (kit)

2. The specific goods or services (as the case may be) under the respective classes in respect of which this trademark was registered for under the PRC trademark law are as follows:

<u>Class</u>	<u>Goods/Services</u>
19	Concrete building components; non-metal mould for concrete; concrete slabs; concrete pavements; concrete walls; concrete piles; concrete columns; concrete pipes; concrete poles for construction; concrete walls for construction

3. The specific goods or services (as the case may be) under the respective classes in respect of which this trademark was registered for under Hong Kong trademark law are as follows:

<u>Class</u>	<u>Goods/Services</u>
19	Materials, not of metal, for building and construction; rigid pipes, not of metal, for building; transportable buildings, not of metal

4. The specific goods or services (as the case may be) under the respective classes in respect of which this trademark was registered for under the PRC trademark are as follows:

<u>Class</u>	<u>Goods/Services</u>
19	Concrete building components; non-metal mould for concrete; concrete slabs; concrete pavements; concrete walls; concrete piles; concrete columns; concrete pipes; concrete poles for construction; concrete walls for construction

Domain names

As at the Latest Practicable Date, members of our Group have registered the following domain names:

<u>No.</u>	<u>Domain name</u>	<u>Registration date</u>	<u>Expiry date</u>
1	xiamenzhixin.com	11 October 2016	11 October 2022
2	zjzx-xm.com	17 February 2017	17 February 2023

9. Related party transactions

Save as disclosed in Note 32 to the Accountant's Report, during the two years immediately preceding the date of this prospectus, we have not engaged in any other material related party transactions.

FURTHER INFORMATION ABOUT DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXPERTS**10. Directors****(a) Disclosure of interests of Directors**

- (i) Each of Mr. Ye and Mr. Huang is interested in the Reorganisation.

(b) Particulars of Directors' service contracts*Executive Directors*

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from 4 March 2021. The terms and conditions of each of such service agreements are similar in all material aspects. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term, unless either party has given at least three months' written notice of non-renewal before the expiry of the initial term.

Each of our executive Directors is entitled to a basic salary as set out below (subject to an annual increment after 31 December 2021 at the discretion of our Directors of not more than 5% of the annual salary immediately prior to such increase). In addition, each of our executive Directors is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all our executive Directors for any financial year of our Company may not exceed 10% of the audited combined or consolidated audited net profit of our Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of our Company. An executive Director is required to abstain from voting and is not counted towards the quorum in respect of any resolution of the Directors regarding the amount of the monthly salary and the discretionary bonus payable to him. The current basic annual salaries (excluding discretionary bonus) of our executive Directors are as follows:

<u>Name</u>	<u>Annual salary</u> HK\$'000
Mr. Ye	1,056
Mr. Huang	444
Mr. Qiu Limiao	299
Mr. Ye Dan	366
Mr. Huang Kaining	252

Independent non-executive Directors

Each of our independent non-executive Directors has been appointed for an initial term of two years commencing from 4 March 2021 renewable automatically for a term of one year commencing from the next day after the expiry of the initial term of appointment, unless terminated by not less than three months' notice in writing served by our independent non-executive Directors or our Company expiring at the end of the initial term. Each of Ms. Wong Tuen Sau, Mr. Cai Huinong and Mr. Huang Youling is entitled to a director's fee of HK\$180,000, HK\$96,000 and HK\$96,000 per annum, respectively. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as disclosed aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(c) Remunerations of Directors

- (i) The aggregate emoluments paid and benefits in kind granted by our Group to our Directors in respect of each of the three years ended 31 December 2019 and the ten months ended 31 October 2020 was approximately RMB264,000, RMB428,000, RMB736,000 and RMB900,000, respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including our independent non-executive Directors) for the year ending 31 December 2021, are expected to be approximately RMB2.3 million.
- (iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the three years ended 31 December 2019 and the ten months ended 31 October 2020 as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three years ended 31 December 2019 and the ten months ended 31 October 2020.

