
DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board consists of five Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets out the information regarding the members of our Board:

Name	Age	Date of joining our Group	Date of appointment as Director	Present position	Principal responsibilities
Mr. CHAN Yuk Sing (陳玉成)	57	16 July 1985 (Note)	5 January 2015	Executive Director	Overall business development and financial and strategic planning of our Group
Mr. CHEUNG Shek On (張錫安)	55	16 July 1985 (Note)	5 January 2015	Chairman, executive Director and chief executive officer	Overall management and administration of our business operations
Mr. Kuan Hong Kin Daniel (關匡建)	26	30 August 2016	30 August 2016	Non-executive Director	Providing legal advice on our legal compliance matters
Mr. CHAN Ngai Sang Kenny (陳毅生)	52	22 November 2016	22 November 2016	Independent non-executive Director	Providing independent judgment on our strategy, performance, resources and standard of conduct
Mr. CHOW Chun To (鄒振濤)	33	22 November 2016	22 November 2016	Independent non-executive Director	Providing independent judgment on our strategy, performance, resources and standard of conduct
Mr. YAM Chiu Fan Joseph (任超凡)	61	22 November 2016	22 November 2016	Independent non-executive Director	Providing independent judgment on our strategy, performance, resources and standard of conduct

Note: It refers to the date of joining Kingland Concrete, as our concrete demolition business in Hong Kong was formerly carried out through Kingland Concrete (which was controlled by Mr. Cheung and Mr. Chan together through the Track Record Period), prior to the Transfer of Business. For details, please refer to the section headed “History and Development” in this document.

Executive Directors

Mr. CHAN Yuk Sing (陳玉成), aged 57, is one of our Controlling Shareholders, a co-founder of our Group and an executive Director. He is responsible for the overall business development and financial and strategic planning of our Group. He is also a director of Kingland (Sino).

Mr. Chan has more than 30 years of experience in the concrete demolition industry. He co-founded our Group in 1985, and has been a director of Kingland Concrete since 16 July 1985.

DIRECTORS AND SENIOR MANAGEMENT

Directorships in Hong Kong companies

Mr. Chan was a director of the following companies, which were deregistered (but not due to member's voluntary winding-up) and, if applicable, had ceased business immediately prior to their dissolution, with voluntarily disclosed details as follows:

Name of company	Date of dissolution	Nature of proceeding	Nature of business before dissolution
B.B.C. Company Limited (必必勝有限公司) <i>(Note 1)</i>	21 July 2000	Deregistration	Food and beverage
Kingland Construction & Demolition Co. Limited (景聯創展工程有限公司) <i>(Note 1)</i>	28 February 2014	Deregistration	No business operation <i>(Note 2)</i>
Lubi Jian Cai (Hong Kong) Company Limited (香港魯碧建材公司) <i>(Note 1)</i>	30 May 2008	Deregistration	Trading

Notes:

1. Under section 291AA of the Predecessor Companies Ordinance, an application for deregistration can only be made if (a) all members of such company agree to such deregistration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; and (c) such company has no outstanding liabilities.
2. It was then established for the purpose of carrying out business in construction and demolition business. However, due to subsequent change in the business plan, no business has ever been carried out by it since its incorporation and until it was deregistered.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chan was a director of the following companies that have been struck off:

Name of company	Date of dissolution	Nature of proceeding	Nature of business before dissolution
Kingland Concrete Cutting Technology Limited (景聯混凝土切割科技有限公司)	5 January 2007	Struck off	No business operation ^(Note 1)
Kingland Concrete Drilling (China) Company Limited (景聯混凝土鑽鑿(中國)有限公司)	2 February 2007	Struck off	No business operation ^(Note 1)
Kingland Construction Company Limited (景聯建築工程有限公司)	9 February 2007	Struck off	No business operation ^(Note 1)
Sheung Sze Wan Village Company Limited (相思灣魚村有限公司)	25 April 2003	Struck off	No business operation ^(Note 2)
Kingland Development (Hong Kong) Company Limited (景聯發展(香港)有限公司)	15 May 2009	Struck off	No business operation ^(Note 1)
Lucky Golden International Limited (金得國際有限公司)	29 December 2006	Struck off	No business operation ^(Note 3)

Notes:

1. These companies were then established for the purpose of carrying out business in various sectors of construction. However, due to subsequent change in the business plan, no business has ever been carried out by these companies since their incorporation and until they were struck off.
2. This company was then established in June 1997 by Mr. Chan and other independent third parties, for the purpose of carrying out catering business. The company was in operation for several years until it ceased business in around 2000.
3. This company was then established in August 2001 as investment holding vehicle. However, due to subsequent change in the business plan, no business or investment has ever been carried out by this company since its incorporation and until it was struck off.

Mr. Chan confirmed that there have been no claims against him in relation to the above-mentioned companies that have been deregistered or struck off, and the above-mentioned companies were solvent at the time of being struck off. No material non-compliant incidents, claims, litigation or legal proceedings are indicated to involve the above-mentioned companies.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chan has been a director of the following companies against which winding-up petitions were filed due to the dispute among the then shareholders of these companies:

Company	Date of incorporation	Nature of business	Nature of proceedings	Date of commencement of proceeding	Outcome of proceeding
Kingland Concrete	9 July 1985	Concrete drilling	Winding-up petition	24 December 2001	Dismissed on 20 September 2004
Kingland Holdings	13 November 1998	Investment holdings	Winding-up petition	24 December 2001	Dismissed on 20 September 2004

Please refer to the paragraph headed "Shareholders' dispute" in this section for details of the aforesaid shareholders' dispute, and the section headed "History and Development – Excluded companies" for the background of the above companies.

On-going Litigation

DCCJ 5688/2015

On 17 December 2015, the plaintiff (the "**Plaintiff**") commenced a civil action against Mr. Chan, Mr. Cheung and another third party (collectively, the "**Defendants**"). The Defendants were and are the registered legal owners of the land in dispute in the New Territories, Hong Kong (the "**Disputed Land**"). It is alleged that, since 1983, the Plaintiff has (i) continuously used, possessed, occupied and controlled the fenced Disputed Land uninterrupted and undisturbed; and (ii) been in continuous, interrupted and undisturbed adverse possession of the fenced Disputed Land, to the exclusive of everyone including the Defendants.

Based on the allegations, the Plaintiff sought, among other things, (i) a declaration that the Plaintiff by herself has been in adverse possession of the Disputed Land continuously for 30 years or more and that she is entitled as against the Defendants to the right, title, benefit and interest of and in the Disputed Land as beneficial owner thereof on the ground that the Defendants' right of action against the Plaintiff has been statute-barred under the Limitation Ordinance (Chapter 347 of the Laws of Hong Kong); and (ii) an order that the name of the Plaintiff be entered into the register of owner kept in the Land Registry as the legal owner of the Disputed Land in the place of the Defendants. Based on advice from their legal advisers, Mr. Cheung and Mr. Chan commenced a legal action against the Plaintiff in dispute of her claim to the Disputed Land as at the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

Directorship in Shanghai Longxin

Background of Shanghai Longxin and its branch company

Shanghai Longxin was established in the PRC as a limited liability company on 26 May 1994. As at the Latest Practicable Date, Shanghai Longxin was owned as to 42% by Kingland Concrete and as to 58% a PRC entity (the "**PRC Entity**"), which is an independent third party.

Based on the articles of association, the board of directors of Shanghai Longxin consists of five directors, including three directors nominated by the PRC entity and two directors nominated by Kingland Concrete. Since the incorporation of Shanghai Longxin, Mr. Chan and the Individual (as mentioned in the paragraph headed "Shareholders' dispute" in this section) are the directors nominated by the Kingland Concrete to the board.

Shanghai Longxin GZ Branch was established as a branch company of Shanghai Longxin in 30 November 1999. Mr. Chan has been the responsible person for Shanghai Longxin GZ Branch since its establishment.

