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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Kin Pang Holdings Limited, you should at once forward this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Kin Pang Holdings Limited**  
**建鵬控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1722)**

- (1) PROPOSALS INVOLVING GENERAL MANDATES TO  
ISSUE SHARES AND TO REPURCHASE SHARES;  
(2) RE-ELECTION OF DIRECTORS;  
(3) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
THE SUBCONTRACTING FRAMEWORK AGREEMENT;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**
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A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 34 of this circular.

A notice convening an annual general meeting of Kin Pang Holdings Limited (the “**Company**”) to be held on Thursday, 6 June 2024 at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong at 11:00 a.m. is set out on pages 46 to 50 of this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the accompanying proxy form in accordance with the instructions as indicated thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Tuesday, 4 June 2024 at 11:00 a.m.) for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the annual general meeting or any adjourned meeting should you so wish and in such event, the proxy form shall be deemed to be revoked.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 6 June 2024 at 11:00 a.m. or any adjournment thereof, notice of which is set out on pages 46 to 50 of this circular
“AGM Notice”	the notice convening the AGM set out on pages 46 to 50 of this circular
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Commencement Date”	the date obtaining the Independent Shareholders’ approval at the AGM
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“Company”	Kin Pang Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Construtor Civil Kong Kin I”	Construtor Civil Kong Kin I (龔健兒建築商), a sole proprietorship registered by Mr. Kong according to the laws of Macau
“Director(s)”	the director(s) of the Company
“Fortunate Year”	Fortunate Year Investments Limited (瑞年投資有限公司), a company incorporated in the British Virgin Islands with limited liability, which is owned as to 60% by Mr. Kong and 40% by Ms. Choi
“Group”	the Company and its subsidiaries (as the same is defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong))

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	independent board committee of the Company comprising all of the independent non-executive Directors
“Independent Financial Adviser” or “Grande Capital”	Grande Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Proposed Annual Caps, the terms of the Subcontracting Framework Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the AGM for the relevant resolutions with respect to the Subcontracting Framework Agreement
“Issue Mandate”	a general and unconditional mandate to be granted to the Board at the AGM to exercise the powers of the Company to allot, issue and otherwise deal with (including but not limited to the resale of Treasury Shares) new Shares not exceeding 20% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of passing of the relevant resolution, being the mandate referred to in resolution no. 4 in the AGM Notice
“Kin Pang Construction”	Kin Pang Construction and Engineering Company Limited (建鵬建築工程有限公司), a company incorporated in Macau, which is an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	3 May 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Macau”	the Macau Special Administrative Region of the PRC
“MOP”	Macau Pataca, the lawful currency of Macau
“Mr. Kong”	Mr. Kong Kin I (龔健兒), being the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company
“Ms. Choi”	Ms. Choi Fong Lan (徐鳳蘭), being an executive Director and a controlling shareholder of the Company as well as the spouse of Mr. Kong
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Proposed Annual Caps”	the proposed annual monetary cap(s) for the continuing connected transactions contemplated under the Subcontracting Framework Agreement for the three financial years ending 31 December 2026
“Repurchase Mandate”	a general mandate to be granted to the Board at the AGM to exercise the powers of the Company to repurchase Shares not exceeding 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of passing of the relevant resolution, being the mandate referred to in resolution no. 5 in the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subcontracting Framework Agreement”	the subcontracting framework agreement dated 18 April 2024 entered into between Kin Pang Construction and Construtor Civil Kong Kin I
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs

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## DEFINITIONS

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“Treasury Shares”	the Shares repurchased and held by the Company in treasury (if any), as authorised by the laws and regulations of the Cayman Islands and the Articles, which for the purpose of the Listing Rules, include Shares repurchased by the Company and held or deposited in CCASS for sale on the Stock Exchange
“%”	per cent

For the purpose of this circular, unless otherwise indicated, conversion of MOP into Hong Kong dollars is calculated at the approximate exchange rate of MOP1.03 to HK\$1.00. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

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LETTER FROM THE BOARD

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**Kin Pang Holdings Limited**  
**建鵬控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1722)**

*Executive Directors:*

Mr. Kong Kin I (*Chairman and Chief Executive Officer*)  
Ms. Choi Fong Lan

*Independent Non-Executive Directors:*

Mr. Cheung Kin Wing  
Mr. Cheung Wai Lun Jacky  
Mr. Zhao Zhipeng

*Registered Office:*

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place  
of Business in Hong Kong:*

Unit B, 23/F  
Centre Mark II  
305–313 Queen's Road Central  
Hong Kong

9 May 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSALS INVOLVING GENERAL MANDATES TO  
ISSUE SHARES AND TO REPURCHASE SHARES;  
(2) RE-ELECTION OF DIRECTORS;  
(3) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
THE SUBCONTRACTING FRAMEWORK AGREEMENT;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with notice of the AGM and information in respect of the resolutions to be proposed at the AGM including (i) the grant to the Directors the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (iii) the re-election of the retiring Directors; and (iv) the continuing connected transactions in relation to the Subcontracting Framework Agreement.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Pursuant to the ordinary resolutions passed at the last annual general meeting of the Company held on 14 June 2023, the Directors were granted general mandates to issue new Shares and to repurchase existing Shares. Unless otherwise renewed, such general mandates will lapse at the conclusion of the AGM.

Two ordinary resolutions, ordinary resolutions numbered 4 and 6 in the AGM Notice, will be proposed at the AGM (i) to grant to the Directors a general mandate to allot, issue and deal with (including but not limited to the resale of Treasury Shares) new Shares not exceeding 20% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of passing of ordinary resolution numbered 4 in the AGM Notice; and (ii) to extend such general mandate so granted to the Directors by adding thereto any Shares repurchased by the Company pursuant to the Repurchase Mandate up to 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of passing of ordinary resolution numbered 6 in the AGM Notice.

As at the Latest Practicable Date, the total number of Shares in issue, comprised 1,100,000,000 Shares. Assuming that there is no change in the total number of Shares in issue between the Latest Practicable Date and the date of the AGM, the Issue Mandate (if granted by the Shareholders at the AGM) will empower the Directors to allot, issue or otherwise deal in (including but not limited to the resale of Treasury Shares) up to a maximum of 220,000,000 new Shares, being 20% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Latest Practicable Date. Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in ordinary resolutions numbered 4 and 6 in the AGM Notice.

An ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors, details of which are set out in ordinary resolution numbered 5 in the AGM Notice. The Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of passing of the ordinary resolution approving the Repurchase Mandate.

The Board notes that with effect from 11 June 2024, the Listing Rules will be amended to introduce flexibility for listed companies to cancel shares repurchased and/or to adopt a framework to (i) allow repurchased shares to be held in treasury and (ii) govern the resale of treasury shares. Following such changes to the Listing Rules, if the Company repurchases Shares pursuant to the Repurchase Mandate, the Company may cancel the repurchased Shares and/or hold them as treasury shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases. If the Company holds Shares in treasury, any resale of Shares held in treasury will be subject to the ordinary resolution numbered 4 of the AGM Notice and made in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands.

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## LETTER FROM THE BOARD

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An explanatory statement as required under the Listing Rules to provide certain information regarding the Repurchase Mandate to enable the Shareholders to make an informed decision on whether to vote for or against ordinary resolution numbered 5 is set out in the Appendix I to this circular.

### RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, there were two executive Directors, namely Mr. Kong Kin I and Ms. Choi Fong Lan; and three independent non-executive Directors, namely Mr. Cheung Kin Wing, Mr. Cheung Wai Lun Jacky and Mr. Zhao Zhipeng.

Article 84(1) of the Articles provides that notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Mr. Kong Kin I and Mr. Cheung Kin Wing shall retire from office of Directors by rotation at the AGM and, being eligible, offer themselves for re-election as the Directors at the AGM.

The nomination was made in accordance with the nomination policy of the Company and took into account a wide range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of services, with due regard of the benefits of diversity as set out under the board diversity policy of the Company.

The Nomination Committee has considered Mr. Kong Kin I's extensive experience in construction industry, his working profile and other experience and factors as set out in Appendix II to this circular. The Nomination Committee has also considered Mr. Cheung Kin Wing's extensive experience in accounting and finance field, his working profile and other experience and factors as set out in Appendix II to this circular. Having duly considered Mr. Kong Kin I's and Mr. Cheung Kin Wing's qualifications, skills, experience, age, culture, ethnicity, gender, past contributions and all other relevant factors, the Nomination Committee is of the view that they continue to be suitable candidates to serve on the Board. Further, Mr. Cheung Kin Wing, being independent non-executive Director, has satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules and provided annual confirmation of independence to the Company. Mr. Cheung Kin Wing has exercised impartial judgments and given independent guidance to the Company during his tenure of offices. The Board considers that he is independent. The Board believes that their re-election as the Directors would be in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board endorsed the recommendations of the Nomination Committee and recommended the retiring Directors, namely Mr. Kong Kin I and Mr. Cheung Kin Wing to stand for re-election at the AGM. Both retiring Directors abstained from voting on the recommendation on their own re-election throughout the nomination processes.

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## LETTER FROM THE BOARD

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Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meetings of the Directors (including the retiring Directors) is disclosed in the corporate governance report of the annual report of the Company.

### CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE SUBCONTRACTING FRAMEWORK AGREEMENT

#### 1. Background

Reference is made to the announcement of the Company dated 18 April 2024 in relation to the Subcontracting Framework Agreement entered into between Kin Pang Construction, an indirect wholly-owned subsidiary of the Company, and Construtor Civil Kong Kin I, pursuant to which, Construtor Civil Kong Kin I conditionally agreed to provide subcontracting services for construction and renovation works to the Group in accordance with the terms therein, subject to the approval by the Independent Shareholders at the AGM. According to the Subcontracting Framework Agreement, the Proposed Annual Caps is MOP10.0 million, MOP11.0 million and MOP12.0 million (equivalent to approximately HK\$9.7 million, HK\$10.7 million and HK\$11.7 million, respectively) for the year ending 31 December 2024, 2025 and 2026, respectively. The Subcontracting Framework Agreement will be effective from the Commencement Date to 31 December 2026 (both days inclusive).

#### 2. The Subcontracting Framework Agreement

The principal terms of the Subcontracting Framework Agreement are set forth as follows:

<b>Date</b>	:	18 April 2024
<b>Parties</b>	:	(i) Kin Pang Construction; and (ii) Construtor Civil Kong Kin I
<b>Duration</b>	:	From the Commencement Date to 31 December 2026 (both days inclusive) or until terminated by either party to the Subcontracting Framework Agreement by serving not less than one (1) month's written notice, whichever is earlier.
<b>Subject matter</b>	:	Pursuant to the Subcontracting Framework Agreement, Construtor Civil Kong Kin I conditionally agreed to provide subcontracting services for construction and renovation works to the Group in accordance with the terms therein, subject to the approval by the Independent Shareholders at the AGM.

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## LETTER FROM THE BOARD

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**Pricing** : The Group shall obtain quotation from Construtor Civil Kong Kin I prior to placing purchase order(s), detailing the scope of subcontracting services and pricing of each type of work, with Construtor Civil Kong Kin I.

Pursuant to the Subcontracting Framework Agreement, the subcontracting fees payable by the Group to Construtor Civil Kong Kin I are to be determined after arm's-length negotiations and taking into account the following factors:

- (i) the anticipated operational costs of Construtor Civil Kong Kin I for the provision of subcontracting services to the Group under the Subcontracting Framework Agreement;
- (ii) the current market prices offered by independent third parties, which provide services similar to those provided by Construtor Civil Kong Kin I under the Subcontracting Framework Agreement, on normal commercial terms and in the ordinary and usual course of business; and
- (iii) current market prices offered by Construtor Civil Kong Kin I to independent third parties for services similar to those provided by Construtor Civil Kong Kin I under the Subcontracting Framework Agreement.

**Payment term** : Construtor Civil Kong Kin I shall submit progress payment application to the Group setting out the details of the completed subcontracting works on a monthly basis. The Group shall settle the monthly progress payment payable to Construtor Civil Kong Kin I within 90 days from its approval.

**Renewal** : The Subcontracting Framework Agreement is subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

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## LETTER FROM THE BOARD

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### 3. Historical transaction amount

For the year ended 31 December 2021, 2022 and 2023 and the period from 1 January 2024 up to the Latest Practicable Date, the Group incurred subcontracting fees to Construtor Civil Kong Kin I of approximately MOP2.2 million, MOP3.0 million, MOP3.1 million and MOP1.0 million, respectively (equivalent to approximately HK\$2.1 million, HK\$2.9 million, HK\$3.0 million and HK\$1.0 million, respectively).

### 4. Proposed Annual Caps

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount of transaction fees under the Subcontracting Framework Agreement.

The Proposed Annual Caps on the aggregate transaction amount under the Subcontracting Framework Agreement payable to Construtor Civil Kong Kin I for the financial year ending 31 December 2024, 2025 and 2026 are MOP10.0 million, MOP11.0 million and MOP12.0 million, respectively (equivalent to approximately HK\$9.7 million, HK\$10.7 million and HK\$11.7 million, respectively).

In determining the Proposed Annual Caps, the Directors have taken into consideration the following factors:

- (i) the Group recorded a significant increase in backlog from 12 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP336.1 million as at 31 December 2022 to 31 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP722.1 million as at 31 December 2023;
- (ii) increase in demand for the Group's building and ancillary services driven by the subsidence of the COVID-19 pandemic and recovery of the overall economy, especially the gaming and tourism industries in Macau;
- (iii) the Group's business strategies in strengthening its market share in the public sector construction industry whilst expanding its market presence in the private sector construction industry in Macau;
- (iv) the estimated number and scale of building and ancillary services projects expected to be undertaken by the Group for the three years ending 31 December 2026;
- (v) the current market prices offered by independent third parties, which provide services similar to those provided by Construtor Civil Kong Kin I under the Subcontracting Framework Agreement;

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## LETTER FROM THE BOARD

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- (vi) general inflation and fluctuations in labour costs and subcontracting fees in Macau; and
- (vii) general assumption that there will not be any material adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group or Construtor Civil Kong Kin I during the projected period.

