
HISTORY, DEVELOPMENT AND REORGANISATION

OVERVIEW

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 28 April 2020. Pursuant to the Reorganisation as more particularly described in the paragraph headed “Reorganisation” in this section, our Company has become the holding company of our Group for the purpose of the [REDACTED] and holds the entire interest of four subsidiaries, namely, Wai Wai Prestige, Ying Ying, Chan Kiu and Ying Wai.

OUR BUSINESS DEVELOPMENT

We are a subcontractor specialising in wet trades works in Hong Kong. Prior to forming our Group, Mr. KS Chan and Mr. WP Chan had accumulated years of experience in the wet trades works industry in Hong Kong. In 1998, Mr. KS Chan established a sole proprietorship trading under the name of Chan Kiu Construction Decoration Engineering while Mr. WP Chan acted as its foreman, to undertake wet trades works projects. For details of Mr. KS Chan’s and Mr. WP Chan’s background and experience, please refer to the section headed “Directors and senior management” in this document.

The history of our Group can be traced back to 2005, when Mr. KS Chan and Mr. WP Chan established the first subsidiary of our Group, Ying Wai, to engage in wet trades works for public sector projects in Hong Kong. Since September 2006, the sole proprietorship trading under the name of Chan Kiu Construction Decoration Engineering had ceased to undertake new projects up to its dissolution in 2013. To further expand our business, Chan Kiu was subsequently incorporated in 2007 to focus on wet trades works for private sector projects in Hong Kong. In the same year, we commenced our business relationship with Customer Group A, our top customer during the Track Record Period. Under the leadership of Mr. KS Chan and Mr. WP Chan, our Group has expanded its business throughout the years and undertook wet trades works for different residential, commercial and institutional developments in Hong Kong, including different large-scale infrastructure projects.

In October 2006 and November 2010, Ying Wai and Chan Kiu were first admitted to the Register of Subcontractors under the Subcontractor Registration Scheme (now known as the Registered Specialist Trade Contractors Scheme) of the Construction Industry Council under the trade category of finishing wet trades, respectively.

We endeavour to enhance our management system and provide quality services to our customers. Chan Kiu was recognised as an accredited sub-contractor by the Hong Kong Professional Building Inspection Academy in relation to a wet trades works project for a private residential development at Lee Tung Street, Wan Chai under the categories of plastering and tiling in March 2016 and a wet trades works project for a private residential development in Kai Tak under the category of plastering in March 2018, and was awarded the 2016 Best Safety Sub-contractor Award (Bronze) (2016年度最佳安全分判獎(銅獎)) from Customer Group A in relation to a wet trades works project for a private residential development at Castle Peak Road, Tuen Mun in 2016. Ying Wai was awarded a commendation certificate of Good Safety

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Performance Contractor (良好安全表現承判商) from Customer Group D in relation to a wet trades works project for an institutional development in Shatin in February 2017, and was further awarded the Quality Public Housing Construction and Maintenance Awards 2017 (New Works Projects – Outstanding Contractors – Domestic Sub-contractors) in the plastering and tiling category from the Housing Authority in November 2017. In April 2018, Chan Kiu was first accredited with ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System) (currently upgraded to ISO 45001) in the provision of builders work in plastering, paving, tiling, block work/bricklaying, spray plastering, screeding and marble/granite work. In 2020, our Group ranked the first in the Hong Kong wet trades works subcontracting market in terms of revenue, and accounted for approximately 4.0% of market share in Hong Kong, according to the Industry Report.

Our key business milestones

The key milestones in our Group's development to date are set out below.

