
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

BUSINESS DEVELOPMENT

The history of our Group dates back to 2003 when EC Infotech was established. Our Group has been providing ELV solutions support to our customers in Hong Kong.

Major milestones

Set out below is a summary of the major milestones of the development of our Group's business:

Year	Development Milestone
2003	Commenced business in the provision of ELV solutions to our customers in Hong Kong
2005	Approved as one of Optopus authorised contractors for access control system company
2007	Approved as one of Octopus authorised contractors for club house company
2008	Obtained a Satellite Master Antenna Television Licence from the Office of the Communications Authority Approved as one of Octopus authorised car park contractor Company
2011	Awarded ISO 9001:2008 certification by Accredited Certification International Limited for the supply and installation of smart card and CCTV system
2014	Awarded "Hong Kong Most Valuable Companies Awards 2014" by Mediazone Publishing Awarded ISO 14001:2004 certification by Accredited Certification International Limited for the supply and installation of smart card and CCTV system

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Year	Development Milestone
2015	Awarded “Most Valuable Services Awards in Hong Kong 2015” by Mediazone Publishing
2016	Awarded “Outstanding Social Caring Organisation Award” by Social Caring Organisation
	Awarded “Model Subcontractor Award – Silver Award” in the 22nd Considerate Contractors Site Award Scheme jointly organised by Development Bureau and Construction Industry Council
	Awarded “Most Valuable Companies in Hong Kong 2016” by Mediazone Publishing
	Awarded “Hong Kong Famous Brands Award 2016” by Asia Brand Development Association

CORPORATE DEVELOPMENT

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 October 2016. Pursuant to the Reorganisation as more particularly described in the paragraph headed “Reorganisation” under this section, our Company has become the holding company of our Group for the purpose of the Listing. As at the Latest Practicable Date, our Group comprises:

- (i) our Company;
- (ii) ECI International; and
- (iii) EC Infotech.

Our Company

As part of the Reorganisation, our Company was incorporated in the Cayman Islands with limited liability on 3 October 2016.

The initial authorised share capital of our Company was HK\$380,000 divided into 38,000,000 Shares of par value HK\$0.01 each and initially one Share was allotted and issued at par to an Independent Third Party as the initial subscriber and was subsequently transferred to ECI Asia on the same day.

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On 17 February 2017, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$38,000,000 divided into 3,800,000,000 Shares of par value of HK\$0.01 each by the creation of an additional 3,762,000,000 new Shares, ranking pari passu in all respects with the Shares issued on 17 February 2017.

Upon completion of the Reorganisation, our Company became the holding company of our Group. The principal business activity of the Company is investment holding.

ECI INTERNATIONAL

As part of the Reorganisation, ECI International was incorporated in the BVI with liability limited by shares on 4 October 2016. It is authorised to issue a maximum of 50,000 shares of a single class with no par value. Initially, one ordinary share was allotted and issued at the subscription price of US\$1.0 to our Company on the date of incorporation.

ECI International is principally engaged in investment holding.

EC INFOTECH

EC Infotech (formerly known as Gold Loyal International Enterprise Limited 金鴻國際企業有限公司) was incorporated in Hong Kong with limited liability on 17 March 2003. It was authorised to issue 10,000 shares of HK\$1.00 each. Two initial subscribers, being Independent Third Parties, were each allotted and issued one share on the date of incorporation.

On 25 August 2003, EC Systems Limited (“**EC Systems**”) and Planetcom Technology Limited (“**Planetcom**”), each acquired one share in EC Infotech from the initial subscribers at a consideration of HK\$1.00 per share. EC Systems was owned as to 99% by Dr. Ng and 1% by his wife, Ms. Wong Tsz Man on trust for Dr. Ng. Planetcom Technology Limited was owned by Independent Third Parties.

On 3 October 2003, EC Infotech allotted and issued 489 shares to EC Systems and 495 shares to Planetcom for a consideration of HK\$1.00 per share. Upon completion of the above share allotment, EC Systems and Planetcom owned 490 shares and 496 shares in EC Infotech, respectively, representing 49.70% and 50.30% of the issued share capital of EC Infotech.