### **5. Reasons for and benefits of the continuing connected transactions**

The Group is an integrated construction contractor which provides building and ancillary services for building and construction projects in relation to hotel and casino resorts, infrastructures of electricity and water supply, and public amenities and utilities (such as carriageways, footpaths, drains and sewers). Most of the Group's revenue was generated in Macau.

Macau has experienced remarkable economic recovery, especially in the gaming and tourism industries, since the subsidence of the COVID-19 pandemic, which largely contributed to the growth of the construction industry in Macau. According to the Macau Statistics and Census Service ("MSCS"), the gross fixed capital formation ("GFCF") of the construction industry increased significantly by approximately 70.4% on a year-on-year ("YoY") basis during the second quarter of 2023. During the first three quarters of 2023, the output of the construction industry in Macau was supported by an improvement in the leisure and hospitality and infrastructure sectors. The tourism industry has also showed signs of improvement, supported by an increase in international tourist arrivals to Macau. According to the MSCS, the total number of tourist arrivals to Macau rose by 356.6% YoY during the nine months ended 30 September 2023, while the gross gaming revenue grew by 301.3% YoY during the corresponding period.

In early November 2023, the Macau government released its Five-Year Economic diversification Plan (2024–28), which focuses on developing key industries including tourism and leisure, healthcare, new technology development as well as culture and sports. Besides, the Macau government has also introduced the 2020–40 Urban Master Plan, which aims to meet the challenges of projected population growth, economic diversification, and greater integration with the PRC. The 2020–40 Urban Master Plan will provide approximately 3 km<sup>2</sup> of reclaimed land from the sea to create new housing, commercial, tourism, and public spaces. Being supported by the expected increase in investments in the Macau public infrastructures, tourism and leisure, housing and commercial industries as driven by various policies implemented by the Macau government, the Macau construction industry is projected to record an annual average growth of approximately 3.9% from 2024 to 2026.

The Group has been exposed to an increase in business opportunities in recent years which is demonstrated by the increase in number of building and ancillary services projects awarded to the Group from 29 with an aggregate contract sum of approximately MOP480.3 million for the year ended 31 December 2022 to 39 with an aggregate contract sum of approximately MOP727.7

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## LETTER FROM THE BOARD

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million for the year ended 31 December 2023. Further, the Group's backlog has also increased from 12 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP336.1 million as at 31 December 2022 to 31 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP722.1 million as at 31 December 2023.

In view of (i) the projected growth in the Macau construction industry; and (ii) the Group's business strategies in strengthening its market share in the public sector construction industry whilst expanding its market presence in the private sector construction industry in Macau, the Directors consider that it is imperative for the Group to secure sufficient and reliable labour resources to meet the expected increase in demand for the Group's building and ancillary services as well as emergency repair services.

Construtor Civil Kong Kin I is a construction contractor in Macau with over 17 years of experience in construction and renovation works. Construtor Civil Kong Kin I is one of the approved subcontractors of the Group. Throughout the years, Construtor Civil Kong Kin I has been able to accommodate to the Group's needs and consistently deliver high quality subcontracting services, fulfil the Group's customers' specifications and adhere to the Group's safety and quality standards. Besides, the pricing for subcontracting services offered by Construtor Civil Kong Kin I to the Group is generally comparable to or lower than that offered by other independent third party subcontractors. Taking into account (i) the extensive industry knowledge and established experience of Construtor Civil Kong Kin I in the construction industry; (ii) the track record of Construtor Civil Kong Kin I in providing quality subcontracting services to the Group; (iii) the historical pricing offered by Construtor Civil Kong Kin I to the Group; and (iv) the expected increase in demand for subcontracting services of the Group, the Directors consider that it is in the interests of the Group to enter into the Subcontracting Framework Agreement with Construtor Civil Kong Kin I.

Based on the abovementioned, the Directors (excluding the independent non-executive Directors) are of the view that the transactions contemplated under the Subcontracting Framework Agreement (i) have been negotiated on an arm's length basis; (ii) are in the ordinary and usual course of business of the Group; (iii) on normal commercial terms or better that are fair and reasonable; and (iv) in the interests of the Company and the Shareholders as a whole. The Directors (excluding the independent non-executive Directors) also confirm that the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of the interests of Mr. Kong and Ms. Choi, being executive Directors, in the Subcontracting Framework Agreement, each of Mr. Kong and Ms. Choi has abstained from voting on the relevant Board resolutions approving the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors has material interests in the Subcontracting Framework Agreement and therefore no other Director has abstained from voting on the relevant Board resolutions approving the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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### 6. Internal control measures

The Group will implement the following internal control measures to monitor the continuing connected transactions under the Subcontracting Framework Agreement:

- (a) the Group's accounting and finance department staff will monitor the prices and terms of the Subcontracting Framework Agreement by obtaining price quotations from at least two subcontractors (including Construtor Civil Kong Kin I) and compare the pricing and other terms offered by such subcontractors before placing purchase orders for the procurement of subcontracting services;
- (b) the Group's accounting and finance department staff together with the accounting and finance department manager will ensure that the transactions contemplated under the Subcontracting Framework Agreement are conducted on normal commercial terms and at prices and terms no less favourable than those offered by independent third parties to the Group;
- (c) the Group's accounting and finance department staff, and the accounting and finance department manager will prepare the relevant information in relation to the transactions between the Group and Construtor Civil Kong Kin I and the financial controller will conduct checks once every three months and half year to review and assess whether the transactions are conducted in accordance with the terms of the Subcontracting Framework Agreement;
- (d) the Group's accounting and finance department staff and the accounting and finance department manager will prepare the relevant information and the financial controller will monitor the monthly transaction amounts between the Group and Construtor Civil Kong Kin I under the Subcontracting Framework Agreement and report to the management of the Group to ensure that the transaction amounts will not exceed the Proposed Annual Caps. In particular, a master log will be maintained to keep track of all purchase orders issued by the Group to Construtor Civil Kong Kin I so that the financial controller will have timely information as to the utilisation status of the Proposed Annual Caps during the relevant financial year;
- (e) the accounting and finance department is required to present a summary of continuing connected transactions of the Group to the internal control and compliance department for review. The internal control and compliance department shall assess whether such transactions will constitute any disclosure and approval requirements in accordance with the Listing Rules. The continuing connected transactions report is required to be submitted to the audit committee of the Company for review during every six months period and as at year end;

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## LETTER FROM THE BOARD

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- (f) the independent non-executive Directors will review the continuing connected transactions every year and confirm that the transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the Subcontracting Framework Agreement which are on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (g) the Company will engage its auditors to report on the continuing connected transactions every year. The auditors of the Company will review and confirm in the annual report of the Company whether the transactions (i) have been approved by the Board; (ii) were entered into, in all material respects, in accordance with the Subcontracting Framework Agreement; and (iii) have not exceeded the Proposed Annual Caps.

The Directors consider that the personnel authorised to implement the above internal control measures possess relevant experience and expertise in relation thereto, and the above internal control measures can ensure that the transactions contemplated under the Subcontracting Framework Agreement (including the Proposed Annual Caps) will be conducted on normal commercial terms in a manner not prejudicial to the interests of the Company and its Shareholders.