Year	Events
2005	<ul style="list-style-type: none">The first subsidiary of our Group, Ying Wai, was incorporated in Hong Kong in July 2005 to engage in wet trades works for public sector projects in Hong Kong
2006	<ul style="list-style-type: none">Ying Wai was first admitted to the Register of Subcontractors under the Subcontractor Registration Scheme (now known as the Registered Specialist Trade Contractors Scheme) of the Construction Industry Council under the trade category of finishing wet trades
2007	<ul style="list-style-type: none">Ying Wai was awarded a wet trades works project for a public housing estate in Yau Tong, with an initial contract sum of approximately HK\$12.9 millionChan Kiu was incorporated in Hong Kong in October 2007 to focus on wet trades works for private sector projects in Hong KongWe commenced our business relationship with Customer Group A for private residential developments
2010	<ul style="list-style-type: none">Chan Kiu was first admitted to the Register of Subcontractors under the Subcontractor Registration Scheme (now known as the Registered Specialist Trade Contractors Scheme) of the Construction Industry Council under the trade category of finishing wet trades

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Year	Events
2012	<ul style="list-style-type: none">• Chan Kiu was awarded a wet trades works project for The Hong Kong Polytechnic University• Chan Kiu was awarded a wet trades works project for the Central-Wan Chai Bypass
2013	<ul style="list-style-type: none">• Chan Kiu was awarded a wet trades works project for phase 1 of a public housing estate in Shatin, with an initial contract sum of approximately HK\$28.2 million, and was further awarded a wet trades works project for its phases 3 and 4 in 2014, with an initial contract sum of approximately HK\$54.3 million• Ying Wai was awarded a wet trades works project for phase 1 of a public housing estate in Cheung Sha Wan, with an initial contract sum of approximately HK\$27.7 million, and was further awarded a wet trades works project for its phase 2 in 2016, with an initial contract sum of approximately HK\$41.1 million• Chan Kiu was awarded two wet trades works projects for a private residential development at Fo Chun Road, Pak Shek Kok, Tai Po, with an aggregate initial contract sum of approximately HK\$99.0 million
2015	<ul style="list-style-type: none">• Chan Kiu was awarded a wet trades works project for a private residential development at Castle Peak Road, Tuen Mun, with an initial contract sum of approximately HK\$112.3 million
2016	<ul style="list-style-type: none">• Chan Kiu was recognised as an accredited sub-contractor in the plastering and tiling categories by the Hong Kong Professional Building Inspection Academy in relation to a wet trades works project for a private residential development at Lee Tung Street, Wan Chai• Chan Kiu was awarded a wet trades works project for a supporting facility of the Hong Kong-Zhuhai-Macao Bridge• Chan Kiu was awarded a wet trades works project for the Hong Kong Children's Hospital, with an initial contract sum of approximately HK\$95.0 million• Chan Kiu was awarded the 2016 Best Safety Sub-contractor Award (Bronze) (2016年度最佳安全分判獎(銅獎)) from Customer Group A in relation to a wet trades works project for a private residential development at Castle Peak Road, Tuen Mun

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Year	Events
2017	<ul style="list-style-type: none">• Ying Wai was awarded the Good Safety Performance Contractor Commendation Certificate (良好安全表現承判商嘉許狀) from Customer Group D in relation to a wet trades works project for an institutional development in Shatin• Ying Wai was awarded the Quality Public Housing Construction and Maintenance Award (New Works Projects – Outstanding Contractors – Domestic Sub-contractors) in the plastering and tiling category from the Housing Authority
2018	<ul style="list-style-type: none">• Chan Kiu was recognised as an Accredited Sub-contractor in the plastering category by the Hong Kong Professional Building Inspection Academy in relation to a wet trades works project for a private residential development in Kai Tak• Chan Kiu was first accredited with ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System)• Chan Kiu was awarded a wet trades works project for a private residential development at Fo Chun Road, Pak Shek Kok, Tai Po, with an initial contract sum of approximately HK\$121.9 million
2020	<ul style="list-style-type: none">• Ying Wai was awarded two wet trades works projects for a commercial development at Hong Kong International Airport, with an aggregate initial contract sum of approximately HK\$219.0 million
2021	<ul style="list-style-type: none">• Chan Kiu was recognised as an Accredited Sub-contractor in the plastering category by the Hong Kong Professional Building Inspection Academy in relation to a wet trades works project for a private residential development in Tuen Mun and Yuen Long respectively
2022	<ul style="list-style-type: none">• Chan Kiu was awarded four wet trades works projects for community isolation and treatment facilities at Kai Tak Cruise Terminal, Yuen Long and San Tin

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OUR CORPORATE DEVELOPMENT

The following is a brief corporate history of the establishment and major changes in shareholdings of our Group's subsidiaries:

Wai Wai Prestige

Wai Wai Prestige was incorporated in BVI with limited liability on 8 May 2020. It is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1 per share. It is an investment holding company.