On 6 October 2003, EC Infotech allotted and issued 5 shares to Gold Bright Management Limited (“**Gold Bright**”) for a consideration of HK\$500,000, the 5 shares was held by Gold Bright on trust for Planetcom pursuant to a declaration of trust dated 9 October 2003 executed by Gold Bright. Gold Bright was owned by Independent Third Parties. Upon completion of the above share allotment, EC Systems, Planetcom and Gold Bright (on trust for Planetcom) held 490 shares, 496 shares and 5 shares in EC Infotech, respectively, representing 49.45%, 50.05% and 0.50% of the issued share capital of EC Infotech.

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On 5 July 2005, Planetcom transferred 496 shares to Top Express Holding Company Limited (“**Top Express**”) for a consideration of HK\$1.0 per share. Top Express was owned by Independent Third Parties. Gold Bright also declared on the same date that the 5 shares in its name were held on trust for Top Express. Gold Bright was a fellow subsidiary of Top Express. Upon completion of the above share transfer, EC Systems, Top Express and Gold Bright (on trust for Top Express) held 490 shares, 496 shares and 5 shares in EC Infotech, respectively, representing 49.45%, 50.05% and 0.50% of the issued share capital of EC Infotech.

On 19 July 2006, Dr. Ng acquired a total of 501 shares from Top Express for a total consideration of HK\$500,000, of which 496 shares were legally and beneficially held by Top Express and 5 shares were held by Gold Bright on trust for Top Express, respectively. The 501 shares represented 50.55% of the entire issued share capital of EC Infotech. The above transfers were properly and legally completed and fully settled on 19 July 2006. The remaining 49.45% issued share capital of EC Infotech was held by EC Systems.

On 25 February 2008, EC Systems transferred 490 shares to Dr. Ng for the consideration of HK\$1.0 per share. Upon completion of the above transfer, Dr. Ng became the sole shareholder of EC Infotech.

On 13 August 2012, EC Infotech allotted and issued 800 shares to Dr. Ng for the consideration of HK\$800.

On 10 May 2013, EC Infotech allotted and issued 1,000,000 shares to Dr. Ng for the consideration of HK\$1,000,000.

On 9 February 2017, as part of our Reorganisation, Dr. Ng transferred 1,001,791 Shares of EC Infotech to ECI International, being the entire issued share capital in EC Infotech. The consideration of the transfer was HK\$15,000,000, which was settled by our Company allotting and issuing 1 Share, credited as fully paid, to ECI Asia, and the one nil-paid share held by ECI Asia was credited as fully paid at par.

Upon completion of the Reorganisation, EC Infotech became a direct wholly-owned subsidiary of ECI International, details of which are set out in the paragraph headed “Reorganisation” in this section.

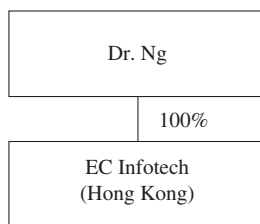
EC Infotech provides ELV solutions and general I.T. and software support to our customers in Hong Kong.

REORGANISATION

We underwent the Reorganisation in preparation for the Listing pursuant to which our Company became the holding company of our Group.

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



The Reorganisation involves the following steps:

Incorporation of ECI Asia

ECI Asia was incorporated on 26 August 2016 in the BVI to act as the investment vehicle of Dr. Ng. ECI Asia is authorised to issue up to a maximum of 50,000 shares of a single class with no par value and one (1) share was allotted and issued to Dr. Ng on 5 September 2016 at the subscription price of US\$1.0. Upon completion of the above allotment, Dr. Ng became the sole shareholder of ECI Asia.

Incorporation of our Company

In preparation for the Listing, our Company was incorporated in the Cayman Islands on 3 October 2016 as an exempted company with limited liability. The initial authorised share capital of our Company was HK\$380,000 which was divided into 38,000,000 shares of HK\$0.01 each. On the date of incorporation, one Share was initially allotted and issued in nil-paid form at par to an Independent Third Party as the initial subscriber which was subsequently transferred to ECI Asia on the same day. Upon completion of the above transfer, ECI Asia became the sole shareholder of our Company.