The permitted scope of business of Shanghai Longxin and Shanghai Longxin GZ Branch includes construction and renovation engineering works, installation works of hydro and electrical equipment, and machinery equipment, as well as concrete demolition works involving drilling, cutting, reinforcement and renovation.

To the best knowledge of the Directors, Shanghai Longxin was not engaged in the business of construction and decoration engineering works and installation works of hydro and electrical equipment and machinery equipment in 2014 and 2015.

Non-compliances of Shanghai Longxin

The latest business licence of Shanghai Longxin expired on 25 May 2009, and no renewal was made since then. Further, Shanghai Longxin had failed to carry out annual inspection with the Shanghai Pudong New District Market Supervisory Board (上海市浦東新區市場監督管理局) ("**Pudong MSA**") since 2009. Mr. Chan confirmed that the failure of Shanghai Longxin in carrying out annual inspection within the prescribed time limit since 2009 was due to the inadvertent oversight of the then responsible officer(s), and the lack of timely and professional advice on this aspect of the PRC laws.

Under the articles of association and the then effective Implementation Regulations of Sino-Foreign Joint Venture Enterprises Law (《中外合資經營企業法實施條例》), PRC Company Law (《中華人民共和國公司法》) and 2nd Regulations of The Supreme Peoples' Court about Certain Questions on the Applicability of the PRC Company Law (《最高人民法院關於適用〈中華人民共和國公司法〉若干問題的規定(二)》), upon expiry of its business licence, Shanghai Longxin was required to commence winding-up proceedings within the prescribed time limit. However, based on the records of Pudong MSA, no information could be retrieved regarding the winding-up proceedings of Shanghai Longxin.

DIRECTORS AND SENIOR MANAGEMENT

As advised by the Shanghai PRC Legal Adviser:

- (i) the then effective PRC Company Law and relevant PRC regulations did not specify the legal liability of Shanghai Longxin for the aforesaid failure to commence winding-up proceedings within the prescribed time limit;
- (ii) under the then effective Companies Registration Management Regulations (《登記管理條例》), Shanghai Longxin's failure to carry out annual inspection could result in imposition of a fine of RMB10,000 to RMB100,000 and revocation of its business licence on it by Pudong MSA; and
- (iii) nevertheless, the then effective PRC laws and regulations did not impose any legal liability on the directors of Shanghai Longxin for the company's failure to carry out annual inspection. Therefore, the failure of Shanghai Longxin to carry out annual inspection does not affect Mr. Chan's qualification to act as director, supervisor or member of senior management in other PRC companies.

Due to the reasons as described in the paragraph headed "Directorship in Shigaoba" in this section, Mr. Chan is prohibited from acting as director, supervisor or member of senior management in PRC companies other than Shigaoba for the period from 29 January 2007 to 28 January 2010. Nevertheless, during the prohibition period, Shanghai Longxin had not discharged the duties of Mr. Chan as its director. As advised by the Shanghai PRC Legal Adviser, the then effective PRC laws and regulations did not specify (i) the liability of Mr. Chan in not resigning as a director of Shanghai Longxin, and (ii) the liability of Shanghai Longxin in not discharging the duties of Mr. Chan as its director, during the prohibition period. The Shanghai PRC Legal Adviser further confirmed that there is no specific penalty on Mr. Chan for acting as a director of Shanghai Longxin during the prohibition period. As advised by the Shanghai PRC Legal Adviser, Mr. Chan has become eligible again to act as director in PRC companies following the expiration of the prohibition period on 28 January 2010.

Non-compliances of Shanghai Longxin GZ Branch

Due to its failure to carry out annual inspection within the prescribed time limit, on 29 December 2008, the business licence of Shanghai Longxin GZ Branch was revoked by the Guangzhou Administration for Industry and Commerce (廣州市工商行政管理局) ("**Guangzhou AIC**") as administrative penalty. The reasons for Shanghai Longxin GZ Branch's failure in carrying out annual inspection within the prescribed time limit was substantially similar to those regarding Shanghai Longxin as set out in the preceding paragraph of this section.

Under the then effective Companies Registration Management Regulations, upon revocation of its business licence, Shanghai Longxin GZ Branch was required to apply for deregistration within the prescribed time limit. However, based on the records of Guangzhou AIC, no information could be retrieved regarding the application for deregistration by Shanghai Longxin GZ Branch.

DIRECTORS AND SENIOR MANAGEMENT

As advised by the Shanghai PRC Legal Adviser, the then PRC Company Law and the then effective PRC laws and regulations did not specify the legal liability of Shanghai Longxin and Shanghai Longxin GZ Branch for the aforesaid failure to apply for deregistration within the prescribed time limit.

As advised by the Shanghai PRC Legal Adviser, under the PRC Company Law, the liability of a shareholder in a limited liability company is limited to the subscribed investment sum contributed by it to the company, which happens to be the paid-up investment sum in Shanghai Longxin's case. Therefore, the liability of Kingland Concrete as a shareholder in Shanghai Longxin was limited to the paid-up investment sum contributed by it to Shanghai Longxin, which is approximately US\$0.23 million.

Further, pursuant to the 2nd Regulations of The Supreme Peoples' Court about Certain Questions on the Applicability of the PRC Company Law, if the shareholder of a limited liability company fails to commence winding-up proceedings within the prescribed time limit, which results devaluation, dissipation, loss or damage to the company's assets, creditors of the company may claim against the shareholder for the loss suffered by them. As advised by the Shanghai PRC Legal Adviser, according to the PRC General Rules on Civil Law (《中華人民共和國民法通則》), unless otherwise stipulated, the limitation period for making claim against Kingland Concrete as a shareholder of Shanghai Longxin is two years from the date the creditors became aware of Shanghai Longxin's failure to commence winding-up proceedings within the prescribed time limit. Our Directors confirmed that as at the Latest Practicable Date they were not aware of any claim from creditor(s) of Shanghai Longxin regarding the failure to commence winding-up proceedings within the prescribed time limit.

Rectification measures taken by Mr. Chan

As advised by the Shanghai PRC Legal Adviser, the failure to carry out annual inspection with the relevant regulatory authorities is common in the PRC. After becoming aware of the aforesaid non-compliances on the part of Shanghai Longxin and Shanghai Longxin GZ Branch, Mr. Chan, in his capacity as director of Shanghai Longxin, considered it appropriate for him to resign as director of Shanghai Longxin and therefore delivered his written notice of resignation to the board of directors of Shanghai Longxin on 24 February 2016. On the same date, Kingland Concrete nominated another individual, being an independent third party, in replacement of Mr. Chan as director of Shanghai Longxin. On 26 March 2016, the board of Shanghai Longxin resolved to approve the aforesaid resignation and nomination of Mr. Chan's replacement with effect from the same date.

Nevertheless, the Shanghai PRC Legal Adviser consulted Pudong MSA and was informed that as the legal status of Shanghai Longxin is subject to serious legal defects due to its non-compliances mentioned above, Pudong MSA would only process such change in directorship together with an application for deregistration (for which the board of directors of Shanghai Longxin has not taken any action up to the Latest Practicable Date). Therefore, although the resignation of Mr. Chan as a director was approved by the board of directors of Shanghai Longxin as far as the company itself is concerned, based on the register of Pudong MSA, Mr. Chan remained to be a director of Shanghai Longxin as at the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chan undertakes that so long as he continues to be a director of Shanghai Longxin based on the register of Pudong MSA, he will use his best endeavour in his capacity as director to demand the board of directors to take all necessary actions to rectify the aforesaid non-compliances.

In view of the aforesaid, our Directors are of the view that the non-compliances of Shanghai Longxin and Shanghai Longxin GZ Branch do not affect Mr. Chan's suitability as a Director under GEM Listing Rules 5.01 and 5.02.

Directorship in Shigaoba

Background of Shigaoba

Shigaoba was established in the PRC as a limited liability company on 12 October 2001. To the best knowledge of the Directors, Shigaoba was principally engaged in the promotion and technical consultancy on diving. Mr. Chan is the legal representative and a director of Shigaoba.

