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**DIT GROUP LIMITED**

**築友智造科技集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 726)**

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
PATENT LICENCE AGREEMENT I AND  
PATENT LICENCE AGREEMENT II**

**THE PATENT LICENCE AGREEMENT I**

The Board is pleased to announce that on 29 June 2022 (after trading hours), Drawin Investment (an indirect wholly-owned subsidiary of the Company), as licensor, entered into the Patent Licence Agreement I with Henan Drawin Labour, as licensee, for the grant of the right to use the Licensed Patents I in Henan Province, the PRC by Drawin Investment to Henan Drawin Labour for the period commencing from 29 June 2022 to 28 June 2025.

**THE PATENT LICENCE AGREEMENT II**

The Board is pleased to announce that on 29 June 2022 (after trading hours), Drawin Investment, as licensor, entered into the Patent Licence Agreement II with Drawin Construction Design, as licensee, for the grant of the right to use the Licensed Patents II in Hunan Province, the PRC by Drawin Investment to Drawin Construction Design for the period commencing from 29 June 2022 to 28 June 2025.

## **IMPLICATIONS UNDER THE LISTING RULES**

Henan Drawin Labour and Drawin Construction Design are both wholly-owned subsidiaries of Drawin Manufacture. As at the date of this announcement, Drawin Manufacture indirectly held approximately 57.36% of the total issued Shares, thus an indirect controlling shareholder of the Company. Drawin Manufacture is also indirectly wholly-owned by Mr. Wu Po Sum, who is the father of Ms. Wu Wallis (alias Li Hua) (a non-executive Director). Therefore, each of Henan Drawin Labour and Drawin Construction Design is a connected person of the Company under the Listing Rules. The transactions contemplated under each of the Patent Licence Agreement I and the Patent Licence Agreement II therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II are both in relation to the grant of the right to use certain patents on prefabricated construction technologies by the Group which are of similar nature, and Henan Drawin Labour and Drawin Construction Design are both wholly-owned subsidiaries of Drawin Manufacture, therefore, the transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II require aggregation under Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the continuing connected transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II in aggregate is more than 0.1% but less than 5%, the contemplated transactions under the Patent Licence Agreement I and the Patent Licence Agreement II are only subject to the annual review, reporting and announcement requirements and are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As stated in the announcement of the Company dated 26 November 2021, Drawin Investment, as licensor, entered into the Previous Patent Licence Agreement with Drawin Construction Technology, as licensee, for the grant of the right to use certain licensed patents by Drawin Investment to Drawin Construction Technology. The continuing connected transactions under the Previous Patent Licence Agreement constituted connected transactions of the Company under Chapter 14A of the Listing Rules and were subject to the annual review, reporting and announcement requirements and were exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Drawin Construction Technology, Henan Drawin Labour and Drawin Construction Design are all wholly-owned subsidiaries of Drawin Manufacture, and the Previous Patent Licence Agreement, the Patent Licence Agreement I and the Patent Licence Agreement II were all entered into within a 12-month period and are of similar nature. The highest applicable percentage ratio in respect of the continuing connected transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II in aggregate, if aggregated with the continuing connected transactions under the Previous Patent Licence Agreement, remains more than 0.1% but less than 5%; therefore, the continuing connected transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II remain subject to the annual review, reporting and announcement requirements and are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 29 June 2022 (after trading hours):

- (i) Drawin Investment, as licensor, entered into the Patent Licence Agreement I with Henan Drawin Labour, as licensee, for the grant of the right to use the Licensed Patents I in Henan Province, the PRC by Drawin Investment to Henan Drawin Labour for the period commencing from 29 June 2022 to 28 June 2025; and
- (ii) Drawin Investment, as licensor, entered into the Patent Licence Agreement II with Drawin Construction Design, as licensee, for the grant of the right to use the Licensed Patents II in Hunan Province, the PRC by Drawin Investment to Drawin Construction Design for the period commencing from 29 June 2022 to 28 June 2025.

