
HISTORY AND DEVELOPMENT

BUSINESS DEVELOPMENT

Introduction

Techoy Construction, our principal operating subsidiary, was established in Hong Kong in 1982. Our Controlling Shareholder and executive Director, Mr. Lam, acquired a controlling interest in Techoy Construction in 1996. Through a number of share transfers and allotments, and before our Reorganisation, Mr. Lam beneficially owned the entire interest in Techoy Construction.

Mr. Lam has been working in the construction industry since 1977. He joined our Group in 1995 as a director and was responsible for overall business strategy and major business decisions of our Group. In 1996, Mr. Lam was invited to invest in Techoy Construction to develop its building construction in Hong Kong. Mr. Lam, being confident in the prospects of the construction market in Hong Kong at the time, invested in Techoy Construction with his personal funds. Please refer to the section headed “Directors, Senior Management and Employees” in this document for details relating to the qualification and experience of Mr. Lam in the construction industry.

Commencement of our business

Our Group’s business commenced in 1982 and we were initially engaged in the business of providing building construction service in Hong Kong. In 2013, we strategically expanded our scope of service to include the provision of RMAA services in Hong Kong. For further information in relation to our business, please refer to the section headed “Business” in this document.

We have achieved the following key milestones in our development into an established main contractor in Hong Kong:

<u>Year</u>	<u>Milestone</u>
1982	<ul style="list-style-type: none">● Establishment of Techoy Construction
1989	<ul style="list-style-type: none">● Techoy Construction was admitted to the “List of Approved Contractors for Public Works” of the Government in Group C under the “Buildings” category with probationary status
1995	<ul style="list-style-type: none">● We were awarded our first school improvement programme by the Architectural Services Department with a contract value of approximately HK\$49.3 million● We were awarded a construction project by the Architectural Services Department for the construction of divisional fire station with ambulance facilities in Tung Chung with a contract value of approximately HK\$46.7 million

HISTORY AND DEVELOPMENT

<u>Year</u>	<u>Milestone</u>
1996	<ul style="list-style-type: none">● Techoy Construction was admitted to the Register of General Building Contractors of the Buildings Department● The quality assurance system of Techoy Construction was accredited by the Hong Kong Quality Assurance Agency for compliance with ISO 9002:1994 requirements
1998	<ul style="list-style-type: none">● Techoy Construction was included in the Housing Authority’s List of Building Contractors under the Building (New Works) Group NW1 (probationary) category
1999	<ul style="list-style-type: none">● Techoy Construction was included in the Housing Authority’s List of Building Contractors under the Building (Maintenance) Group M1 (probationary) category● The quality assurance system of Techoy Construction was accredited by the Hong Kong Quality Assurance Agency for compliance with ISO 9001:1994 requirements● We were awarded our first Housing Authority’s construction contract for the construction of Fung Wo Lane in Shatin Area 8
2001	<ul style="list-style-type: none">● Techoy Construction was included in the Housing Authority’s List of Building Contractor under the Building (New Works) Group NW1 (confirmed) category● We were awarded the building construction contract by the Housing Authority for the construction of Tung Chung Area 31 Phase 4
2002	<ul style="list-style-type: none">● The quality management system of Techoy Construction was accredited by SGS for compliance with ISO 9001:2008 requirements
2005	<ul style="list-style-type: none">● Techoy Construction was included in the Housing Society’s approved contractor list under the category of Building Maintenance and Improvement Works category
2006	<ul style="list-style-type: none">● Techoy Construction was included in the Housing Authority’s List of Building Contractor under the Building (Maintenance) Group M1 (confirmed) category

HISTORY AND DEVELOPMENT

Year	Milestone
2009	<ul style="list-style-type: none">● Techoy Construction was admitted to the “List of Approved Contractors for Public Works” of WBDB in Group C under the “Buildings” category with confirmed status● The environmental management system of Techoy Construction was accredited by SGS for compliance with ISO 14001:2004 requirements● The occupational health and safety management systems of Techoy Construction were accredited by SGS for compliance with OHSAS 18001:2007 requirements
2011	<ul style="list-style-type: none">● We were awarded the revitalisation contract by the Architectural Services Department for the transformation of the Former Police Married Quarters on Hollywood Road, Hong Kong into a creative industries landmark (“PMQ Project”) with a contract value of approximately HK\$354.1 million
2013	<ul style="list-style-type: none">● Techoy Construction was included in the “List of Approved Suppliers of Materials and Specialist Contractors for Public Work” of WBDB under the “Repair and Restoration of Historic Buildings” category for “Western Style Buildings Only”

CORPORATE DEVELOPMENT

Techoy Construction

Techoy Construction, our only operating subsidiary that made material contribution to our results during the Track Record Period, was incorporated in Hong Kong with limited liability on 2 July 1982 with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.0 each. At the time of incorporation, there were two founders who subscribed for one share and one share in Techoy Construction at par value, respectively. Each of the founders is an Independent Third Party save for being a former shareholder and former director of Techoy Construction.