Non-compliance of Shigaoba

Due to its failure to carry out annual inspection within the prescribed time limit for the year 2005, on 29 January 2007, the business licence of Shigaoba was revoked by Guangzhou AIC as administrative penalty. Mr. Chan confirmed that he had delegated the administrative works of Shigaoba to one of its then shareholders before the annual inspection for the year ended 2005 was to be carried out. This was mainly because such shareholder, being a PRC citizen, was relatively more familiar with the administrative and filing requirements under the PRC laws, and compared with Mr. Chan it was more convenient for him to handle such tasks in person. At the relevant time, Mr. Chan did not have in his possession the documents and records required for carrying out the annual inspection, and he then lacked timely and professional advice on this aspect of the PRC laws. As confirmed by Mr. Chan, Shigaoba no longer carried out active business in 2005.

As advised by the Guangzhou PRC Legal Adviser, under the PRC Company Law and Registration Management Regulations on Legal Representative of Enterprise Entity (《企業法人法定代表人登記管理規定》), for any person (i) being the legal representative of a PRC company of which the business licence has been revoked due to violation of laws or regulations, and (ii) bearing personal responsibility for such violation of laws or regulations, he/she is prohibited from acting as legal representative, director, supervisor or member of senior management in other PRC companies within three years upon the revocation of business licence. However, if the PRC company failed to follow the prescribed procedures in applying for deregistration following the revocation of its business licence, the prohibition period for its legal representative to act as legal representative in other PRC companies may last longer than three years. As advised by the Guangzhou PRC Legal Adviser, the aforesaid prohibition to act as legal representative, director, supervisor or member of senior management in other PRC companies within three years was imposed automatically under the PRC Company Law and Registration Management Regulations on Legal Representative of Enterprise Entity without a court's verdict.

DIRECTORS AND SENIOR MANAGEMENT

As confirmed by the Guangzhou PRC Legal Adviser, the deregistration of Shigaoba was successfully completed on 8 April 2016, and the aforesaid prohibition on Mr. Chan to act as the legal representative, director or member of senior management of other PRC companies was no longer in force as at the Latest Practicable Date. Therefore, the Guangzhou PRC Legal Adviser is of the view that there is no evidence suggesting Mr. Chan is not capable of acting as director, legal representative or member of senior management in PRC companies.

As advised by the Guangzhou PRC Legal Adviser, given that Shigaoba was the personal investment of Mr. Chan and another independent third party individual, and Kingland Concrete has had no shareholding interest or any other involvement in Shigaoba, Kingland Concrete had no liability whatsoever in relation to the aforesaid non-compliance.

Rectification measures taken by Mr. Chan

Upon becoming aware of the matter, Mr. Chan took remedial action to rectify the aforesaid non-compliance by applying for deregistration of Shigaoba based on the legal advice of the Guangzhou PRC Legal Adviser, and the deregistration was successfully completed on 8 April 2016.

Based on the rectification measure taken by Mr. Chan, and given that the prohibition on Mr. Chan to act as the legal representative, director or member of senior management of other PRC companies was no longer in force based on the advice of the Guangzhou PRC Legal Adviser, our Directors are of the view that the non-compliance of Shigaoba do not affect Mr. Chan's suitability as a Director under GEM Listing Rules 5.01 and 5.02.

Our Group's internal procedures to prevent the occurrence of similar non-compliance incidents

Our Group will adopt certain internal control procedures upon [REDACTED] to prevent the occurrence of non-compliance incidents similar to those concerning Shanghai Longxin, Shanghai Longxin GZ Branch and Shigaoba (the "**Non-Compliance Incidents**") as described in the paragraphs above, and to ensure that our Group will not be susceptible to undue influence of any single Directors, details of which are set out below:

Procedures to be followed by Mr. Chan

- Mr. Chan has taken up and will continue to take up further corporate governance and directors duties training courses provided by our legal advisers as to Hong Kong laws, totalling not less than 20 hours until the end of the first full financial year follow the [REDACTED]. Such training courses, each lasting for around two hours, will focus on the following topics to enhance Mr. Chan's ability in identifying and preventing the recurrence of the Non-Compliance Incidents, including (i) general filing and secretarial matters including but not limited to the deadlines and requirements of statutory filings under the Companies Ordinance, Inland Revenue Ordinance and Mandatory Provident Fund Schemes Ordinance, (ii) renewal process regarding the various licenses held by our Group, including our business registration license and the various licenses pertinent to our Group's

DIRECTORS AND SENIOR MANAGEMENT

operation granted by the Buildings Department, Construction Industry Council and Electrical and Mechanical Services Department, and (iii) duties of directors of companies listed in Hong Kong to ensure compliance with the reporting, annual review, announcement and independent shareholders' approval requirements under the GEM Listing Rules and the Securities and Futures Ordinance;

- Mr. Chan will fully comply with all the requirements set out in guidelines regarding corporate governance, risk management, licence application and renewal and financial reporting; issued by our Company to ensure that we will have a comprehensive internal control system upon and following the [REDACTED].
- Mr. Chan will sign an annual declaration of compliance to acknowledge that he has complied with the corporate governance measures and all relevant rules and regulations administered by the SFC and the Stock Exchange applicable to him as an executive Director. For further details on the corporate governance measures, please refer to the section headed "Relationship with our Controlling Shareholders – Corporate Governance Measures";
- Mr. Chan will peruse written manuals prepared by our legal advisers as to Hong Kong laws in relation to regulatory compliance and renewal of our various licenses. The written manuals will be subject to review and update by our legal advisers as to Hong Kong laws on an annual basis;
- Mr. Chan will attend written assessments conducted by our legal advisers as to Hong Kong laws. The assessments will be held on a quarterly basis until the end of the second full financial year following the [REDACTED], and will cover the various topics discussed in the aforesaid training courses and written manuals. Based on the results of the assessments, our legal advisers as to Hong Kong laws will discuss with Mr. Chan on any shortcoming identified, and provide him with focused training on those areas;
- Mr. Chan will attend formal meetings with members of our corporate governance department on a monthly basis to keep himself abreast of the updated status of our internal control and legal compliance matters;
- Mr. Chan has spent a total of 15 hours in studying the (i) legal opinions issued by Shanghai PRC Legal Adviser and Guangzhou PRC Legal Adviser, and (ii) internal control report issued by CT Partners, together with the corresponding recommendations regarding internal control improvement measures, in order to better understand the causes of the Non-Compliance Incidents, and to familiarise himself with the internal control system of our Group; and
- Mr. Chan will submit a checklist to our corporate governance department on a quarterly basis. The checklist was designed to examine his involvement in various corporate matters of our Group, including (i) participation rate at board meetings, (ii) frequency of meeting with the corporate governance department, (iii) time

DIRECTORS AND SENIOR MANAGEMENT

spent on attending trainings or perusing manuals as mentioned above, and (iv) acknowledgment of compliance with all those procedures to be followed by him as set out in this paragraph.

Legal due diligence review by our External Legal Advisers

- We have engaged our External Legal Advisers to perform legal due diligence review ("**Review**") on an annual basis after the [REDACTED] on our Group in Hong Kong and Macau in the following aspects (i) renewal status of our various licenses, (ii) statutory filings in relation to corporate secretarial, employment and taxation matters, (iii) compliance with the GEM Listing Rules, and (iv) implementation status of the various internal procedures as set out in this paragraph to prevent the occurrence of Non-Compliance Incidents;
- The External Legal Advisers shall have direct access to our Board members to (i) present findings of the Review, (ii) report on any non-compliance or violation identified, and (iii) advise on the liability and consequence of non-compliance or violation (if any), and possible rectification measures;
- In our annual report, our Group shall report any adverse findings from the Review or include negative statement (if appropriate), with support of written confirmations from the External Legal Advisers.