## **THE PATENT LICENCE AGREEMENT I**

**Date:** 29 June 2022 (after trading hours)

**Parties:**

- (1) Drawin Investment (as licensor)
- (2) Henan Drawin Labour (as licensee)

**Subject matter:** Pursuant to the Patent Licence Agreement I, Drawin Investment agreed to grant Henan Drawin Labour a non-exclusive, non-transferable and non-sub-licensable right to use the Licensed Patents I in Henan Province, the PRC.

**Licensed Patents I:**

The Licensed Patents I are patents on prefabricated construction technologies (including but not limited to technology on urban multi-storey and high-rise prefabricated buildings and prefabricated urban underground utility tunnels, excluding villa products), detailed particulars of which are set out in list of the Licensed Patents I under the Patent Licence Agreement I.

Drawin Investment has applied the Licensed Patents I in the products manufactured by some of its manufacturing plants in operation, and the manufactured products are widely recognized by its customers on the market.

Drawin Investment has licensed the Licensed Patents I to other relevant companies.

**Term:**

For the period commencing from 29 June 2022 to 28 June 2025.

**Consideration, proposed  
annual cap and payment:**

The licence fee payable by Henan Drawin Labour to Drawin Investment for the right of use of Licensed Patents I is RMB15,000,000 (equivalent to approximately HK\$17,556,000).

Henan Drawin Labour shall pay the licence fee under the Patent Licence Agreement I in three instalments:

- (i) RMB3,000,000 (being 20% of the total consideration) shall be paid within one month after the technical training;
- (ii) RMB4,500,000 (being 30% of the total consideration) shall be paid within six months after the signing of the Patent Licence Agreement I; and
- (iii) RMB7,500,000 (being the remaining balance of the total consideration) shall be paid within one year after the signing of the Patent Licence Agreement I.

It is expected that the proposed annual cap in respect of the license fee under the Patent Licence Agreement I for the term of the Patent Licence Agreement I are set out as follows:



**Licensed Patents II:**

The Licensed Patents II are patents on prefabricated construction technologies (including but not limited to technology on urban multi-storey and high-rise prefabricated buildings and prefabricated urban underground utility tunnels, excluding villa products), detailed particulars of which are set out in list of the Licensed Patents II under the Patent Licence Agreement II.

Drawin Investment has applied the Licensed Patents II in the products manufactured by some of its manufacturing plants in operation, and the manufactured products are widely recognized by its customers on the market.

Drawin Investment has licensed the Licensed Patents II to other relevant companies.

**Term:**

For the period commencing from 29 June 2022 to 28 June 2025.

**Consideration, proposed  
annual cap and payment:**

The licence fee payable by Drawin Construction Design to Drawin Investment for the right of use of Licensed Patents II is RMB15,000,000 (equivalent to approximately HK\$17,556,000).

Drawin Construction Design shall pay the licence fee under the Patent Licence Agreement II in three instalments:

- (i) RMB3,000,000 (being 20% of the total consideration) shall be paid within one month after the technical training;
- (ii) RMB4,500,000 (being 30% of the total consideration) shall be paid within six months after the signing of the Patent Licence Agreement II; and
- (iii) RMB7,500,000 (being the remaining balance of the total consideration) shall be paid within one year after the signing of the Patent Licence Agreement II.



The grant of the right to use some of the patents on the installation of prefabricated construction components (including the Licensed Patents I and the Licensed Patents II) by the Group to its customers (including Henan Drawin Labour and Drawin Construction Design) will not affect the Group's core competitiveness and will maximize the value of the Group's patents on the installation of prefabricated construction components by realizing them. By leveraging its research and development and technical expertise in prefabricated building construction technology, the Group will also have an additional source of income.