### **7. Information of the parties**

#### ***The Group***

The Company is an exempted company incorporated in the Cayman Islands under the Cayman Companies Law with limited liability. The Group is an integrated construction contractor which provides building and ancillary services and emergency repair services for various building and construction projects in relation to hotel and casino resorts, infrastructures of electricity and water supply, and public amenities and utilities (such as carriageways, footpaths, drains and sewers). The Group was engaged in projects in both private and public sectors and the Group's revenue was derived from Macau and Hong Kong.

#### ***Kin Pang Construction***

Kin Pang Construction is a company incorporated in Macau with limited liability, being an indirect wholly-owned subsidiary of the Company. Kin Pang Construction is principally engaged in the provision of building and ancillary services and emergency repair services in Macau.

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## LETTER FROM THE BOARD

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### *Construtor Civil Kong Kin I*

Construtor Civil Kong Kin I is a sole proprietorship registered by Mr. Kong, an executive Director and a controlling shareholder of the Company. Construtor Civil Kong Kin I is principally engaged in the provision of construction and renovation works in Macau.

### **8. Listing Rules implications**

Construtor Civil Kong Kin I is wholly owned by Mr. Kong, an executive Director and a controlling shareholder of the Company. Mr. Kong individually holds 14,950,000 Shares. Further, Mr. Kong and Ms. Choi owns 60% and 40% of Fortunate Year, respectively, which in turn holds 670,000,000 Shares. Accordingly, Mr. Kong is deemed to be interested in a total of 684,950,000 Shares, representing approximately 62.27% of the total issued share capital of the Company. Accordingly, Mr. Kong is a connected person of the Company and the transactions contemplated under the Subcontracting Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Proposed Annual Caps exceeds 5% but are less than 25% and the Proposed Annual Caps are not less than HK\$10 million, the Subcontracting Framework Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are subject to the reporting, annual review, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will comply with the annual review requirements under Rules 14A.55 to 14A.59 of the Listing Rules in relation to the Subcontracting Framework Agreement and the continuing connected transactions (including the Proposed Annual Caps).

### **AGM**

The AGM will be held on Thursday, 6 June 2024 at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong at 11:00 a.m..

The AGM Notice which contains, *inter alia*, ordinary resolutions for the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the proposed re-election of the Directors and the Subcontracting Framework Agreement and the Proposed Annual Caps is set out on pages 46 to 50 of this circular.

A proxy form for use at the AGM is herewith enclosed, and is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.kinpang.com.mo](http://www.kinpang.com.mo)). Whether or not you are able to attend the AGM in person, you are requested to complete the proxy form and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions as indicated thereon not later than 48 hours

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## LETTER FROM THE BOARD

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before the time fixed (i.e. Tuesday, 4 June 2024 at 11:00 a.m.) for holding the AGM, or not less than 48 hours before the time appointed for the holding of any adjourned meeting (as the case may be). Completion and return of the proxy form will not prevent you from subsequently attending and voting in person at the AGM or any adjourned meeting (as the case may be) if you so wish and in such event, the proxy form shall be deemed to be revoked.

### VOTING BY POLL AT THE AGM

In accordance with Rule 13.39(4) of the Listing Rules and the Articles, all resolutions set out in the AGM Notice will be vote on by poll at the AGM. Article 66 of the Articles provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every fully paid Share held by that Shareholder.

As at the Latest Practicable Date, Mr. Kong individually holds 14,950,000 Shares. Further, Mr. Kong and Ms. Choi owns 60% and 40% of Fortunate Year, respectively, which in turn holds 670,000,000 Shares. Accordingly, Mr. Kong is deemed to be interested in a total of 684,950,000 Shares, representing approximately 62.27% of the total issued share capital of the Company. Each of Mr. Kong, Ms. Choi and Fortunate Year and their respective associates will abstain from voting on the resolutions to be proposed at the AGM for approving the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder.

Save for Mr. Kong, Ms. Choi and Fortunate Year, to the best knowledge of the Company, no other Shareholders would be required to abstain from voting to approve the resolution in relation to the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder at the AGM, and no Shareholders would be required to abstain from voting to approve the resolutions other than that in relation to the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder.

An announcement on the poll vote results will be made by the Company after the AGM.

### RECOMMENDATION

Your attention is drawn to the letter of the Independent Board Committee set out on pages 18 to 19 of this circular, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 20 to 34 of this circular in respect of the terms of the Subcontracting Framework Agreement.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the terms of the Subcontracting Framework Agreement, which have been reached after arm's length negotiations between the parties, are on normal commercial terms in the ordinary and usual course of business of the Company, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed for approving the Subcontracting Framework Agreement (including the Proposed Annual Caps).

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## LETTER FROM THE BOARD

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The Board (including the members of the Independent Board Committee) considers that the terms of the Subcontracting Framework Agreement, which have been reached after arm's length negotiations between the parties, are on normal commercial terms in the ordinary and usual course of business of the Company, fair and reasonable, and are in the interest of the Shareholders and the Company as a whole. The Board also considers that (i) the granting of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate; and (iii) the proposed re-election of Directors as set out in the AGM Notice are all in the best interests of the Company and the Shareholders as a whole. The Board therefore recommends the Shareholders or the Independent Shareholder (as the case may be) to vote in favour of the relevant resolutions at the AGM.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 31 May 2024.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **GENERAL**

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,  
By order of the Board  
**Kin Pang Holdings Limited**  
**Kong Kin I**  
*Chairman & Executive Director*



**Kin Pang Holdings Limited**  
**建鵬控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1722)**

9 May 2024

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
THE SUBCONTRACTING FRAMEWORK AGREEMENT**

We refer to the circular dated 9 May 2024 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been authorized by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders in respect of the Subcontracting Framework Agreement, details of which are set out in the section headed “Letter from the Board” contained in the Circular.

We wish to draw your attention to the letter from the Board set out on pages 5 to 17 of the Circular and the letter of advice from Grande Capital Limited, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Subcontracting Framework Agreement, set out on pages 20 to 34 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of Grande Capital Limited as stated in its letter of advice and the terms and conditions of the Subcontracting Framework Agreement, we consider that the terms of the Subcontracting Framework Agreement which have been reached after arm’s length negotiations between the parties, are on normal commercial terms in the ordinary and usual course of business of the Company, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the AGM in respect of the Subcontracting Framework Agreement (including the Proposed Annual Caps).