Procedures to be followed by our Group

- we will establish a corporate governance department comprising Mr. Cheung, our compliance officer, Mr. Chen Yeung Tak, our company secretary and a member of the Hong Kong Institute of Certified Public Accountants and Mr. Chow Chun To, an independent non-executive Director and a member of the Hong Kong Institute of Certified Public Accountants. The corporate governance department will be headed by Mr. Cheung. The corporate governance department will have two major functions, namely to conduct regular internal control reviews and to carry out legal compliance reviews on our Group's operations, with particular emphasis on general corporate filing and secretarial matters and renewal process regarding the various licences held by our Group for its operation;
- based on the results of the internal control reviews, the corporate governance department will advise our Board in the implementation of any remedial actions, if any potential or actual internal control or legal compliance deficiencies are identified from such reviews. Our Board will make final decisions on the implementation of such remedial plans. To ensure that such remedial plans are implemented, the corporate governance department will follow up and monitor the implementation status and report to the audit committee about the progress and results of such remedial plans;
- Mr. Kuan Hong Kin Daniel, a non-executive Director and a practicing barrister in Hong Kong, will (i) upon request provide regular advice and feedback to our corporate governance department on legal compliance matters; (ii) assist other

DIRECTORS AND SENIOR MANAGEMENT

Directors in assessing the advice from the corporate governance department, independent internal control adviser and the Hong Kong External Legal Adviser, based on his legal qualifications; (iii) evaluate the effectiveness of any remedial plan(s) implemented by our Group; and (iv) provide update to our Board on any latest legal development in Hong Kong which may be relevant to our Group's daily operations;

- in order to preserve independence, the corporate governance department will report to the audit committee directly on a quarterly basis, or on an ad hoc basis, if such matters are considered to require the immediate attention of the audit committee;
- in order to assist the corporate governance department, our Company has, upon [REDACTED], engaged (i) an independent internal control adviser; (ii) the Hong Kong External Legal Adviser; and (iii) the Macau External Legal Adviser. The term of appointment of the independent internal control adviser and the External Legal Advisers of our Company shall commence on the [REDACTED] Date and end on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of the financial results for the second full financial year commencing after the [REDACTED] Date;
- the independent internal control adviser of our Company will upon the [REDACTED] (a) advise on the general corporate filing and secretarial matters; (b) assist our Group in reviewing its internal operations manual and other internal approval policies and procedures from time to time; and (c) recommend implementation or remedial plans to enhance our Group's internal operational system and procedures if necessary;
- the Hong Kong External Legal Adviser of our Company will upon the [REDACTED] (a) advise on the deadlines and requirements for statutory filings or payment submissions under the Companies Ordinance, Inland Revenue Ordinance or any other relevant laws and regulations in Hong Kong to ensure all such filings or submissions are made in a timely manner; (b) advise on the renewal process regarding the various licenses held by our Group for its operation, including business license and the registrations with the Buildings Department; (c) advise on updates in respect of the Listing Rules and regulatory compliance matters which are relevant to our Company; and (d) provide corporate governance training to our Directors and senior management at least once a year; and
- in addition to the above measures, we will ensure that Mr. Chen Yeung Tak, our company secretary and one of the members of the corporate governance department will take up further corporate governance and legal compliance training courses, including in particular, courses covering the subjects on financial reporting management, general corporate filing and secretarial matters and renewal process regarding the various licenses held by our Group for its operation, totaling not less than 20 hours during the first year following the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

Views of our Directors and the Sponsor

Mr. Chan co-founded our Group at the age of 26. He has been responsible for the overall business development and financial strategic planning of our Group since its establishment. Under his co-leadership, our Group has attained leading position in the concrete demolition industry in Hong Kong (in terms of revenue) in 2015. This clearly demonstrates Mr. Chan's competence and abilities as a director in successfully establishing, managing and expanding the business of our Group.

Although a director of a listed company is expected to apply a reasonable standard of skill, care and diligence in performance of his duties, this does not mean that every director must be involved in all day-to-day regulatory or administrative matters. Such day-to-day regulatory or administrative matters are commonly delegated to appropriately qualified persons in listed companies.

In our circumstance, Mr. Chan attended a training session on director's responsibilities provided by our legal advisers in March 2016. Apart from that, Mr. Chan being a successful businessman in the construction industry received no formal and professional training on laws or company secretarial matters. Notwithstanding the above, the principal responsibilities of Mr. Chan as an executive Director of our Group are overall business development and financial and strategic planning of our Group. Mr. Chan will not be responsible for the day-to-day regulatory or administrative matters. The overall management and administration was reserved to Mr. Cheung who is the Chairman and the chief executive officer. The oversight of our financial reporting, financial control and company secretarial matters is handled by our company secretary Mr. Chen Yeung Tak, a member of the Hong Kong Institute of Certified Public Accountants. There is proper segregation of duties to ensure the appropriately experienced or qualified persons to handle the proper role in our Group.

Apart from the above, our Company has engaged the independent internal control adviser and the External Legal Advisers to assist the Group in its daily compliance matters upon [REDACTED]. Our Directors take the view that our Company's internal procedures, coupled with the recent appointment of a non-executive Director with legal qualification are sufficient to ensure due compliance with applicable laws and regulations going forward and prevent undue influence of any single Director. Having considered (i) Mr. Chan's track record of establishing and managing our business over the past 30 years; (ii) the clear segregation of duties in the corporate structure of our Group; (iii) the various corporate governance and internal control measures as explained above; and (iv) the diverse background of our Board including the non-executive Director who is a barrister, our Directors are of the view, and the Sponsor concurs, that Mr. Chan is competent as an executive Director of our Group to carry out his responsibilities.

In respect of the Non-Compliance Incidents, it is further noted that:

- no legal liability was imposed on Mr. Chan as a director in relation to the non-compliances of Shanghai Longxin;

DIRECTORS AND SENIOR MANAGEMENT

- Mr. Chan had used his best endeavors to rectify the non-compliances in relation to Shigaoba by successfully applying for the deregistration of Shigaoba;
- the majority of board of directors of Shanghai Longxin was controlled by the PRC Entity, and hence the influence of Mr. Chan on the company was limited. As Mr. Chan was not in the position to procure the implementation of rectification measures, he had instead attempted with his best effort to resign as a director of Shanghai Longxin (even though such resignation had not been processed by Pudong MSA due to the defects in the legal status of Shanghai Longxin);
- the prohibition on Mr. Chan to act as the legal representative, director or member of senior management of other PRC companies resulted from the non-compliance of Shigaoba was no longer in force;
- Mr. Chan was then not familiar with the PRC laws and he had relied on a fellow shareholder of Shigaoba and the responsible officer(s) of Shanghai Longxin, whom he had genuinely believed to be more familiar with the PRC laws to handle the relevant administrative and filing works;
- there was no indication of dishonesty or willful act committed on the part of Mr. Chan in relation to the Non-Compliance Incidents; and
- the rectification measures have been carried out by Mr. Chan as stated above to avoid occurrence of incidents similar to the Non-Compliance Incidents.

Based on the above, including our Director's and our Sponsor's views and basis that Mr. Chan is competent as an executive director of our Group, our Directors and our Sponsor are of the view that the Non-Compliance Incidents do not affect Mr. Chan's suitability as a Director under GEM Listing Rules 5.01 and 5.02.

Mr. CHEUNG Shek On (張錫安), aged 55, is one of our Controlling Shareholders, an executive Director and the chief executive officer of our Group. He joined our Group since its establishment in 1985, and has been a director of Kingland Concrete since 16 July 1985 (except for the periods from 16 August 1989 to 30 November 1989 and from 31 March 2005 to 30 June 2005). Mr. Cheung is responsible for the overall management and administration of our business operations. He is also a director of Platinum Faith, Alpha Eastern Holdings and Kingland Sino. Mr. Cheung has more than 30 years of experience in the concrete demolition industry.

Provision A.2.1 of the Corporate Governance Code and Corporate Governance Report, Appendix 15 of the GEM Listing Rules (the "CG Code") stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cheung is the Chairman and the chief executive officer of our Company. In view that Mr. Cheung has been operating and managing our Group since our establishment, our Board believes that it is in the best interest of our Group to have Mr. Cheung taking up both roles for effective management and business development. Therefore, our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Cheung was a director of the following companies incorporated in Hong Kong, which were deregistered (but not due to member's voluntary winding-up) and, if applicable, ceased business immediately prior to its dissolution, with voluntarily disclosed details as follows:

Name of company	Date of dissolution	Nature of proceeding	Nature of business before dissolution
Kingland Construction & Demolition Co. Limited (景聯創展工程有限公司) <i>(Note 1)</i>	28 February 2014	Deregistration	No business operation <i>(Note 2)</i>

Notes:

1. Under section 291AA of the Predecessor Companies Ordinance, an application for deregistration can only be made if (a) all members of such company agree to such deregistration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; and (c) such company has no outstanding liabilities.
2. It was then established for the purpose of carrying out business in construction and demolition business. However, due to subsequent change in the business plan, no business has ever been carried out by it since its incorporation and until it was deregistered.

Mr. Cheung was a director of the following companies incorporated in Hong Kong that have been struck off:

Name of company	Date of dissolution	Nature of proceeding	Nature of business before dissolution
Kingland Concrete Cutting Technology Limited (景聯混凝土切割科技有限公司)	5 January 2007	Struck off	No business operation <i>(Note 1)</i>
Kingland Concrete Drilling (China) Company Limited (景聯混凝土鑽鑿(中國)有限公司)	2 February 2007	Struck off	No business operation <i>(Note 1)</i>
Kingland Construction Company Limited (景聯建築工程有限公司)	9 February 2007	Struck off	No business operation <i>(Note 1)</i>
Kingland Development (Hong Kong) Company Limited (景聯發展(香港)有限公司)	15 May 2009	Struck off	No business operation <i>(Note 1)</i>
Lucky Golden International Limited (金得國際有限公司)	29 December 2006	Struck off	No business operation <i>(Note 2)</i>

DIRECTORS AND SENIOR MANAGEMENT

Notes:

1. These companies were then established for the purpose of carrying out business in various sectors of construction. However, due to subsequent change in the business plan, no business has ever been carried out by these companies since their incorporation and until they were struck off.
2. This company was then established in August 2001 as investment holding vehicle. However, due to subsequent change in the business plan, no business or investment has ever been carried out by this company since its incorporation and until it was struck off.

Mr. Cheung confirmed that there have been no claims against him in relation to the above-mentioned companies that have been deregistered or struck off. No material non-compliant incidents, claims, litigation or legal proceedings are indicated to involve the above-mentioned companies.

Mr. Cheung has been a director of the following companies against which winding-up petitions were filed due to the dispute among the then shareholders of these companies:

Company	Date of incorporation	Nature of business	Nature of proceeding and amounts involved	Date of commencement of proceeding	Outcome of proceeding
Kingland Concrete	9 July 1985	Provision of concrete demolition services	Winding-up petition	24 December 2001	Dismissed on 20 September 2004
Kingland Holdings	13 November 1998	Investment holdings	Winding-up petition	24 December 2001	Dismissed on 20 September 2004

Please refer to the paragraph headed "Shareholders' dispute" in this section for details of the aforesaid shareholders' dispute, and the section headed "History and Development – Excluded Company" for the background of the above companies.

On-going litigation

Mr. Cheung is involved as one of the defendants in a civil action, further details of which are set out in the paragraph headed "On-going litigation – DCCJ 5688/2015" in this section.

Non-executive Director

Mr. KUAN Hong Kin Daniel (關匡建), aged 26, is a non-executive Director. Mr. Kuan is responsible for providing legal advice on our Group's legal compliance matters.

Mr. Kuan was admitted as a barrister in Hong Kong in March 2014. He obtained from The Chinese University of Hong Kong a bachelor's degree in law in November 2012 and the Postgraduate Certificate in Laws in July 2013.

DIRECTORS AND SENIOR MANAGEMENT

Independent non-executive Directors

Mr. CHAN Ngai Sang Kenny (陳毅生), aged 52, is our independent non-executive Director. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

Mr. Chan has more than 18 years of experience in accounting, taxation, auditing and corporate finance. He is a partner and founder of Kenny Chan & Co., a Certified Public Accountant firm.

Mr. Chan obtained a bachelor's degree of commerce from The University of New South Wales in Australia. He has been a member of the Hong Kong Institute of Certified Public Accountants since February 1992.

Mr. Chan is currently an independent non-executive director of TSC Group Holdings Limited (stock code: 206), Convoy Financial Holdings Limited (stock code: 1019), AMCO United Holding Limited (stock code: 630), Combest Holdings Limited (stock code: 8190) and WLS Holdings Limited (stock code: 8021), all of which are listed on the Stock Exchange.

Mr. CHOW Chun To (鄒振濤), aged 33, is our independent non-executive Director. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

Mr. Chow has more than 9 years of experience in accounting and auditing. He worked at PCP CPA Limited as an accountant III from June 2006 to June 2007. He then joined HLB Hodgson Impey Cheng (currently known as HLB Hodgson Impey Cheng Limited) as an accountant I in June 2007 until December 2007. In February 2008, Mr. Chow joined Deloitte Touche Tohmatsu as an associate and was promoted to a senior in October 2008 until he left the company in April 2011. Mr. Chow worked as a financial manager at Chiho-Tiande (HK) Limited, a wholly-owned subsidiary of Chiho-Tiande Group Limited (stock code: 976), the issued shares of which are listed on the Stock Exchange, between May 2011 and May 2013. He then worked as a financial controller at JC Group Holdings Limited (stock code: 8326), the issued shares of which are listed on the Stock Exchange, from May 2013 to September 2014. Mr. Chow is currently the financial controller and company secretary of In Construction Holdings Limited (stock code: 1500), the issued shares of which are listed on the Stock Exchange.

Mr. Chow obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in December 2006 and has been a member of the Hong Kong Institute of Certified Public Accountants since July 2013.

Mr. YAM Chiu Fan Joseph (任超凡), aged 61, is our independent non-executive Director. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yam has served the Hong Kong Police Force for over 32 years. He joined the Royal Hong Kong Police (currently known as the Hong Kong Police Force) as a probationary inspector in 1977. He was promoted to a senior inspector and a chief inspector in 1987 and November 1990, respectively. He was further promoted to a superintendent in June 2004. Mr. Yam has retired from the Hong Kong Police Force in December 2009 and subsequently joined Hong Yip Service Co. Ltd. as the head of security in June 2010. Mr. Yam also joined Prime Intelligence Solutions Group Limited as a director in November 2015. Prime Intelligence Solutions Group Limited is a solution provider of biometrics identification systems in Hong Kong, Macau and the PRC.

Each of our Directors and senior management is independent from and not related to each other.

Save as disclosed above, each of our Directors confirms with respect to him that: (i) he has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he does not hold any other position in our Company or any of its subsidiaries; (iii) save as disclosed in the section headed "Further information about Substantial Shareholders, Directors and experts – Disclosure of interests" in Appendix IV to this document, he does not have any interests in the Shares within the meaning of Part XV of the SFO; (iv) there is no other information that should be disclosed for him pursuant to Rule 17.50(2) of the GEM Listing Rules; and (v) to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there are no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders.

Shareholders' dispute

For the period between 2000 and 2014, Mr. Cheung, Mr. Chan and a then individual shareholder of Kingland Concrete (the "**Individual**") were involved in a series of court proceedings (the "**Court Proceedings**") in Hong Kong regarding the ownership and management of Kingland Holdings and Kingland Concrete. Set out below are the details of the Court Proceedings:

Background

Immediately prior to 18 August 2000, Kingland Concrete was owned as to 97.5% by Kingland Holdings, as to 0.83% by Mr. Cheung, as to 0.83% by Mr. Chan and as to 0.83% by the Individual, while Kingland Holdings was owned by Mr. Cheung, Mr. Chan and the Individual in equal shares. As such, Kingland Concrete was ultimately owned by each of Mr. Cheung, Mr. Chan and the Individual in equal shares. Each of Mr. Cheung, Mr. Chan and the Individual was a director of Kingland Concrete and Kingland Holdings.

As confirmed by Mr. Cheung and Mr. Chan, back in mid 1999 the Individual had informed them about his plan to set up his own construction business. Since then, Mr. Cheung and Mr. Chan had discussed with the Individual about the potential conflict of interest which may arise if the Individual acted as directors in Kingland Concrete and Kingland Holdings (collectively, the "**Kingland Group**"), as well as in his own business at the same time, given that they would both be engaging in the construction industry.

DIRECTORS AND SENIOR MANAGEMENT

Therefore, after negotiations in mid 1999, it was agreed among the three individual shareholders that the Individual would subsequently cease to be directors of the Kingland Group, while he could still remain as a shareholder of the Kingland Group.

Pursuant to the then articles of association of Kingland Holdings, the quorum for each of the shareholders meeting and board meeting shall be a number of three. As discussed among the three individual shareholders, it was expected that, going forward, the Individual would devote most of his time and attention to his new business, and would not be much involved in the operation and management of the Kingland Group. Therefore, it may not be administratively convenient for all the three individual shareholders to meet up from time to time for the purpose of convening the shareholders meeting and/or board meeting of Kingland Group.

In view of the aforesaid, after thorough discussions, the three individual shareholders reached a consensus that Kingland Concrete would acquire equal portions of shares in Kingland Holdings, and become a corporate shareholder of Kingland Holdings through a cross-holding arrangement. In the event that any of the three individual shareholders was unable to attend the shareholders meeting and/or board meeting of Kingland Holdings, Kingland Concrete could exercise its right to attend so as to fulfil the quorum requirements. Under such cross-holding arrangement, the ultimate beneficial interests of three individual shareholders in the Kingland Group had remained unchanged, with each of them holding one-third of the ultimate shareholdings therein.

Based on the above, the effects of the cross-holding arrangement of the Kingland Group, as well as the Individuals' resignation from his directorships were: (i) to prevent the aforesaid conflict of interest between the Kingland Group and the Individual's new business; (ii) to enable the Individual to retain his role as a passive investor in the Kingland Group; and (iii) to ensure that the operation and management of the Kingland Group would be conducted in an efficient manner.

HCA 9433 of 2000

On 12 October 2000, the Individual commenced a civil action against, among others, Mr. Cheung, Mr. Chan, Kingland Concrete and Kingland Holdings. The Individual alleged, among other things, that during the board meeting and shareholders meeting of Kingland Holdings and Kingland Concrete held on 18 August 2000 (the "**18 August 2000 Meetings**"), resolutions were purportedly passed, and certain documents were executed to the effect that:

- (a) certain equal portions of the issued shares of Kingland Holdings held by each of Mr. Cheung, Mr. Chan and the Individual were transferred to Kingland Concrete, which would result in cross-holding of shares between the two companies;
- (b) Mr. Cheung and Mr. Chan were re-elected as directors of Kingland Holdings and Kingland Concrete;
- (c) Kingland Concrete was appointed as a director of Kingland Holdings with immediate effect; and

DIRECTORS AND SENIOR MANAGEMENT

- (d) the Individual ceased to be a director of Kingland Holdings and Kingland Concrete with immediate effect.

Based on the allegations, the Individual sought, among other things, a declaration that those documents executed at the 18 August 2000 Meetings be null and void and of no legal effect and ought to be set aside on various grounds.

As confirmed by Mr. Cheung and Mr. Chan, it was all along their consensus with the Individual that, for the best interests of the Kingland Group, the aforesaid cross-holding arrangement and the Individual's resignation as directors would be effected prior to the establishment of the Individual's own business by around late 2000. Further, the 18 August 2000 Meetings were convened, and the resolutions therein were signed and passed by Mr. Cheung, Mr. Chan and the Individual, in their respective capacities as shareholders or directors, with the Individual's consent and in the presence of an independent third party.

By a consent order dated 31 August 2004, the Individual, being the plaintiff, discontinued the aforesaid action against Mr. Cheung, Mr. Chan and others. As advised by the Hong Kong Legal Counsel, the above proceeding has no further effect on Kingland Concrete as at the Latest Practicable Date.

HCMP 5695 of 2001

On 24 October 2001, Mr. Cheung and Mr. Chan commenced a court application under the Predecessor Companies Ordinance for, among other things, that an extraordinary general meeting of Kingland Holdings be convened with a quorum of two.

On 25 January 2002, it was ordered by the court that, among other things, Kingland Holdings shall convene an extraordinary meeting with a quorum of two and to pass, among others, the following resolutions:

- (a) the resolutions passed at the 18 August 2000 Meetings be revoked; and
- (b) Mr. Cheung and Mr. Chan be re-elected as directors of Kingland Holdings; and
- (c) Kingland Concrete be appointed as director of Kingland Holdings.

As advised by the Hong Kong Legal Counsel, the above proceeding has no further effect on Kingland Concrete as at the Latest Practicable Date.

HCCW 1392 of 2001 and HCCW 1393 of 2001

On 24 December 2001, the Individual presented a winding-up petition to the court seeking an order, among other things, that: (a) Mr. Cheung and Mr. Chan be ordered to purchase the Individual's shares in both Kingland Concrete and Kingland Holdings; or (b) alternatively, Kingland Concrete and Kingland Holdings be wound-up.

DIRECTORS AND SENIOR MANAGEMENT

In around mid 2004, due to the increasing legal costs and adverse impact on the operation of the Kingland Group, Mr. Cheung and Mr. Chan had entered into negotiations with the Individual on the potential settlement of the Court Proceedings.

On 20 September 2004, upon consent by the Individual, Mr. Cheung, Mr. Chan, Kingland Concrete and Kingland Holdings, by way of consent orders (the "**Consent Orders**"), the court ordered that:

- (a) the winding-up petition against Kingland Concrete and Kingland Holdings be dismissed;
- (b) the portion of shares in Kingland Holdings purportedly transferred by the Individual to Kingland Concrete on 18 August 2000 be transferred back to him;
- (c) the Individual shall sell, and Mr. Cheung and Mr. Chan shall purchase, all of the Individuals' shares in Kingland Concrete and Kingland Holdings at prices to be fixed by a valuer to be jointly appointed by them.

Subsequently, after discussion among the parties regarding the Consent Orders, on 18 November 2014, Mr. Cheung, Mr. Chan, the Individual, Kingland Concrete and Kingland Holdings further entered into the Deed of Settlement which sets out, among other things, that:

- (a) all the Court Proceedings and any disputes incidental thereto shall be in full and final settlement; and
- (b) the Individual shall sell, and Mr. Cheung and Mr. Chan shall purchase, all of the Individuals' shares in Kingland Concrete and Kingland Holdings based on terms agreed among the parties after arm's length negotiations.

As advised by the Hong Kong Legal Counsel, the Deed of Settlement was legally valid, and had legally superseded the terms of the Consent Orders. Therefore, upon signing of the Deed of Settlement and the performance of the terms contained therein by the parties, the Consent Orders were no longer enforceable at Court by any of the parties thereto. Although Mr. Cheung, Mr. Chan and the Individual did not jointly appoint a valuer for fixing the price for the shares to be transferred, neither side is entitled to claim against each other for such failure to strictly follow the term of the Consent Orders as both sides had subsequently agreed to remove such requirement by way of the Deed of Settlement.

Further, the Hong Kong Legal Counsel does not foresee any grounds for the Court to interfere with the parties' decision not to strictly follow the Consent Orders, considering that (i) the Deed of Settlement was entered into and proceeded upon, without objections, by the same parties as the Consent Orders, and (ii) since the grant of the Consent Orders and up to the Latest Practicable Date, neither side has made any claim or taken any legal action against each other regarding the failure to strictly follow the Consent Orders.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to the Deed of Settlement, on 21 November 2014, the Individual transferred all his shares in Kingland Concrete and Kingland Holdings equally to Mr. Cheung and Mr. Chan. For details of the share transfers, please refer to the section headed "History and Development – Excluded companies – Kingland Concrete" in this document.