On 31 October 2016, our Company was registered under Part 16 of the Companies Ordinance as a non-Hong Kong company.

Incorporation of ECI International

ECI International was incorporated on 4 October 2016 in the BVI to act as an intermediary holding company of our Group. ECI International is authorised to issue up to a maximum of 50,000 shares of a single class with no par value and one share of which was allotted and issued to our Company at the subscription price of US\$1.0 on the date of incorporation. Upon completion of the above allotment, ECI International became a wholly-owned subsidiary of our Company.

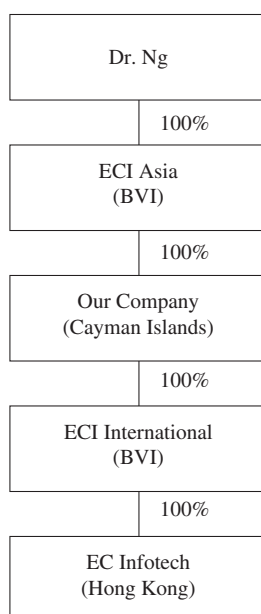
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Acquisition of EC Infotech

Pursuant to the Share Swap Agreement, Dr. Ng agreed to sell, and ECI International agreed to purchase, 1,001,791 shares of EC Infotech, being the entire issued share capital in EC Infotech. The consideration of the acquisition was settled by our Company allotting and issuing 1 Share, credited as fully paid, to ECI Asia, and the one nil-paid Share held by ECI Asia was credited as fully paid at par.

Upon completion of the above transfer, EC Infotech became a wholly-owned subsidiary of our Group.

The following is the shareholding structure immediately after completion of the Reorganisation:



Increase in the authorised capital of our Company

On 17 February 2017, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$38,000,000 divided into 3,800,000,000 Shares of par value of HK\$0.01 each by the creation of an additional 3,762,000,000 new Shares, ranking pari passu in all respects with the Shares in issue on 17 February 2017.

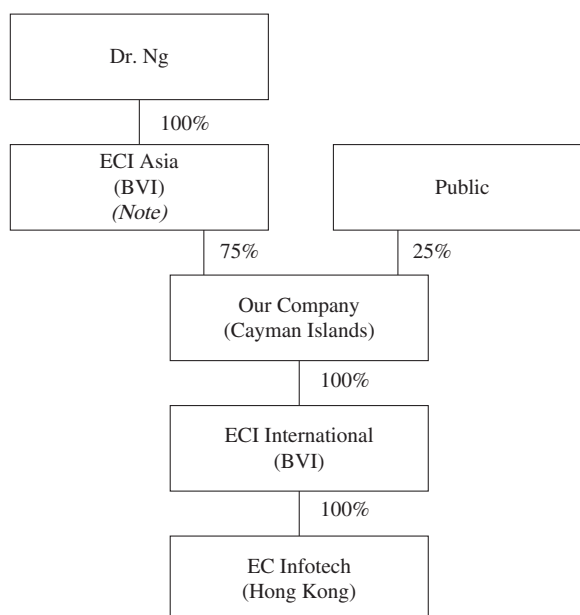
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Capitalisation Issue

Conditional upon the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the Share Offer, our Directors will be authorised to capitalise the sum of approximately HK\$12,999,999.98 standing to the credit of the share premium account of our Company by applying such sum towards the paying up in full at par a total of 1,299,999,998 Shares for the allotment and issue to the then shareholder of our Company recorded on the register of members or principal share register of our Company as at 17 February 2017, being ECI Asia.

CORPORATE STRUCTURE

The following chart sets out the corporate structure of our Group immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account the Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme):



Note:

Pursuant to the Share Offer, ECI Asia offers 100,000,000 Sales Shares for purchase under the Placing, and, immediately following completion of the Share Offer and Capitalisation Issue, will directly hold 75% of the total issued share capital of our Company (without taking into account any Shares which may be issued upon the exercise of share options which may be granted under the Share Option Scheme). Assuming an Offer Price of HK\$0.15 (being the mid-point of the indicative Offer Price range), ECI Asia will receive an estimated net proceeds of approximately HK\$10.5 million from the Placing after deducting the portion of the Listing expenses to be borne by it.