



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah, The Most Gracious, The Most Merciful

14 November 2023 | 1 Jmd. I 1445 AH

SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF SHANXI INSTALLATION GROUP (2520)

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: Shanxi Installation Group
- Stock Code: 2520
- IPO: Global Offering
- Exchange: Hong Kong Exchange
- Financial Statement Year Ended: 2022

We have conducted a comprehensive Shariah Screening of Shanxi Installation Group to determine the Shariah Status of its IPO. Due to the absence of a localized Shariah Screening Methodology in the region, we have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of Shanxi Installation Group (2520) are in compliance with **Shariah**.

Details of our assessment can be reviewed in **Appendix I**.

والله أعلم

Issued by,
Sharlife Sdn. Bhd.

A handwritten signature in black ink, appearing to read "Arham Merican", is written over a horizontal line.

Ustaz Arham Merican
Shariah Officer

Business Activity Benchmark Assessment

The contribution of Shariah non-compliant (SNC) activities to the Group revenue/profit before taxation of the company will be computed and compared against the relevant business activity benchmarks.

Shanxi Installation Group is a construction service provider based in Taiyuan, a city in Shanxi Province, China. They are engaged mainly in specialized industrial construction, specialized auxiliary construction, other construction and non-construction business.

Operating Revenue

Segment	Segment Revenue (RMB in thousand)	SNC Revenue	% SNC	Classification	Results
Specialized industrial construction	7,591,132	0	0.00%	Provision of contracting services covering power, petrochemical, electromechanical installation, metallurgical, and others.	Passed
Specialized auxiliary construction	2,091,063	0	0.00%	Provision of contracting services covering standardized workshops, urban heating supporting works, agricultural, urban roads and bridges, water supply, drainage engineering, etc.	Passed
Other construction	1,896,597	0	0.00%	Provision of construction service covering residential, office and commercial buildings, science, education, culture and other types of project.	Passed
TOTAL	11,578,792	0	0.00%	Construction Service Provider	Passed

Non-Operating Revenue

Segment	Segment Revenue (RMB in thousand)	SNC Revenue	% SNC	Classification	Results
Government grants	2,062	0	0.0%	N/A	Passed
Interest income	14,101	14,101	100.0%	Subject to 5% benchmark	Failed
Non-operating income	433	0	0.0%	N/A	Passed
Gain on disposal of property, plant and equipment, net	4,170	0	0.0%	N/A	Passed
TOTAL	20,766	14,101	67.9%	-	Failed

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	4,612
Total SNC Revenue	4,612
Total Revenue (Gross)	1,016,575
% SNC Revenue	0.5%
STATUS	PASSED

Financial Ratio Benchmark Assessment

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument:

Segment	Segment Amount (RMB in thousand)	Total Assets	% Ratio	Result
Cash and cash equivalents	1,380,892	21,447,024	7.1%	Within 33% limits
Financial asset measured at FVOCI	138,813			
Restricted bank deposits	748,105			
TOTAL	1,519,705			PASSED

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RMB in thousand)	Total Assets	% Ratio	Result
Short-term borrowings	2,201,325	21,447,024	22.8%	Within 33% limits
Long-term borrowings	2,687,191			
Lease liabilities	66,300			
TOTAL	4,888,516			PASSED

IPO Shariah Status

Segment		Status
Business Activity Benchmark		PASSED
Financial Ratio Benchmark	Cash	PASSED
	Debt	PASSED
Result		PASSED

Disclosure

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.

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