Yours faithfully,  
For and on behalf of  
The Independent Board Committee  
**Kin Pang Holdings Limited**

**Mr. Cheung Wai Lun Jacky**

**Mr. Cheung Kin Wing**  
*Independent non-executive Directors*

**Mr. Zhao Zhipeng**

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Grande Capital to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of incorporation in this circular:*



9 May 2024

*To the Independent Board Committee and  
the Independent Shareholders of Kin Pang Holdings Limited*

Dear Sirs/Madam,

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE SUBCONTRACTING FRAMEWORK AGREEMENT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Annual Caps, the terms of the Subcontracting Framework Agreement and the transactions contemplated thereunder, details of which are set out in the Letter from the Board (the “**Board Letter**”) of the circular issued by the Company dated 9 May 2024 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 18 April 2024, on 18 April 2024, Kin Pang Construction, an indirect wholly-owned subsidiary of the Company, and Construtor Civil Kong Kin I entered into the Subcontracting Framework Agreement, pursuant to which Construtor Civil Kong Kin I conditionally agreed to provide subcontracting services for construction and renovation works to the Group in accordance with the terms therein, subject to the approval by the Independent Shareholders at the AGM. According to the Subcontracting Framework Agreement, the Proposed Annual Caps is MOP10.0 million, MOP11.0 million and MOP12.0 million (equivalent to approximately HK\$9.7 million, HK\$10.7 million and HK\$11.7 million, respectively) for the year ending 31 December 2024, 2025 and 2026, respectively. The Subcontracting Framework Agreement will be effective from the Commencement Date to 31 December 2026 (both days inclusive).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### LISTING RULES IMPLICATION

Construtor Civil Kong Kin I is wholly owned by Mr. Kong, an executive Director and a controlling shareholder of the Company. Mr. Kong individually holds 14,950,000 Shares. Further, Mr. Kong and Ms. Choi owns 60% and 40% of Fortunate Year, respectively, which in turn holds 670,000,000 Shares. Accordingly, Mr. Kong is deemed to be interested in a total of 684,950,000 Shares, representing approximately 62.27% of the total issued share capital of the Company. Accordingly, Mr. Kong is a connected person of the Company and the transactions contemplated under the Subcontracting Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Proposed Annual Caps exceeds 5% but are less than 25% and the Proposed Annual Caps are not less than HK\$10 million, the Subcontracting Framework Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are subject to the reporting, annual review, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will comply with the annual review requirements under Rules 14A.55 to 14A.59 of the Listing Rules in relation to the Subcontracting Framework Agreement and the continuing connected transactions (including the Proposed Annual Caps).

### INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Wai Lun Jacky, Mr. Cheung Kin Wing and Mr. Zhao Zhipeng, has been established by the Company to consider the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder, and to advise the Independent Shareholders as to whether the terms of the Subcontracting Framework Agreement and the continuing connected transactions (including the Proposed Annual Caps) are on normal commercial terms or better and fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

We, Grande Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

### OUR INDEPENDENCE

During the last two years immediately preceding to the Latest Practicable Date, we were not aware of any relationships or interest between Grande Capital and the Company, the counterparty of the Subcontracting Framework Agreements or their respective core connected persons or associates, or any parties that could be reasonably be regarded as hindrance to Grande Capital's independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Annual Caps, the Subcontracting Framework Agreement

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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and the transactions contemplated thereunder. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations. Apart from normal professional fees paid or payable to us in connection with the previous appointments mentioned above as well as this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We are not aware of the existence of or change in any circumstances that would affect our independence. Grande Capital has not acted as a financial adviser to the Company in the last two years. Accordingly, we consider that we are eligible to give independent advice on the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder.

### **BASIS OF OUR OPINION**

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all statements, information and representations provided by the Directors and the management of the Company, for which they are solely and wholly responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date.

We have also assumed that all statements of belief, opinion, expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Directors and the management of the Company. We believe that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular, which includes particular given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all materials respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

This letter is issued for provision of the information to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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thereunder, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder, we have taken into account the principal factors and reasons set out below:

#### A. Background information of the Parties

##### (a) Background information of the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Group is an integrated construction contractor which provides building and ancillary services. The services are required in various building and construction projects in relation to hotel and casino resorts, infrastructures of electricity and water supply, and public amenities and utilities (such as carriageways, footpaths, drains and sewers). The Group's revenue was derived from Macau and Hong Kong and the Group was engaged in projects in both private and public sectors. Public sector projects refer to projects of which the project employer is the Macau Government, while private sector projects refer to projects that are not within the public sector. The Group's customers mainly included (i) hotel and casino owners or their main contractors; (ii) electricity and water utility companies; (iii) the Macau Government; and (iv) other private developers or their contractors.

Set out below are the audited consolidated financial information of the Group for the two years ended 31 December 2023 as extracted from the Company's annual report for the year ended 31 December 2023 (the "2023 Annual Report"):

	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>	<b>Year-on-year change</b>
	<i>MOP'000</i>	<i>MOP'000</i>	<i>%</i>
Revenue	582,928	598,823	(2.7)
Gross profit	10,329	23,753	(56.5)
Loss for the year	(34,123)	(11,641)	193.1

As depicted from the table above, the Group's revenue decreased by approximately 2.7% from approximately MOP598.8 million for the year ended 31 December 2022 to approximately MOP582.9 million for the year ended 31 December

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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2023. With reference to the 2023 Annual Report, the decrease was due to the decrease in construction works performed by the Group during the year ended 31 December 2023. During the year ended 31 December 2023, 39 building and ancillary services projects with an aggregate contract sum of MOP727.7 million were awarded. The Group had completed 20 building and ancillary services projects during the year ended 31 December 2023. As at 31 December 2023, the Group's backlog consisted of 31 building and ancillary services projects, which exclude those completed but not certified with an aggregate outstanding contract sum of MOP722.1 million.

The Group's gross profit decreased by approximately 56.5% from approximately MOP23.8 million for the year ended 31 December 2022 to approximately MOP10.3 million for the year ended 31 December 2023. With reference to the 2023 Annual Report, the decrease was mainly attributable to the decrease in gross profit margin of the construction projects undertaken by the Group during the year ended 31 December 2023, coupled with an increase in construction costs due to inflation.

The Group's loss for the year was approximately MOP34.1 million for the year ended 31 December 2023 compared to loss for the year of approximately MOP11.6 million for the year ended 31 December 2022. With reference to the 2023 Annual Report, it was primarily attributable to (i) the decrease in gross profit margin of the construction projects undertaken by the Group in FY2023, coupled with an increase in construction costs due to inflation; (ii) the loss incurred by the Group in the amount of approximately MOP4.5 million, resulting from a suspected case of fraud in relation to machinery acquisition, details of which are set forth in the Company's announcement dated 7 November 2023; and (iii) provision for expected credit loss on the financial and contract assets which remained unsettled for more than a year.

### *(b) Background information of Construtor Civil Kong Kin I*

Construtor Civil Kong Kin I is a sole proprietorship registered by Mr. Kong, an executive Director and a controlling shareholder of the Company. Construtor Civil Kong Kin I is principally engaged in the provision of construction and renovation works in Macau.

## **B. Reasons for and benefits of the Continuing Connected Transactions**

As disclosed in the Letter from the Board, the Group is an integrated construction contractor which provides building and ancillary services for building and construction projects in relation to hotel and casino resorts, infrastructures of electricity and water supply, and public amenities and utilities (such as carriageways, footpaths, drains and sewers). Most of the Group's revenue was generated in Macau. Macau has experienced remarkable economic recovery, especially in the gaming and tourism industries, since the subsidence of the COVID-19 pandemic, which largely contributed to the growth of the construction industry in Macau.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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According to the Macau Statistics and Census Service (“MSCS”), the gross fixed capital formation (“GFCF”) of the construction industry increased significantly by approximately 70.4% on a year-on-year (“YoY”) basis during the second quarter of 2023. During the first three quarters of 2023, the output of the construction industry in Macau was supported by an improvement in the leisure and hospitality and infrastructure sectors. The tourism industry has also showed signs of improvement, supported by an increase in international tourist arrivals to Macau. According to the MSCS, the total number of tourist arrivals to Macau rose by 356.6% YoY during the nine months ended 30 September 2023, while the gross gaming revenue grew by 301.3% YoY during the corresponding period.

In early November 2023, the Macau government released its Five-Year Economic diversification Plan (2024–28), which focuses on developing key industries including tourism and leisure, healthcare, new technology development as well as culture and sports. Besides, the Macau government has also introduced the 2020–40 Urban Master Plan, which aims to meet the challenges of projected population growth, economic diversification, and greater integration with the PRC. The 2020–40 Urban Master Plan will provide approximately 3 km<sup>2</sup> of reclaimed land from the sea to create new housing, commercial, tourism, and public spaces. Being supported by the expected increase in investments in the Macau public infrastructures, tourism and leisure, housing and commercial industries as driven by various policies implemented by the Macau government, the Macau construction industry is projected to record an annual average growth of approximately 3.9% from 2024 to 2026.

As disclosed in the Letter from the Board, the Group has been exposed to an increase in business opportunities in recent years which is demonstrated by the increase in number of building and ancillary services projects awarded to the Group from 29 with an aggregate contract sum of approximately MOP480.3 million for the year ended 31 December 2022 to 39 with an aggregate contract sum of approximately MOP727.7 million for the year ended 31 December 2023. Further, the Group’s backlog has also increased from 12 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP336.1 million as at 31 December 2022 to 31 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP722.1 million as at 31 December 2023.

In view of (i) the projected growth in the Macau construction industry; and (ii) the Group’s business strategies in strengthening its market share in the public sector construction industry whilst expanding its market presence in the private sector construction industry in Macau, the Directors consider that it is imperative for the Group to secure sufficient and reliable labour resources to meet the expected increase in demand for the Group’s building and ancillary services as well as emergency repair services.

Construtor Civil Kong Kin I is a construction contractor in Macau with over 17 years of experience in construction and renovation works. Construtor Civil Kong Kin I is one of the approved subcontractors of the Group. Throughout the years, Construtor Civil Kong Kin I has been able to accommodate to the Group’s needs and consistently deliver high quality

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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subcontracting services, fulfil the Group's customers' specifications and adhere to the Group's safety and quality standards. Besides, the pricing for subcontracting services offered by Construtor Civil Kong Kin I to the Group is generally comparable to or lower than that offered by other independent third party subcontractors. Taking into account (i) the extensive industry knowledge and established experience of Construtor Civil Kong Kin I in the construction industry; (ii) the track record of Construtor Civil Kong Kin I in providing quality subcontracting services to the Group; (iii) the historical pricing offered by Construtor Civil Kong Kin I to the Group; and (iv) the expected increase in demand for subcontracting services of the Group, the Directors consider that it is in the interests of the Group to enter into the Subcontracting Framework Agreement with Construtor Civil Kong Kin I. We have obtained the certificate of incorporation of Construtor Civil Kong Kin I and its relevant business licences and noted that Construtor Civil Kong Kin I was incorporated in 2006. We have also reviewed the project list of Construtor Civil Kong Kin I for the year ended 31 December 2021, 2022 and 2023 and noted that Construtor Civil Kong Kin I has been actively undertaken construction and renovation projects in Macau.

### **C. Principal terms of the Subcontracting Framework Agreement**

On 18 April 2024, Kin Pang Construction, an indirect wholly-owned subsidiary of the Company, and Construtor Civil Kong Kin I entered into the Subcontracting Framework Agreement, pursuant to which Construtor Civil Kong Kin I conditionally agreed to provide subcontracting services for construction and renovation works to the Group in accordance with the terms therein, subject to the approval by the Independent Shareholders at the AGM.

The principal terms of the Subcontracting Framework Agreement are set forth as follows:

<b>Date</b>	:	18 April 2024
<b>Parties</b>	:	(i) Kin Pang Construction; and (ii) Construtor Civil Kong Kin I
<b>Duration</b>	:	From the Commencement Date to 31 December 2026 (both days inclusive) or until terminated by either party to the Subcontracting Framework Agreement by serving not less than one (1) month's written notice, whichever is earlier.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**Subject matter** : Pursuant to the Subcontracting Framework Agreement, Construtor Civil Kong Kin I conditionally agreed to provide subcontracting services for construction and renovation works to the Group in accordance with the terms therein, subject to the approval by the Independent Shareholders at the AGM.

**Pricing** : The Group shall obtain quotation from Construtor Civil Kong Kin I prior to placing purchase order(s), detailing the scope of subcontracting services and pricing of each type of work, with Construtor Civil Kong Kin I.

Pursuant to the Subcontracting Framework Agreement, the subcontracting fees payable by the Group to Construtor Civil Kong Kin I are to be determined after arm's-length negotiations and taking into account the following factors:

- (i) the anticipated operational costs of Construtor Civil Kong Kin I for the provision of subcontracting services to the Group under the Subcontracting Framework Agreement;
- (ii) the current market prices offered by independent third parties, which provide services similar to those provided by Construtor Civil Kong Kin I under the Subcontracting Framework Agreement, on normal commercial terms and in the ordinary and usual course of business; and
- (iii) current market prices offered by Construtor Civil Kong Kin I to independent third parties for services similar to those provided by Construtor Civil Kong Kin I under the Subcontracting Framework Agreement.

**Payment term** : Construtor Civil Kong Kin I shall submit progress payment application to the Group setting out the details of the completed subcontracting works on a monthly basis. The Group shall settle the monthly progress payment payable to Construtor Civil Kong Kin I within 90 days from its approval.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**Renewal** : The Subcontracting Framework Agreement is subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

In order to determine if the terms of the Subcontracting Framework Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Shareholders as a whole, we have reviewed and discussed with the management of the Group the following factor:

- (a) the Subcontracting Framework Agreement enables the Group to invite Construtor Civil Kong Kin I for quotations or tender for the provision of the relevant subcontracting services. As there is no minimum commitment, it would provide flexibility to the Group when sourcing the most suitable subcontractors with favourable terms from the approved list of subcontractors based on their relevant skill sets, qualifications and experience, subject to their availability and fee quotations or tender documents received in the future. The Group is not bound to engage Construtor Civil Kong Kin I for quotations or tender submitted by it and may engage other subcontractors;
- (b) the pricing policy of the Subcontracting Framework Agreement is designed to ensure that the prices and terms offered by Construtor Civil Kong Kin I to the Group are based on arm's length negotiations on normal commercial terms which are determined, on a project-by-project basis with reference to various market and competitive conditions; and
- (c) in order to assess the fairness and reasonableness of the pricing policy, we have randomly selected and reviewed projects which the Group has subcontracted certain works to Construtor Civil Kong Kin I during the year ended 31 December 2023 and up to the Latest Practicable Date. In this regard, we noted that the price and terms offered by Construtor Civil Kong Kin I to the Group were more favorable or comparable to that offered by other independent third party subcontractors which provided similar scope of works to the Group. In particular, we noted that the credit terms offered by Construtor Civil Kong Kin I were comparable to that offered by other subcontractors of the Group. Given the above and the internal control measures discussed in the section headed "Internal control measures" in this Letter, we consider that the pricing policy adopted in the Subcontracting Framework Agreement can ensure that the terms of each individual transactions to be conducted will be not less favourable than those offered by independent third party subcontractors.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In light of the above analysis, we are of the view that the transaction contemplated under the Subcontracting Framework Agreement are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, which are fair and reasonable and in the interests of the Shareholders as a whole.

### **D. Proposed Annual Caps**

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount of transaction fees under the Subcontracting Framework Agreement.

With reference to the Letter from the Board, the Proposed Annual Caps on the aggregate transaction amount under the Subcontracting Framework Agreement payable to Construtor Civil Kong Kin I for the financial year ending 31 December 2024, 2025 and 2026 are MOP10.0 million, MOP11.0 million and MOP12.0 million, respectively (equivalent to approximately HK\$9.7 million, HK\$10.7 million and HK\$11.7 million, respectively).

In determining the Proposed Annual Caps, the Directors have taken into consideration the following factors:

- (i) the Group recorded a significant increase in the backlog from 12 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP336.1 million as at 31 December 2022 to 31 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP722.1 million as at 31 December 2023;
- (ii) increase in demand for the Group's building and ancillary services driven by the subsidence of the COVID-19 pandemic and recovery of the overall economy, especially the gaming and tourism industries in Macau;
- (iii) the Group's business strategies in strengthening its market share in the public sector construction industry whilst expanding its market presence in the private sector construction industry in Macau;
- (iv) the estimated number and scale of building and ancillary services projects expected to be undertaken by the Group for the three years ending 31 December 2026;
- (v) the current market prices offered by independent third parties, which provide services similar to those provided by Construtor Civil Kong Kin I under the Subcontracting Framework Agreement;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (vi) general inflation and fluctuations in labour costs and subcontracting fees in Macau; and
- (vii) general assumption that there will not be any material adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group or Construtor Civil Kong Kin I during the projected period.

### *Our analysis*

In determining the fairness and reasonableness of the proposed annual caps under the Subcontracting Framework Agreement for the three years ending 31 December 2026, we discussed with the management of the Group and conducted the following analysis:

- (a) We have obtained the project list of the Group for the year ended 31 December 2022 and 2023 and noted that there has been an increase in demand for the Group's building and ancillary services as evidenced by a significant increase in the Group's backlog from 12 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP336.1 million as at 31 December 2022 to 31 building and ancillary services projects with an aggregate outstanding contract sum of approximately MOP722.1 million as at 31 December 2023. In addition, we noted that from the voluntary announcement of the Company dated 22 January 2024, Kin Pang Construction received a letter of award dated 19 December 2023 from the government of Macau which expresses its intent to award a construction contract in relation to the construction works of a flyover in Macau (the "**Contract Works**") to Kin Pang Construction and a Macau construction company (the "**Joint Operator**"), being a third party independent of the Company and its connected persons, as joint operators to carry out the Contract Works. The total contract sum of such project is expected to be approximately MOP223 million. On 27 December 2023, Kin Pang Construction and the Joint Operator entered into a joint operation arrangement, pursuant to which Kin Pang Construction and the Joint Operator shall establish a joint operation, which shall be owned as to 60% and 40% by Kin Pang Construction and the Joint Operator, respectively. Such project is expected to commence in the second quarter of 2024 and to be completed in or around the fourth quarter of 2025. We concur with the management of the Group that such significant increase in demand for the Group's building and ancillary services was driven by the subsidence of the COVID-19 pandemic and recovery of the overall economy in Macau as well as various policies implemented by the Macau government as discussed in the Letter from the Board. We noted that according to the Macau Statistics and Census Service, the GDP of Macau has increased from approximately MOP197.3 billion for 2022 to MOP379.5 billion for 2023, with a growth of

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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approximately 92.3%, representing a significant improvement in the Macau overall economy. In light of the above analysis, we are of the view that the Proposed Annual Caps on the aggregate transaction amount under the Subcontracting Framework Agreement payable to Construtor Civil Kong Kin I for the financial year ending 31 December 2024, 2025 and 2026 of MOP10.0 million, MOP11.0 million and MOP12.0 million, respectively (equivalent to approximately HK\$9.7 million, HK\$10.7 million and HK\$11.7 million, respectively), are fair and reasonable.

- (b) We noted that the Group has experienced fluctuation in labour costs and subcontracting fees. According to the 2023 Annual Report, the decrease in the Group's gross profit was mainly attributable to the decrease in gross profit margin of the construction projects undertaken by the Group during the year ended 31 December 2023, coupled with an increase in construction costs due to inflation. Therefore, it is expected that the transaction amount under the Subcontracting Framework Agreement payable to Construtor Civil Kong Kin I will be increased. Meanwhile, we understand from the management of the Group that the pricing for subcontracting services offered by Construtor Civil Kong Kin I to the Group is generally comparable to or lower than that offered by other independent third party subcontractors. We have randomly selected and reviewed projects which the Group has subcontracted certain works to Construtor Civil Kong Kin I during the year ended 31 December 2023 and up to the Latest Practicable Date, and compared with the price and terms offered by other independent third party subcontractors with similar scope of works. We noted that the price offered by Construtor Civil Kong Kin I are generally comparable to or lower than that offered by other independent third party subcontractors. In light of the inflation and fluctuations in labour costs and subcontracting fees, we understand and concur with the management of the Group that it is in the interests of the Group to enter into the Subcontracting Framework Agreement with Construtor Civil Kong Kin I so that (i) the Group can engage a subcontractor with extensive industry knowledge and established experience and with proven track record but offering a comparable or lower price than other subcontractors and (ii) increases the Group's flexibility of engaging Constructor Civil Kong Kin I as interim measure when other independent third party subcontractors are fully occupied or are not offering a competitive pricing to the Group.

Based on the above, we are of the view that the annual caps for the Subcontracting Framework Agreement are determined based on reasonable estimation and after due and careful consideration and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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### **E. Internal control measures**

The Group will implement the following internal control measures to monitor the continuing connected transactions under the Subcontracting Framework Agreement:

- (a) the Group's accounting and finance department staff will monitor the prices and terms of the Subcontracting Framework Agreement by obtaining price quotations from at least two subcontractors (including Construtor Civil Kong Kin I) and compare the pricing and other terms offered by such subcontractors before placing purchase orders for the procurement of subcontracting services;
- (b) the Group's accounting and finance department staff together with the accounting and finance department manager will ensure that the transactions contemplated under the Subcontracting Framework Agreement are conducted on normal commercial terms and at prices and terms no less favourable than those offered by independent third parties to the Group;
- (c) the Group's accounting and finance department staff, and the accounting and finance department manager will prepare the relevant information in relation to the transactions between the Group and Construtor Civil Kong Kin I and the financial controller will conduct checks once every three months and half year to review and assess whether the transactions are conducted in accordance with the terms of the Subcontracting Framework Agreement;
- (d) the Group's accounting and finance department staff and the accounting and finance department manager will prepare the relevant information and the financial controller will monitor the monthly transaction amounts between the Group and Construtor Civil Kong Kin I under the Subcontracting Framework Agreement and report to the management of the Group to ensure that the transaction amounts will not exceed the Proposed Annual Caps. In particular, a master log will be maintained to keep track of all purchase orders issued by the Group to Construtor Civil Kong Kin I so that the financial controller will have timely information as to the utilisation status of the Proposed Annual Caps during the relevant financial year;
- (e) the accounting and finance department is required to present a summary of continuing connected transactions of the Group to the internal control and compliance department for review. The internal control and compliance department shall assess whether such transactions will constitute any disclosure and approval requirements in accordance with the Listing Rules. The continuing connected transactions report is required to be submitted to the audit committee of the Company for review during every six months period and as at year end;

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- (f) the independent non-executive Directors will review the continuing connected transactions every year and confirm that the transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the Subcontracting Framework Agreement which are on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (g) the Company will engage its auditors to report on the continuing connected transactions every year. The auditors of the Company will review and confirm in the annual report of the Company whether the transactions (i) have been approved by the Board; (ii) were entered into, in all material respects, in accordance with the Subcontracting Framework Agreement; and (iii) have not exceeded the Proposed Annual Caps.