On the date of its incorporation, Wai Wai Prestige allotted and issued 100 shares with a par value of US\$1 each as fully paid to our Company, and all the issued shares of Wai Wai Prestige became wholly-owned by our Company.

Ying Ying

Ying Ying was incorporated in BVI with limited liability on 8 May 2020. It is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1 per share. It is an investment holding company.

On the date of its incorporation, Ying Ying allotted and issued 100 shares with a par value of US\$1 each as fully paid to our Company, and all the issued shares of Ying Ying became wholly-owned by our Company.

Ying Wai

Ying Wai was incorporated in Hong Kong with limited liability on 30 July 2005. It engages in the provision of wet trades works in Hong Kong.

On the date of its incorporation, Ying Wai allotted and issued eight subscriber shares and two subscriber shares of HK\$1 each as fully paid to Mr. KS Chan and Mr. WP Chan, respectively, and the issued share capital of Ying Wai became owned as to 80% and 20% by Mr. KS Chan and Mr. WP Chan, respectively.

As part of the Reorganisation, Ying Wai became a wholly-owned subsidiary of Ying Ying.

Chan Kiu

Chan Kiu was incorporated in Hong Kong with limited liability on 18 October 2007. It engages in the provision of wet trades works in Hong Kong.

On the date of its incorporation, Chan Kiu allotted and issued eight subscriber shares and two subscriber shares of HK\$1 each as fully paid to Mr. KS Chan and Mr. WP Chan,

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respectively, and the issued share capital of Chan Kiu became owned as to 80% and 20% by Mr. KS Chan and Mr. WP Chan, respectively.

As part of the Reorganisation, Chan Kiu became a wholly-owned subsidiary of Wai Wai Prestige.

REORGANISATION

Our Group underwent the Reorganisation in preparation for the [REDACTED], which involved the following steps:

Incorporation of Evolve Billion

On 21 April 2020, Evolve Billion was incorporated in BVI with limited liability. It is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1 per share.

On the date of its incorporation, Evolve Billion allotted and issued 80 shares and 20 shares with a par value of US\$1 each as fully paid to Mr. KS Chan and Mr. WP Chan, respectively, and all the issued shares of Evolve Billion was owned as to 80% by Mr. KS Chan and 20% by Mr. WP Chan, respectively.

Incorporation of our Company and redenomination of the authorised and issued share capital of our Company from US\$1 to HK\$0.01

On 28 April 2020, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. As at the date of its incorporation, it has an authorised share capital of US\$50,000 divided into 50,000 ordinary shares with a par value of US\$1 per share.

On the date of its incorporation, our Company allotted and issued one subscriber share with a par value of US\$1 as fully paid to a nominee subscriber. On the same date, the nominee subscriber as transferor executed an instrument of transfer in favour of Evolve Billion as transferee, pursuant to which the nominee subscriber transferred the one subscriber share with a par value of US\$1, representing the entire issued share capital of our Company, to Evolve Billion for a consideration of US\$1. Such transaction was properly and legally completed and settled.

Upon completion of the above transaction, on the same date, our Company further allotted and issued 49,999 ordinary shares with a par value of US\$1 each as fully paid to Evolve Billion. Evolve Billion then held 50,000 ordinary shares with a par value of US\$1 each (the “**USD-denominated Shares**”), representing the entire issued share capital of our Company.