(d) *Interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and our associated corporations following the Share Offer*

Immediately following completion of the Capitalisation Issue and the Share Offer, the interests or short positions of our Directors in the shares, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules required to be notified to our Company and the Stock Exchange, will be as follows:

<u>Name of Director</u>	<u>Capacity</u>	<u>Number of Shares⁽¹⁾</u>	<u>Approximate percentage of shareholding (%)</u>
Mr. Ye	Interest of controlled corporation	364,706,100 (L) ⁽²⁾	48.7575
Mr. Huang	Interest of controlled corporation	121,568,700 (L) ⁽³⁾	16.2525

Notes:

1. The letter “L” denotes long position in our Shares.
2. These represents Shares to be held by Zhixin Investment BVI, which was wholly owned by Mr. Ye as at the Latest Practicable Date.
3. These represents Shares to be held by Yaohe BVI, which was wholly owned by Mr. Huang as at the Latest Practicable Date.

Save as disclosed above, so far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Share Offer, none of our Directors and chief executive of our Company has any interests or short positions in the shares or underlying shares and debentures of our Company or its associated corporations which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed, or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules to be notified to our Company and the Stock Exchange once the Shares are listed.

11. Interests discloseable under the SFO and substantial shareholders

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Share Offer, other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed “Interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and our associated corporations following the Share Offer” above, the following persons will have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register of our Company required to be kept under section 336 of the SFO or who are directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Substantial Shareholders	Capacity	Number of Shares ⁽¹⁾	Approximate percentage of shareholding (%)
Zhixin Investment BVI	Beneficial owner	364,706,100 (L)	48.7575
Ms. Hong Wei	Interest of spouse	364,706,100 (L) ⁽²⁾	48.7575
Yaohe BVI	Beneficial owner	121,568,700 (L)	16.2525
Ms. Lin Lingling	Interest of spouse	121,568,700 (L) ⁽³⁾	16.2525
Pakhim Chen BVI	Beneficial owner	74,725,200 (L)	9.99
Ms. Chen	Interest in controlled corporation	74,725,200 (L) ⁽⁴⁾	9.99
Mr. Chen Qishi	Interest of spouse	74,725,200 (L) ⁽⁵⁾	9.99

Notes:

1. The Letter “L” denotes long position in our Shares.
2. Ms. Hong Wei is the spouse of Mr. Ye. By virtue of the SFO, Ms. Hong Wei is deemed to be interested in all the Shares held by Mr. Ye.
3. Ms. Lin Lingling is the spouse of Mr. Huang. By virtue of the SFO, Ms. Lin Lingling is deemed to be interested in all the Shares held by Mr. Huang.
4. As at the Latest Practicable Date, Pakhim Chen BVI was wholly owned by Ms. Chen.
5. Mr. Chen Qishi is the spouse of Ms. Chen. By virtue of the SFO, Mr. Chen Qishi is deemed to be interested in all the Shares held by Ms. Chen.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue and the Share Offer, have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of our Group.

12. Disclaimers

Save as disclosed in this Appendix and in the sections headed “Business” and “Substantial Shareholders” in this prospectus:

- (a) taking no account of any Shares which may be taken up or acquired under the Share Offer, our Directors are not aware of any person who immediately following completion of the Capitalisation Issue and the Share Offer will have an interest or short position in our Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other members of our Group;
- (b) none of our Directors or chief executive of our Company has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, an interest or short position in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interest which will have to be entered in the register of to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to Appendix 10 to the Listing Rules once our Shares are listed on the Stock Exchange;
- (c) none of the Directors nor any of the experts listed in paragraph headed “19. Qualification of experts” below has been interested, directly or indirectly, in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group; and

- (e) save in connection with the Underwriting Agreement(s), none of the experts listed in paragraph headed “19. Qualifications of experts” below:
 - i. is interested legally or beneficially in any securities of any member of our Group; or
 - ii. has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

OTHER INFORMATION

13. Estate duty, tax and other indemnities

Our Controlling Shareholders (together, the “**Indemnifiers**”) have entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) (being the material contract (d) referred to in paragraph 7 above) to provide indemnities on a joint and several basis in respect of, among other matters:

- (a) any duty which is or hereafter becomes payable by any member of our Group by virtue of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) under the provisions of section 43 of the Estate Duty Ordinance or the equivalent thereof under the laws of any jurisdiction outside Hong Kong by reason of the death of any person and by reason of the assets of our Group or any of such assets being deemed for the purpose of Hong Kong estate duty to be included in the property passing on his death by reason of that person making or having made a relevant transfer to any member of our Group at any time on or prior to the Listing Date; and
- (b) taxation and taxation claim, together with all costs (including all legal costs), expenses or other liabilities which any member of our Group may incur in connection with (i) the investigation, assessment or the contesting of any taxation claim; (ii) the settlement of any claim under the Deed of Indemnity; (iii) any legal proceedings in which any member of our Group under or in respect of the Deed of Indemnity and in which judgment is given for any member of our Group; or (iv) the enforcement of any such settlement or judgment, falling on any member of our Group resulting from or by reference to any income, profits or gains earned, accrued or received on or before the Listing Date or any transactions, events, matters or things entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such taxation or taxation claim is chargeable against or attributable to any other person, firm, company or corporation.

The Indemnifiers are under no liability under the Deed of Indemnity in respect of any taxation:

- (a) to the extent that provision has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 31 October 2020; or

- (b) to the extent that such taxation or liability for such taxation falling on any of the members of our Group in respect of any accounting period commencing on or after 1 November 2020 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily effected by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction:
- (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or after 1 November 2020; or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before 31 October 2020 or pursuant to any statement of intention made in this prospectus; or
- (c) to the extent that such taxation liability or claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the Deed of Indemnity or to the extent such claim arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect; or
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 31 October 2020 and which is finally established to be an overprovision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the Deed of Indemnity, each of the Indemnifiers has also undertaken to us that he/it will indemnify and at all times keeps us fully indemnified, on a joint and several basis, from among other matters, all claims, payments, suits, damages, settlements, liabilities, losses, administrative or other charges, levies, payments and any associated costs and expenses which would be incurred or suffered by any member of our Group as a result of any litigation, arbitration and/or legal proceedings against any member of our Group which was issued and/or accrued and/or arising from any act, non-performance, omission, non-compliance, or otherwise of any member of our Group on or before the Listing Date including, without limitation, the non-compliances as set out in the paragraphs headed "Non-compliance" in the section headed "Business" in this prospectus.

14. Litigation

No member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company, that would have a material adverse effect on our results of operation or financial condition of our Company.

15. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$42,000 and are payable by our Company.

16. Promoter

- (a) Our Company does not have any promoter.
- (b) Within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to any promoters of our Company in connection with the Share Offer or the related transactions in this prospectus.

17. Agency fees or commissions received

Except as disclosed in the paragraph headed “Underwriting — Underwriting arrangement and expenses — Commissions and expenses” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

18. Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Sole Sponsor is independent from our Company pursuant to Rule 3A.07 of the Listing Rules.

The Sole Sponsor’s fees payable by us in respect of the Sole Sponsor’s services as sponsor for the Listing is HK\$6.0 million.

19. Qualifications of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Kingsway Capital Limited	Licensed corporation permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered PIE Auditor under Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Jingtian & Gongcheng	PRC legal advisers
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Grant Sherman Appraisal Limited	Independent property valuer

20. Consents of experts

Each of the experts named in paragraph 19 of this Appendix has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their report and/or letter and/or legal opinion (as the case may be) and the references to their names or summaries of reports and/or letters and/or opinions included herein in the form and context in which they respectively appear.

21. Binding effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

22. Taxation of holders of Shares

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasised that none of our

Company, our Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Under present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty so long as the Company does not hold any interest in land in the Cayman Islands.

23. Miscellaneous

- (a) Save as disclosed in the sections headed “History, Reorganisation and corporate structure” and “Underwriting” in this prospectus,
 - (i) within two years preceding the date of this prospectus:
 - (aa) no share or loan capital of our Company or any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of our subsidiaries;
 - (ii) no part of the Shares or loan capital of our Company is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek listing of, or permission to deal in, any part of the Shares or loan capital on any other stock exchange;
 - (iii) our Company has no outstanding convertible debt securities;
 - (iv) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

- (b) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 October 2020 (being the date to which the latest audited consolidated financial statements of our Group were made up); and
- (c) our Directors confirm that there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

24. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses for Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail.