
HISTORY AND CORPORATE STRUCTURE

HISTORY

Establishment and development of our Group

A-City Workshop was incorporated in Hong Kong in August 2012 with Mr. Ho and Ms. Cao Hongmei ("**Ms. Cao**"), the spouse of Mr. Sieh as founder members, in equal share. Mr. Ho and Mr. Sieh first became acquainted in March 2007 when they met at an engineering seminar. Since then, they had from time to time exchanged their views on the construction industry. In late 2011, Mr. Ho and Mr. Sieh become fellow colleague at Tai Kam Construction Engineering Company Limited. In mid-2012, Mr. Ho wished to set up a new construction company focusing on slope works (i.e. A-City Workshop). Having considered the background and qualification of Mr. Sieh as well as their acquaintances, Mr. Ho had invited Mr. Sieh to invest in A-City Workshop. Mr. Sieh decided to remain in his employment and not to invest in A-City Workshop at that time having considered the benefits of continuing his employment and prospects of further developing his personal network in the slope work industry. Nevertheless, as a sign of support to Mr. Ho, Mr. Sieh had encouraged Ms. Cao to invest in A-City Workshop on her own and to take up its account, financing and contract administration works. Mr. Ho contributed to the setup of A-City Workshop with wealth accumulated from other business, while Ms. Cao contributed to the setup of A-City Workshop with her personal savings. A-City Workshop has been and has remained as a slope works contractor in Hong Kong since its incorporation.

In January 2013, upon the request of his then employer, being an established slope works contractor, Mr. Ho decided to remain in his employment having considered the chance of gaining further working experience and the benefits of continuing his employment. As such, Mr. Ho resigned from his position as director and transferred his shareholding in A-City Workshop to his spouse, Ms. Lee Kim Kum ("**Ms. Lee**"), who then took the opportunity to continue developing A-City Workshop. After such transfer, A-City Workshop became wholly owned by Ms. Cao and Ms. Lee in equal share.

After gaining further working experience and building up certain business connections in the slope works industry, in the preparation of taking up the business of A-City Workshop, Mr. Ho re-joined A-City Workshop as a director in September 2016. In December 2016, each of Mr. Ho and Mr. Sieh considered that it was the appropriate timing for them to develop their own business in slope works and invested in A-City Workshop by acquiring the shareholdings of their respective spouse in A-City Workshop, i.e. 500 shares each, at HK\$1 each. Meanwhile, Mr. Sieh was appointed as director of A-City Workshop.

In view of the stabilised business operation and given that the business has been taken up by their respective spouse whom were entrusted as competent and experienced in the industry, Ms. Cao and Ms. Lee decided to resign from their position in pursuit of their other personal interest in December 2016.

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In February 2013, we were registered under the Subcontractor Registration Scheme (currently known as the Registered Specialist Trade Contractors Scheme) at the Construction Industry Council, which is a prerequisite for a subcontractor to participate in public projects commissioned by certain Government departments and statutory bodies. For further details, please refer to the paragraph headed "Regulatory overview – Contractor licensing regime and operation".

The registration with the Building Authority as Registered General Building Contractor and Registered Specialist Contractor under the site formation works category in the year of 2017 and the awarding of a project with estimated contract sum over HK\$90.0 million in the same year signified our capability to undertake large-scale slope works projects and provided the basis of establishing our current customer base.

In June 2020, we were registered as Probationary Contractor on the List of Approved Specialist Contractor for Public Works maintained by the WBDB under the category of "Landslip prevention/remedial works to slopes/retaining walls" which is a prerequisite for tendering for public slope works contracts directly from the Government. For further details, please refer to the paragraph headed "Regulatory Overview – Contractor licensing regime and operation".

The following table summarises the major milestones for the development of our operating subsidiary, A-City Workshop, into the present scale of operations:

August 2012	Established in Hong Kong
February 2013	Registered under the Subcontractor Registration Scheme (currently known as the Registered Specialist Trade Contractors Scheme)
January 2017	Accredited with ISO 9001:2015 Quality Management System Standard
May 2017	Registered with the Building Authority as Registered General Building Contractor
June 2017	Registered with the Building Authority as Registered Specialist Contractor under the site formation works category
November 2017	First awarded a project with estimated contract sum over HK\$90.0 million

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June 2018	First awarded a project to act as main contractor in the role of the Registered Specialist Contractor (site formation works) under the Buildings Ordinance
October 2018	Accredited with ISO 14001:2015 Environmental Management System Standard and OHSAS 18001:2007 Occupational Health and Safety Management System Standard
December 2019	The Shares became listed on GEM
June 2020	Registered as Probationary Contractor on the List of Approved Specialist Contractor for Public Works maintained by the WBDB
September 2020	Accredited with ISO 45001:2018 Occupational Health and Safety Management System Standard

Our subsidiaries

Kanic International

Kanic International was incorporated in the BVI on 5 March 2019. Such company is authorised to issue up to a maximum of 50,000 ordinary shares of a single class with a par value of US\$1 each, among which 11 shares are in issue and directly wholly-owned by our Company.

Kanic International was an investment holding company and an intermediate holding company of our Group as at the Latest Practicable Date.

A-City Workshop

A-City Workshop was incorporated in Hong Kong on 31 August 2012. As at 1 January 2018 (being the commencement date of the Track Record Period), A-City Workshop was held as to 50% by each of Mr. Ho and Mr. Sieh. On 15 March 2019, each of Mr. Ho and Mr. Sieh transferred 500 shares of A-City Workshop, in aggregate representing the entire issued share capital of A-City Workshop, to Kanic International for a consideration of HK\$26,780,000, which was determined based on the net asset value of A-City Workshop as at 31 December 2018. On 8 April 2020, A-City Workshop allotted and issued 8,599,000 shares to Kanic International for an issue price of HK\$1 per share. On 9 April 2021, A-City Workshop allotted and issued 5,300,000 shares to Kanic International for an issue price of HK\$1 per share. Such company has an issued share capital of HK\$13,900,000 divided into 13,900,000 ordinary shares, all of which are indirectly wholly-owned by our Company.

A-City Workshop commenced business in January 2013 and is mainly engaged in the business of slope works in Hong Kong.

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CORPORATE AND SHAREHOLDING STRUCTURE

The has been and will be no change in the corporate structure of our Group from the GEM Listing to the [REDACTED]. The following chart sets forth our Group's corporate and shareholding structure after completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme):