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On 24 September 2020, the authorised share capital of our Company was increased from US\$50,000 divided into 50,000 ordinary shares with a par value of US\$1 each to the aggregate of (i) US\$50,000 divided into 50,000 ordinary shares with a par value of US\$1 each and (ii) HK\$500,000 by the creation of 50,000,000 new Shares. Our Company allotted and issued 39,000,000 new Shares as fully paid to Evolve Billion. At the same time, our Company repurchased the USD-denominated Shares at a consideration of US\$50,000 and the USD-denominated Shares were cancelled upon repurchase. Immediately following such repurchase, our Company cancelled the 50,000 authorised but unissued shares with a par value of US\$1 each in the share capital of our Company.

After the redenomination of authorised and issued share capital, the entire issued share capital of our Company remained wholly-owned by Evolve Billion.

Incorporation of Wai Wai Prestige and Ying Ying

On 8 May 2020, Wai Wai Prestige and Ying Ying were incorporated in BVI with limited liability, respectively. Each of Wai Wai Prestige and Ying Ying is authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1 per share.

On the date of their respective incorporations, each of Wai Wai Prestige and Ying Ying allotted and issued 100 shares with a par value of US\$1 each as fully paid to our Company, and all the issued shares of each of Wai Wai Prestige and Ying Ying became wholly-owned by our Company.

Acquisition of Chan Kiu and Ying Wai by Wai Wai Prestige and Ying Ying respectively from Mr. KS Chan and Mr. WP Chan

Immediately before the Reorganisation:

- (i) Mr. KS Chan and Mr. WP Chan legally and beneficially owned eight ordinary shares and two ordinary shares in Chan Kiu, respectively, representing 80% and 20% of the entire issued share capital of Chan Kiu, respectively; and
- (ii) Mr. KS Chan and Mr. WP Chan legally and beneficially owned eight ordinary shares and two ordinary shares in Ying Wai, respectively, representing 80% and 20% of the entire issued share capital of Ying Wai, respectively.

On 17 November 2020, Mr. KS Chan, Mr. WP Chan, Wai Wai Prestige, Ying Ying and our Company entered into a reorganisation agreement, pursuant to which:

- (i) Wai Wai Prestige acquired eight ordinary shares and two ordinary shares in Chan Kiu from Mr. KS Chan and Mr. WP Chan, respectively, representing 80% and 20% of the entire issued share capital of Chan Kiu, respectively. In consideration

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of the acquisition, Wai Wai Prestige allotted and issued 900 shares of US\$1 each in Wai Wai Prestige, credited as fully paid, to our Company at the direction of Mr. KS Chan and Mr. WP Chan; and

- (ii) Ying Ying acquired eight ordinary shares and two ordinary shares in Ying Wai from Mr. KS Chan and Mr. WP Chan, respectively, representing 80% and 20% of the entire issued share capital of Ying Wai, respectively. In consideration of the acquisition, Ying Ying allotted and issued 900 shares of US\$1 each in Ying Ying, credited as fully paid, to our Company at the direction of Mr. KS Chan and Mr. WP Chan.

Upon completion of the above transactions, Chan Kiu became a wholly-owned subsidiary of Wai Wai Prestige and Ying Wai became a wholly-owned subsidiary of Ying Ying.

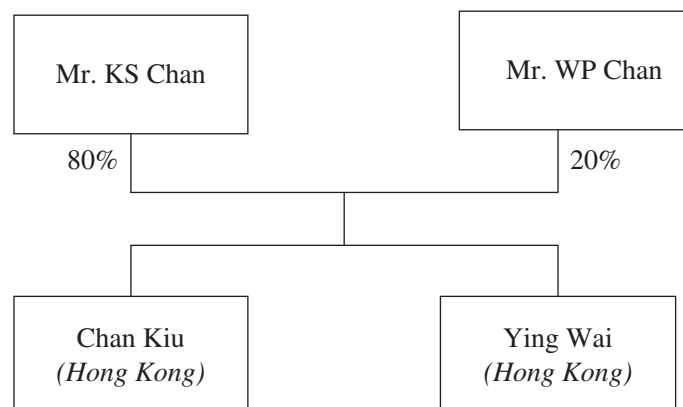
ACTING IN CONCERT UNDERTAKING

Pursuant to the Acting in Concert Undertaking, Mr. KS Chan and Mr. WP Chan confirmed that they have been acting in concert in respect of all corporate matters relating to the operations of our Group since the date of incorporation of Ying Wai and undertake to continue to be acting in concert from the date of the Acting in Concert Undertaking and during the period they (by themselves or together with their associates) remain in control of our Group.