SENIOR MANAGEMENT

The following table sets out the information regarding the senior management team of our Group:

Name	Age	Date of joining our Group	Present position	Principal responsibilities
Mr. MAK Banna (麥賓雅)	53	July 1996	chief technical officer	Overall operation of our concrete demolition business
Mr. CHEN Yeung Tak (陳仰德)	32	March 2015	financial controller and company secretary	Overseeing our financial reporting, financial planning, treasury, financial control and company secretarial matters
Mr. YIP Wai Man (葉偉文)	47	January 1995	sales manager	Overall operation of our marketing and customer relationship activities, and procurement of plant and machinery
Ms. TSU Fung Ling (徐鳳玲)	49	April 1994 (Note)	administrative manager	Overall administration of our business operations
Mr. TAI Cheuk Fung (戴卓峯)	34	February 2012	foreman	Overall site operation

Note: Ms. Tsu left in January 2005 and rejoined in September 2014.

Mr. MAK Banna (麥賓雅), aged 53, is the chief technical officer of our Group principally responsible for the overall operation of our concrete demolition business including tendering and work processing, quality control and work safety supervision. Mr. Mak first joined our Group in July 1996 as a project manager and was subsequently promoted to the current position in December 2012. Mr. Mak is also a director of Kingland (Sino) and Kingland Macau.

Mr. Mak has over 30 years of experience in the construction industry. Prior to joining our Group, he was employed, among others, by (i) Hsin Chong Construction Co., Ltd. from July 1985 to May 1988 with his last position as a contract coordinator; and (ii) Sun Fook Kong Construction Limited after he resigned from Hsin Chong Construction Co., Ltd. and up to February 1995 with his last position as a senior project manager.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Mak obtained a diploma in Building Studies from the Technical Education and Industrial Training Department Hong Kong in July 1982. He received a higher diploma in Building Technology and Management and an associateship in Building Technology and Management from the Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1984 and November 1985 respectively. He completed a course on Construction Safety conducted by the Industrial Safety Training Centre of the Labour Department, Hong Kong in November 1985. He also obtained a diploma in Construction Management from the Construction Industry Training Authority in October 1991. He completed the Lead Assessor Examination organised by BSI Quality Assurance in October 1992 and a master degree in Construction Management from the City University of Hong Kong in November 2001. He was awarded the certificate of Metal Scaffold Erecting and Dismantling Supervision Training Course from the Construction Industry Training Authority (currently known as the Construction Industry Training Board) in May 2004, and the certificate of an Introductory Course on Conservation of Built Heritage from the Construction Industry Council Training Academy in June 2008.

Mr. Mak has been a member of the Chartered Institute of Building since May 1995 and a member of the Hong Kong Institution of Engineers since June 1995. He was registered as a Registered Professional Engineer in September 1998.

Mr. CHEN Yeung Tak (陳仰德), aged 32, has joined our Group as a financial controller and company secretary since March 2015. He is mainly responsible for our financial reporting, financial planning, treasury, financial control and company secretarial matters.

Mr. Chen has over ten years of experience in auditing, accounting and financial management. Prior to joining our Group, Mr. Chen was employed, among others, by (i) Fung, Yu & Co. CPA Limited from July 2006 to December 2010 with his last position as an assistant manager; (ii) Deloitte Touche Tohmatsu as a senior auditor from January 2011 to October 2012; and (iii) PYI Corporation Limited (stock code: 0498), the issued shares of which are listed on the Main Board of the Stock Exchange, from February 2013 to February 2015 with his last position as an accounting manager.

Mr. Chen obtained a bachelor's degree in Accountancy (honours) from The Hong Kong Polytechnic University in December 2006. Mr. Chen has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011.

Mr. YIP Wai Man (葉偉文), aged 47, has joined our Group as a sales manager since January 1995. Mr. Yip is principally responsible for the overall operation of our marketing and customer relationship activities, and procurement of plant and machinery.

Mr. Yip has over 25 years of experience in the construction industry. Prior to joining our Group, he was employed, among others, by (i) Chen Hsong Foundry Co., Ltd. from August 1990 to September 1990 as a summer engineer trainee; (ii) Coleman Engineering Co (Hong Kong) Ltd from October 1991 to July 1993 as a sales engineer; and (iii) Mason S. & E. Co. Ltd. from October 1994 to December 1995 as a sales executive.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yip obtained a higher diploma in Mechanical Engineering from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1991. He was awarded the certificate of completion of Metal Scaffold Erecting and Dismantling Supervision Training Course by the Construction Industry Training Authority in May 2004. He has also obtained the Construction Industry Safety Training Certificate from the Construction Industry Council in May 2013 and the Certificate of Certified Worker from the Hong Kong Human Resources Ltd. in January 2014.

Ms. TSU Fung Ling (徐鳳玲), aged 49, first joined our Group as an administrative manager in April 1994 and left in January 2005. She has rejoined our Group as consultant from September 2014 to November 2014 and became the administrative manager of our Group since December 2014. Ms. Tsu is principally responsible for the overall administration of our business operations.

Prior to joining us, Ms. Tsu was employed, among others, by (i) Argos Engineering & Heavy Industries Co., Ltd. from April 1988 to March 1993 as a senior accounts clerk; and (ii) the Dynasty Club Limited from April 1993 to April 1994 as a supervisor.

Ms. Tsu obtained the certificates of Higher Accounting and Third Level Cost Accounting from the London Chamber of Commerce and Industry Examinations Board in 1986 and 1990 respectively.

Mr. TAI Cheuk Fung (戴卓峯), aged 34, joined our Group as a foreman since February 2012. He is mainly responsible for overall site operation.

Prior to joining our Group, Mr. Tai was employed, among others, by Chong Shing Construction & Engineering Co., Ltd. as site foreman from August 2008 to February 2012. Mr. Tai obtained a diploma in Civil Engineering and a higher diploma in Civil Engineering from the Vocational Training Council in July 2003 and July 2010 respectively. He also completed a Construction Safety Supervisor Course held by the Construction Industry Training Authority (currently known as the Construction Industry Training Board) in July 2006.

Save as disclosed above, each of our member of senior management confirms with respect of him/her that: (i) he/she has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he/she does not hold any other position in our Company or any of its subsidiaries; (iii) save as disclosed in the section "Further information about Substantial Shareholders, Directors and experts – Disclosure of interests" in Appendix IV to this document, he/she does not have any interests in the Shares within the meaning of Part XV of the SFO; and (iv) there is no other information that should be disclosed for him/her pursuant to Rule 17.50(2) of the GEM Listing Rules.

COMPANY SECRETARY

Mr. Chen Yeung Tak is the company secretary of our Company. Details of his qualifications and experience are set out in the paragraph headed "Senior management" in this section.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE OFFICER

Mr. Cheung Shek On was appointed as the compliance officer of our Company. Please refer to the paragraph headed “Directors and Senior Management – Directors” in this section for the profile of Mr. Cheung.

REMUNERATION POLICY

The executive Directors, the non-executive Director, the independent non-executive Directors and senior management receive compensation in the form of director fees, salaries, benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and the performance of our Group. Our Group also reimburses our Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to our Group or executing their functions in relation to the operations of our Group. Our Group regularly reviews and determines the remuneration and compensation packages of our Directors and senior management by reference to, among others, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of our Directors and the performance of our Group.

After [REDACTED], the remuneration committee of our Company will review and determine the remuneration and compensation packages of our Directors with reference to their responsibilities, workload, the time devoted to our Group and the performance of our Group. Our Directors may also receive options to be granted under the Share Option Scheme.

REMUNERATIONS OF DIRECTORS AND SENIOR MANAGEMENT

The remunerations of our executive Directors for the Track Record Period are set out in the following table. During the Track Record Period, our independent non-executive Directors have not yet been appointed and have not received any directors’ remuneration in the capacity of independent non-executive Directors.