HISTORY AND DEVELOPMENT

There were certain share transfers and allotments undertaken by the former shareholders of Techoy Construction. Immediately after such share transfers and allotments and before Mr. Lam acquired shares in Techoy Construction in 1996, there were seven shareholders in Techoy Construction, all of which are Independent Third Parties save for being a former shareholder and/or former director of Techoy Construction.

Due to the intention of the former shareholders to realise their investment in Techoy Construction and Mr. Lam’s interest to develop building construction business, on 5 August 1996, Mr. Lam acquired from the former shareholders a total of 3,750,000 shares, representing 50.0% of the then issued share capital of Techoy Construction, at an aggregate consideration of HK\$3,835,500. On the same date, due to the interest of Mr. A, an Independent Third Party save for being a former shareholder and/or former director of Techoy Construction, to invest in building construction business, he also acquired from the former shareholders a total of 3,750,000 shares, representing 50.0% of the then issued share capital of Techoy Construction, at an aggregate consideration of HK\$3,835,500. It is confirmed that the consideration was determined at arm’s length negotiation between the parties.

On 10 August 1996, pursuant to a resolution passed by the shareholders of Techoy Construction, it was resolved that the authorised share capital of Techoy Construction be increased from HK\$7,500,000 divided into 7,500,000 shares of HK\$1.0 each to HK\$9,500,000 divided into 9,500,000 shares of HK\$1.0 each. On the same date, 1,000,000 shares and 1,000,000 shares were allotted and issued to each of Mr. Lam and Mr. A respectively at par. After the aforesaid allotments, the beneficial shareholding of each of Mr. Lam and Mr. A in Techoy Construction remained unchanged.

On 8 October 2002, pursuant to a resolution passed by the shareholders of Techoy Construction, it was resolved that the authorised share capital of Techoy Construction be increased from HK\$9,500,000 divided into 9,500,000 shares of HK\$1.0 each to HK\$11,500,000 divided into 11,500,000 shares of HK\$1.0 each. On the same date, 1,000,000 shares and 1,000,000 shares were allotted and issued to each of Mr. Lam and Mr. A respectively at par. After the aforesaid allotments, the beneficial shareholding of each of Mr. Lam and Mr. A in Techoy Construction remained unchanged.

On 23 March 2009, pursuant to a resolution passed by the shareholders of Techoy Construction, it was resolved that the authorised share capital of Techoy Construction be increased from HK\$11,500,000 divided into 11,500,000 shares of HK\$1.0 each to HK\$14,800,000 divided into 14,800,000 shares of HK\$1.0 each. On the same date, 1,650,000 shares and 1,650,000 shares were allotted and issued to each of Mr. Lam and Mr. A respectively at par. After the aforesaid allotments, the beneficial shareholding of each of Mr. Lam and Mr. A in Techoy Construction remained unchanged.

HISTORY AND DEVELOPMENT

On 20 April 2011, pursuant to a resolution passed by the shareholders of Techoy Construction, it was resolved that the authorised share capital of Techoy Construction be increased from HK\$14,800,000 divided into 14,800,000 shares of HK\$1.0 each to HK\$16,000,000 divided into 16,000,000 shares of HK\$1.0 each. On the same date, 600,000 shares and 600,000 shares were allotted and issued to each of Mr. Lam and Mr. A respectively at par. After the aforesaid allotments, the beneficial shareholding of each of Mr. Lam and Mr. A in Techoy Construction remained unchanged.

On 30 May 2013, Mr. Lam and Mr. A decided to part their cooperation and Mr. A transferred 8,000,000 shares in Techoy Construction, representing his then entire issued shareholding in Techoy Construction, to Mr. Lam at a consideration of HK\$8,000,000. The consideration was determined with reference to the then par value of the shares. Such transfer was settled in cash on the same date. As a result, Techoy Construction became a wholly-owned company of Mr. Lam.

On 27 August 2014, pursuant to a resolution passed by Mr. Lam, being the sole shareholder of Techoy Construction, it was resolved that the authorised share capital of Techoy Construction be increased from HK\$16,000,000 divided into 16,000,000 shares of HK\$1.0 each to HK\$18,800,000 divided into 18,800,000 shares of HK\$1.0 each. On the same date, 2,800,000 shares were allotted and issued to Mr. Lam at par. After the aforesaid allotment, Techoy Construction remained a wholly-owned company of Mr. Lam.

Disposal of Techoy Engineering Company Limited

As part of the arrangement in parting cooperation between Mr. Lam and Mr. A, on 2 July 2013, Techoy Construction transferred 400 shares and 400 shares in Techoy Engineering Company Limited (“**Techoy Engineering**”), representing 40% and 40% of the then issued share capital of Techoy Engineering, to Mr. A and Mr. B, an Independent Third Party, respectively, for an aggregate consideration of HK\$800. The consideration was determined with reference to the then par value of such shares. On the same date, Mr. Lam transferred 100 shares in Techoy Engineering, representing 10% of the then issued share capital of Techoy Engineering, to Mr. B for a consideration of HK\$100. The consideration was determined with reference to the then par value of such shares. The disposal mentioned above by Techoy Construction was properly and legally completed and settled in cash. Mr. A agreed with Mr. Lam that Mr. A was only entitled to run the business of Techoy Engineering using the names of “Techoy Engineering Co., Ltd” and “德材工程有限公司” until 29 May 2015. Recently, Mr. A informed Mr. Lam that steps were being taken to cease the use of “德材工程有限公司” and “Techoy Engineering Co., Ltd”.