The Board (including all independent non-executive Directors) is of the view that:

- (a) the terms and conditions of each of the Patent Licence Agreement I and the Patent Licence Agreement II are on normal commercial terms which are fair and reasonable;
- (b) the proposed annual cap in respect of the license fee under each of the Patent Licence Agreement I and the Patent Licence Agreement II is fair and reasonable; and
- (c) the Patent Licence Agreement I, the Patent Licence Agreement II and the transactions contemplated thereunder were entered into and will be conducted in the ordinary and usual course of business of the Company and its subsidiaries, and are in the interest of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge and belief after having made all reasonable enquiries, other than Ms. Wu Wallis (alias Li Hua) (a non-executive Director) who is the daughter of Mr. Wu Po Sum (who indirectly holds the entire equity interests in Drawin Manufacture), none of the Directors has a material interest in the Patent Licence Agreement I, the Patent Licence Agreement II and the transactions contemplated thereunder. Other than Ms. Wu Wallis (alias Li Hua) who had abstained from voting on the relevant Board resolutions approving the Patent Licence Agreement I, the Patent Licence Agreement II and the transactions contemplated thereunder for good corporate governance purpose, none of the other Directors was required to abstain from voting on the relevant Board resolutions.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company was incorporated as an exempted company with limited liability in Bermuda, the Shares of which are listed on the Stock Exchange. It is an investment holding company with subsidiaries principally engaged in the prefabricated construction work, decoration and landscaping services, granting licenses, consulting services and sales of equipment in the PRC.



## **Drawin Investment**

Drawin Investment is a company established under the laws of the PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company. The principal business of Drawin Investment includes construction industrialization.

## **Drawin Construction Design**

Drawin Construction Design is a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of Drawin Manufacture. The principal business of Drawin Construction Design includes real property design and decoration and product design.

## **Henan Drawin Labour**

Henan Drawin Labour is a company established under the laws of the PRC with limited liability and is a direct wholly-owned subsidiary of Drawin Manufacture. The principal business of Henan Drawin Labour is provision of construction labour subcontracting services.

## **Drawin Manufacture**

Drawin Manufacture is a company established under the laws of the PRC with limited liability. As at the date of this announcement, Drawin Manufacture indirectly held approximately 57.36% of the total issued Shares, thus an indirect controlling shareholder of the Company. Drawin Manufacture is also indirectly wholly-owned by Mr. Wu Po Sum, who is the father of Ms. Wu Wallis (alias Li Hua) (a non-executive Director). Drawin Manufacture is an investment holding company. Apart from holding equity interests in the Company, Drawin Manufacture, through its PRC subsidiaries, is principally engaged in general consultation and design of prefabricated construction business in the PRC.

## **IMPLICATIONS UNDER THE LISTING RULES**

Henan Drawin Labour and Drawin Construction Design are both wholly-owned subsidiaries of Drawin Manufacture. As at the date of this announcement, Drawin Manufacture indirectly held approximately 57.36% of the total issued Shares, thus an indirect controlling shareholder of the Company. Drawin Manufacture is also indirectly wholly-owned by Mr. Wu Po Sum, who is the father of Ms. Wu Wallis (alias Li Hua) (a non-executive Director). Therefore, each of Henan Drawin Labour and Drawin Construction Design is a connected person of the Company under the Listing Rules. The transactions contemplated under each of the Patent Licence Agreement I and the Patent Licence Agreement II therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II are both in relation to the grant of the right to use certain patents on prefabricated construction technologies by the Group which are of similar nature, and Henan Drawin Labour and Drawin Construction Design are both wholly-owned subsidiaries of Drawin Manufacture, therefore, the transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II require aggregation under Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the continuing connected transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II in aggregate is more than 0.1% but less than 5%, the contemplated transactions under the Patent Licence Agreement I and the Patent Licence Agreement II are only subject to the annual review, reporting and announcement requirements and are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As stated in the announcement of the Company dated 26 November 2021, Drawin Investment, as licensor, entered into the Previous Patent Licence Agreement with Drawin Construction Technology, as licensee, for the grant of the right to use certain licensed patents by Drawin Investment to Drawin Construction Technology. The continuing connected transactions under the Previous Patent Licence Agreement constituted connected transactions of the Company under Chapter 14A of the Listing Rules and were subject to the annual review, reporting and announcement requirements and were exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Drawin Construction Technology, Henan Drawin Labour and Drawin Construction Design are all wholly-owned subsidiaries of Drawin Manufacture, and the Previous Patent Licence Agreement, the Patent Licence Agreement I and the Patent Licence Agreement II were all entered into within a 12-month period and are of similar nature. The highest applicable percentage ratio in respect of the continuing connected transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II in aggregate, if aggregated with the continuing connected transactions under the Previous Patent Licence Agreement, remains more than 0.1% but less than 5%; therefore, the continuing connected transactions contemplated under the Patent Licence Agreement I and the Patent Licence Agreement II remain subject to the annual review, reporting and announcement requirements and are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as set forth below:

“Board”	the board of Directors
“Company”	DIT Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Drawin Construction Design”	Drawin Intelligent Construction Design Co., Ltd.* (築友智造建築設計有限公司) (formerly known as China Minsheng Drawin Construction Design Co., Ltd.* (中民築友建築設計有限公司)), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Drawin Manufacture
“Drawin Construction Technology”	Drawin Intelligent Construction Technology Group Co., Ltd.* (築友智造建設科技集團有限公司) (formerly known as China Minsheng Drawin Construction Technology Group Co., Ltd.* (中民築友建設科技集團有限公司)), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of Drawin Manufacture
“Drawin Investment”	Drawin Intelligent Manufacture Technology Investment Limited* (築友智造科技投資有限公司) (formerly known as China Minsheng Drawin Technology Investment Limited* (中民築友科技投資有限公司)), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Drawin Manufacture”	Drawin Intelligent Manufacture Technology Industry Group Limited* (築友智造科技產業集團有限公司) (formerly known as China Minsheng Drawin Technology Industry Limited* (中民築友科技產業有限公司)), a company established under the laws of the PRC with limited liability and an indirect controlling shareholder of the Company

“Group”	the Company and its subsidiaries from time to time
“Henan Drawin Labour”	Henan Drawin Labour Center Construction Development Co., Ltd.* (河南築友工匠大本營建設發展有限公司) (formerly known as Henan Drawin Construction Labour Co., Ltd.* (河南築友建築勞務有限公司)), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of Drawin Manufacture
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Licensed Patents I”	the patents of Drawin Investment provided in the Patent License Agreement I that are licensed to Henan Drawin Labour under and pursuant to the Patent Licence Agreement I
“Licensed Patents II”	the patents of Drawin Investment provided in the Patent License Agreement II that are licensed to Drawin Construction Design under and pursuant to the Patent Licence Agreement II
“Patent Licence Agreement I”	the patent licence agreement dated 29 June 2022 entered into between Drawin Investment (as licensor) and Henan Drawin Labour (as licensee) in relation to the grant of right by Drawin Investment to Henan Drawin Labour to use the Licensed Patents I
“Patent Licence Agreement II”	the patent licence agreement dated 29 June 2022 entered into between Drawin Investment (as licensor) and Drawin Construction Design (as licensee) in relation to the grant of right by Drawin Investment to Drawin Construction Design to use the Licensed Patents II
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Previous Patent Licence Agreement”	the patent licence agreement dated 26 November 2021 entered into between Drawin Investment (as licensor) and Drawin Construction Technology (as licensee) in relation to the grant of right by Drawin Investment to Drawin Construction Technology to use certain licensed patents
“Share(s)”	the ordinary share(s) of par value HK\$0.40 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1 = HK\$0.85443. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.*

By order of the Board of  
**DIT Group Limited**  
**Liu Weixing**  
*Chairman and Executive Director*

Hong Kong, 29 June 2022

*As at the date of this announcement, the Board comprises Mr. Liu Weixing (Chairman), Mr. Guo Weiqiang and Ms. Wang Jing as executive Directors; Ms. Wu Wallis (alias Li Hua), Mr. Wang Jun and Mr. Guo Jianfeng as non-executive Directors; Mr. Jiang Hongqing, Mr. Lee Chi Ming and Mr. Ma Lishan as independent non-executive Directors.*

\* *For identification purpose only*