	Fee <i>HK\$'000</i>	Salaries, allowances and benefits in kind <i>HK\$'000</i>	Discretionary bonuses <i>HK\$'000</i>	Retirement scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31					
December 2014					
<i>Executive directors</i>					
Mr. Cheung	–	1,062	100	17	1,179
Mr. Chan	–	707	100	17	824
	–	1,769	200	34	2,003

DIRECTORS AND SENIOR MANAGEMENT

	Fee <i>HK\$'000</i>	Salaries, allowances and benefits in kind <i>HK\$'000</i>	Discretionary bonuses <i>HK\$'000</i>	Retirement scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31					
December 2015					
<i>Executive directors</i>					
Mr. Cheung	–	1,075	100	18	1,193
Mr. Chan	–	600	100	18	718
	<u>–</u>	<u>1,675</u>	<u>200</u>	<u>36</u>	<u>1,911</u>

	Fee <i>HK\$'000</i>	Salaries, allowances and benefits in kind <i>HK\$'000</i>	Discretionary bonuses <i>HK\$'000</i>	Retirement scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended					
30 June 2016					
<i>Executive directors</i>					
Mr. Cheung	–	607	–	9	616
Mr. Chan	–	369	–	9	378
	<u>–</u>	<u>976</u>	<u>–</u>	<u>18</u>	<u>994</u>

During the Track Record Period, no emoluments were paid by our Group to our Directors as an inducement to join or upon joining our Group or as compensation for loss of office. No Director has waived or agreed to waive any emoluments during the Track Record Period.

Under the arrangements currently proposed, conditional upon the [REDACTED], the basic annual remuneration (excluding payment of any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of our Directors will be as follows:

	<i>HK\$</i>
Executive Directors	
Mr. Cheung	1,435,200
Mr. Chan	960,000
	<i>HK\$</i>
Non-executive Director	
Mr. Kuan Hong Kin Daniel	180,000

DIRECTORS AND SENIOR MANAGEMENT

HK\$

Independent non-executive Directors

Mr. Chan Ngai Sang Kenny	216,000
Mr. Chow Chun To	216,000
Mr. Yam Chiu Fan Joseph	216,000

Of our Group's five highest paid individuals during the Track Record Period, two of them were our Directors whose emoluments are disclosed above. The emoluments in respect of the remaining three individuals during the Track Record Period are as follows:

	Year ended 31 December 2014 HK\$'000	Year ended 31 December 2015 HK\$'000	Six months ended 30 June 2016 HK\$'000
Salaries and allowances	2,297	2,505	1,274
Discretionary bonuses	343	300	–
Retirement scheme contributions	39	54	27
	<u>2,679</u>	<u>2,859</u>	<u>1,301</u>

The emoluments of each of the aforementioned three non-Director highest paid individuals were below HK\$1.5 million.

During the Track Record Period, no emoluments were paid by our Group to the above highest paid individuals as an inducement to join or upon joining our Group or as compensation for loss of office as a director or management of any members of our Group.

BOARD COMMITTEES

Audit committee

Our Company established an audit committee on 22 November 2016 with its written terms of reference in compliance with paragraphs C3.3 and C3.7 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system, nominate and monitor external auditors and to provide advice and comments to the Board on matters related to corporate governance.

The audit committee of our Company consists of three members, namely Mr. Chan Ngai Sang Kenny, Mr. Chow Chun To and Mr. Yam Chiu Fan Joseph. Mr. Chow Chun To serves as the chairman of the audit committee.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration committee

Our Company established a remuneration committee on 22 November 2016 with its written terms of reference in compliance with paragraph B1.2 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the remuneration committee are to make recommendations on the remuneration of our Directors and management.

The remuneration committee of our Company consists of three members, namely Mr. Cheung, Mr. Chan Ngai Sang Kenny and Mr. Chow Chun To. Mr. Chan Ngai Sang Kenny serves as the chairman of the remuneration committee.

Nomination committee

Our Company established a nomination committee on 22 November 2016 with its written terms of reference paragraph A5.2 of the Code on Corporate Governance Practices set out in Appendix 15 to the GEM Listing Rules. The primary duties of the nomination committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board and/or in senior management and succession planning for Directors in particular the chairman of the Board.

The nomination committee of our Company consists of three members, namely Mr. Cheung, Mr. Chan Ngai Sang Kenny and Mr. Chow Chun To. Mr. Cheung serves as the chairman of the nomination committee.

COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Company has appointed Ample Capital Limited as its compliance adviser. Pursuant to Rule 6A.23 of the GEM Listing Rules, our Company will consult with and seek advice from the compliance adviser on a timely basis in the following circumstances:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (3) where our Company proposes to use the proceeds of the [REDACTED] in a manner different from that detailed in this document or where the business activities, developments or results of our Group deviate from any forecast, estimate, or other information in the [REDACTED] document; and
- (4) where the Stock Exchange makes an inquiry of the listed issuer under Rule 17.11 of the GEM Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

The term of appointment of the compliance adviser of our Company shall commence on the [REDACTED] Date and end on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of the financial results for the second full financial year commencing after the [REDACTED] Date and such appointment shall be subject to extension by mutual agreement.

EXTERNAL LEGAL ADVISERS

As part of our commitments to prevent non-compliance in our daily operations, our Company has engaged David Fong & Co. as its Hong Kong External Legal Adviser and Mr. Chio Tak Wo, Advogado as its Macau External Legal Adviser. The terms of engagement of the External Legal Advisers shall commence from the [REDACTED] Date up to the end of the second full financial year after the [REDACTED] Date, and such engagements shall be subject to extension by mutual agreement.

The major scope of engagements of our External Legal Advisers are summarised as follows:

- To provide legal advice on general compliance of the applicable Hong Kong and Macau laws, in particular on rules and regulations applicable to the construction industry in both places;
- Keep track of various licenses and certificates held by our Group, and provide written notice to our Board not less than two months prior to their respective expiry dates and advice on their renewal;
- Perform legal due diligence review on our Group and implement the various measures undertaken by each of the External Legal Advisers as set out in the paragraph headed "Directors – Our Group's internal procedures to prevent the occurrence of similar non-compliance" in this section;
- In the case of our Hong Kong External Legal Adviser, to (i) advise on compliance of the GEM Listing Rules requirements; (ii) review the quarterly report, interim report, annual report, circular and announcement to be issued by our Group; (iii) provide corporate secretarial and administrative services to the members of our Group in Hong Kong, including but not limited to advising on the deadlines and requirements of various statutory filings under the Companies Ordinance, Inland Revenue Ordinance and Mandatory Provident Fund Schemes Ordinance; and (iv) upon request of our Group, review its corporate documents such as minutes of shareholders or directors meeting and legal documents in relation to its ordinary course of business; and
- In the case of our Macau External Legal Adviser, to (i) assist and advise our Group on filing in respect of corporate, employment and taxation matters, and (ii) consult the relevant authorities in Macau on whether any claims or complaints are lodged against our Group in respect of corporate and labour matters.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT INTERNAL CONTROL ADVISER

In order to strengthen and monitor the effectiveness of our internal control system, our Company has engaged CT Partners as its independent internal control advisers. The terms of engagement of the independent internal control adviser shall commence from the [REDACTED] Date up to the end of the second full financial year after the [REDACTED] Date, and such engagement shall be subject to extension by mutual agreement.

The major scope of engagement of our independent internal control adviser are summarised as follows:

- To evaluate the various components of our internal control system under recognised framework, including control environment, risk assessment, control activities, information and communication and monitoring;
- To evaluate our internal control system by business cycle and key operations;
- To walk through our internal control system and perform test of control;
- To document its observations, identify the weaknesses of our existing internal control system, if any, and provide recommendations on the ways of improvement; and
- To implement the various measures of their parts as set out in the paragraph headed "Directors – Our Group's internal procedures to prevent the occurrence of similar non-compliance" in this section.