HISTORY AND DEVELOPMENT

Techoy Engineering (formerly known as “Silver Smart Development Limited” at the time of incorporation) was incorporated on 29 May 1998 and was owned as to 50.0% by Mr. Lam, 25% by Mr. B and 25% by Ms. C, who is also an Independent Third Party. Techoy Engineering was a registered building contractor and was primarily engaged in the provision of building construction services to private customers in Hong Kong. As confirmed by our Directors, immediately before the disposals, save for being a registered general building contractor under the Buildings Department of the Government, Techoy Engineering did not have any qualifications that were held by Techoy Construction, the details of which are listed in the section headed “Business — License and Qualifications” to this document. Immediately before the disposals by Techoy Construction and Mr. Lam in July 2013, Techoy Engineering was owned as to 80% by Techoy Construction, 10% by Mr. Lam and 10% by Mr. A. So far as our Directors are aware of, there was no material non-compliance incident or breach of material contract in relation to Techoy Engineering before the disposal of such company by our Group.

Our Directors considered the disposal of Techoy Engineering by Techoy Construction was insignificant to the financial and business operation of our Group as immediately before such disposal, there was no revenue generated by Techoy Engineering.

REORGANISATION

In preparation for the [REDACTED], we have carried out the Reorganisation which involved the following steps:

(I) Incorporation of our Company

On 28 May 2015, our Company was incorporated as an exempted company with limited liability with an initial authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each under the laws of the Cayman Islands. Upon incorporation of our Company, one Share was allotted and issued at par to a nominee company, Mapcal Limited, as the initial subscriber, which was then transferred to Cheers Mate on the same date.

(II) Incorporation of Techoy Holding

On 28 May 2015, Techoy Holding was incorporated in the BVI as a limited liability company authorised to issue a maximum of 50,000 shares with no par value. On 11 June 2015, one share, representing the entire issued share capital of Techoy Holding, was allotted and issued to our Company.

HISTORY AND DEVELOPMENT

(III) Incorporation of Cheers Mate

On 28 May 2015, Cheers Mate was incorporated in the BVI as a limited liability company authorised to issue a maximum of 50,000 shares with no par value. On 11 June 2015, one share, representing the entire issued share capital of Cheers Mate, was allotted and issued to Mr. Lam.

(IV) Transfer of shares in Techoy Construction to Techoy Holding by way of share swap

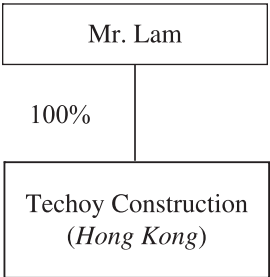
On [●] 2015, through a share swap agreement, Mr. Lam transferred all his shares in Techoy Construction to Techoy Holding in consideration of and exchange for (i) the allotment and issue of a total of [99] shares in Techoy Holding Limited, credited as fully paid to the Company; (ii) the allotment and issue of [99] Shares, credited as fully paid to Cheers Mate; and (iii) the allotment and issue of [99] shares in Cheers Mate, credited as fully paid to Mr. Lam. Such transfer was properly and legally completed and settled on [●]. As a result, Techoy Construction became a direct wholly-owned subsidiary of Techoy Holding, which in turn was wholly-owned by our Company.

(V) Increase in the share capital of our Company

On [●], the authorised share capital of our Company was increased from HK\$[380,000] to HK\$[10,000,000] by the creation of 962,000,000 Shares.

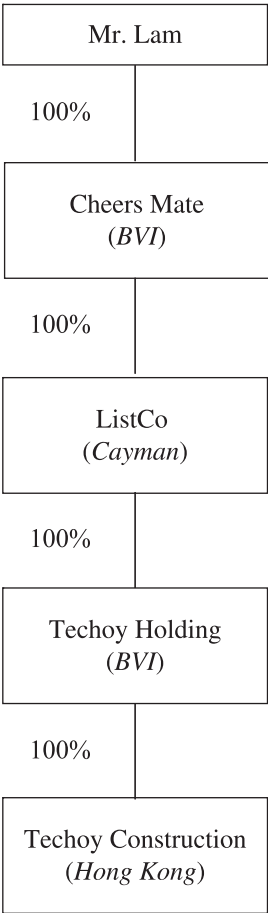
GROUP STRUCTURE

The following chart sets out the shareholding and corporate structure of our Group immediately before the Reorganisation:



HISTORY AND DEVELOPMENT

The following chart sets out the shareholding and corporate structure of our Group immediately after the Reorganisation but before the [REDACTED]:



HISTORY AND DEVELOPMENT

The following chart sets out the shareholding and corporate structure of our Group immediately after completion of the [REDACTED] and the [REDACTED] (without taking into account the exercise of the [REDACTED] and any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme):