By virtue of the Acting in Concert Undertaking, Mr. KS Chan and Mr. WP Chan will together be entitled to exercise and control approximately [REDACTED] of the entire issued share capital of our Company upon the completion of the [REDACTED] and the [REDACTED] (without taking into account any Share that may be allotted and issued upon the exercise of the [REDACTED] or any option which may be granted under the Share Option Scheme).

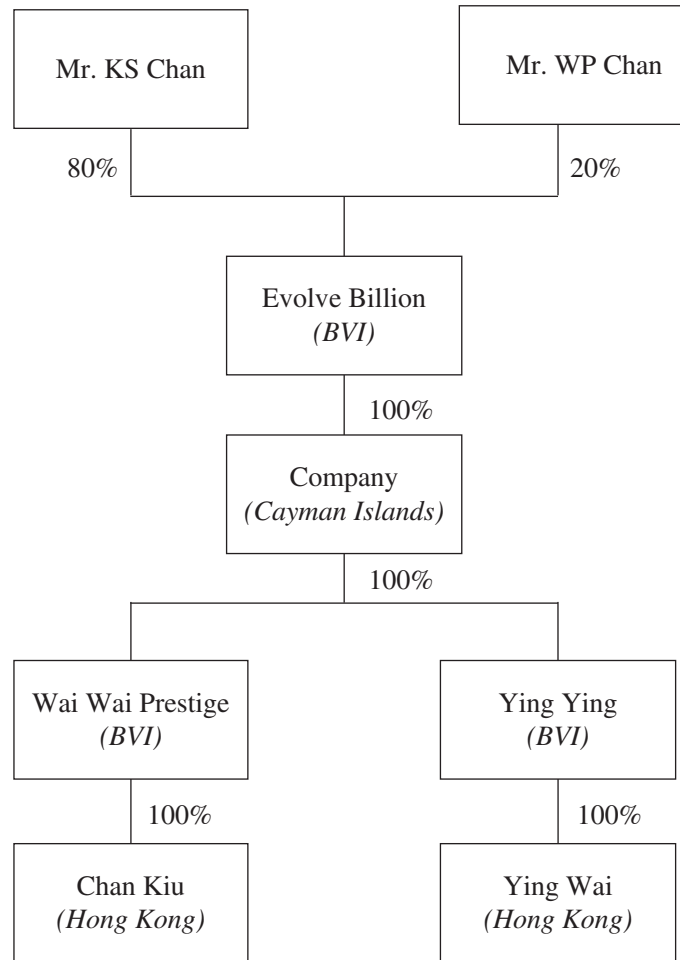
CORPORATE STRUCTURE

The following chart sets forth our Group's shareholding and corporate structure immediately before the Reorganisation:



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



[REDACTED]

Conditional upon the crediting of our Company's share premium account as a result of the issue of the [REDACTED] pursuant to the [REDACTED], our Directors are authorised to capitalise an amount of HK\$[REDACTED] standing to the credit of the share premium account of our Company by applying such sum towards to pay up in full at par a total of [REDACTED] Shares for allotment and issue, immediately prior to the [REDACTED], to Evolve Billion so that the number of Shares so allotted and issued, when aggregated with the number of Shares already owned by it, will constitute [REDACTED] of the issued share capital of our Company (without taking into account any Share that may be allotted and issued upon the exercise of the [REDACTED] or any option which may be granted under the Share Option Scheme).

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