The Directors consider that the personnel authorised to implement the above internal control measures possess relevant experience and expertise in relation thereto, and the above internal control measures can ensure that the transactions contemplated under the Subcontracting Framework Agreement (including the Proposed Annual Caps) will be conducted on normal commercial terms in a manner not prejudicial to the interests of the Company and its Shareholders.

We have assessed the internal control policy for continuing connected transaction of the Group by discussing with the management of the Group in relation to the internal control procedures and reviewing the internal control policy documents, and noted that the above measures will be implemented. We have reviewed the past transaction records between Construtor Civil Kong Kin I and the Group and understand from the management of the Group that the financial controller has monitored the transactions between Construtor Civil Kong Kin I and the Group from time to time, including but not limited to the terms, prices and transaction amounts. We have also reviewed the board meeting minutes in relation to the continuing connected transactions and the annual reports of the Group and noted that the relevant internal control measures in relation to the past continuing connected transactions have been properly and effectively implemented. Based on the above, we consider that the internal control measures to be implemented by the Group are sufficient to safeguard the interests of the Company and the Shareholders as a whole.

### RECOMMENDATION

Having taken into consideration the principal factors discussed above, we are of the view that the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, and the

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Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution to be proposed at the AGM to approve the Proposed Annual Caps, the Subcontracting Framework Agreement and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Grande Capital Limited**  
**Sumwing Shum**  
*Managing Director*

*Mr. Sumwing Shum is licensed under the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity and is currently a responsible officer and sponsor principal of Grande Capital. Mr. Shum has over 9 years of experience in the corporate finance industry.*

*This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) and other relevant rules of the Listing Rules to provide requisite information to the Shareholders to consider the Repurchase Mandate to be proposed at the AGM.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue was 1,100,000,000 Shares.

Subject to the passing of the resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 110,000,000 Shares (representing 10% of the total number of Shares in issue as at the date of passing the Repurchase Mandate).

## **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders as a whole.

## **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Companies Act and any other applicable laws. Such funds legally available for repurchasing Shares include:

- (i) such funds made out of profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Companies Act, out of capital; and
- (ii) in the case of any premium payable on the repurchase, such funds made out of the profits of the Company or from sums standing the credit of the share premium account of the Company or, subject to the Companies Act, out of capital.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 December 2023) in the event that the power to repurchase Shares pursuant to the Repurchase Mandate was to be carried out in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the past twelve months preceding the Latest Practicable Date were as follows:

Month	Price per Shares	
	Highest HK\$	Lowest HK\$
<b>2023</b>		
May	0.215	0.150
June	0.220	0.188
July	0.209	0.169
August	0.190	0.111
September	0.172	0.115
October	0.116	0.074
November	0.098	0.086
December	0.166	0.074
<b>2024</b>		
January	0.160	0.072
February	0.090	0.072
March	0.094	0.074
April	0.095	0.075
May (up to the Latest Practicable Date)	—*	—*

\* There was no trading of Shares.

#### 5. GENERAL

The Directors confirmed that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum of association of the Company, the Articles and the applicable laws of the Cayman Islands.

The Company has confirmed that neither the explanatory statement nor the Repurchase Mandate has any unusual features.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Shares under the Repurchase Mandate if such is approved by the Shareholders and exercised by the Board.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he or she has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised by the Board.

**6. STATUS OF REPURCHASED SHARES**

As stated in the Letter from the Board, with effect from 11 June 2024, the Listing Rules will be amended to introduce flexibility for listed companies to cancel shares repurchased and/or to adopt a framework to (i) allow repurchased shares to be held in treasury; and (ii) govern the resale of treasury shares. Following such changes to the Listing Rules, if the Company repurchases Shares pursuant to the Repurchase Mandate, the Company may cancel such repurchased Shares and/or hold them as Treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases. If the Company holds Shares in treasury, any resale of Shares held in treasury will be subject to the ordinary resolution numbered 4 of the AGM Notice and made in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands. Any resale of treasury shares pursuant to the Issue Mandate may only be made after the amendments to the Listing Rules have come into effect on 11 June 2024.

For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

**7. TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of the Company kept under section 336 of the SFO, information on the Shareholder who has an interest of 5% or more of the issued share capital of the Company set out below.

Name	Number of Shares held as at the Latest Practicable Date	Percentage of existing shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Mr. Kong Kin I ( <i>Note 1</i> )	684,950,000	62.27%	69.19%
Ms. Choi Fong Lan ( <i>Note 1</i> )	684,950,000	62.27%	69.19%
Fortunate Year Investments Limited ("Fortunate Year") ( <i>Note 1</i> )	670,000,000	60.91%	67.68%

*Note:*

1. Fortunate Year is owned as to 60% by Mr. Kong Kin I and 40% by Ms. Choi Fong Lan. Under the SFO, Mr. Kong Kin I and Ms. Choi Fong Lan are deemed to be interested in all the Shares registered in the name of Fortunate Year. Ms. Choi Fong Lan is the spouse of Mr. Kong Kin I. Under the SFO, Ms. Choi Fong Lan is deemed to be interested in the same number of Shares in which Mr. Kong Kin I is interested, and vice versa.

On the basis that no new Shares are issued or repurchased prior to the AGM and assuming that there would not be changes in the issued share capital of the Company prior to the repurchase of the Shares and each of the Shareholders set out above would not dispose of their respective Shares nor acquire additional Shares prior to any repurchase of Shares, the Directors are not aware of any Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) who will become obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate is exercised in full.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, cause any Shareholders or group of Shareholders acting in concert to become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the entire issued share capital of the Company.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*The followings are the particulars of retiring Directors who are proposed to be re-elected at the AGM:*

**Mr. Kong Kin I** (“**Mr. Kong**”), aged 54, co-founded the Group in June 2006, and was appointed as a Director on 22 June 2017 and was re-designated as the chairman, executive Director and chief executive officer on 20 July 2017. Mr. Kong is primarily responsible for overall management of the corporate strategic planning, business development and daily operation of the Group. He also serves as the director of each subsidiary of the Company.

Mr. Kong has over 30 years of experience in construction industry. He founded Kin Pang Construction and Engineering Company Limited (“**Kin Pang**”) in June 2006 and Construtor Civil Kong Kin I in March 1991 respectively. Mr. Kong was appointed as a vice president of Macau Association of Concrete Inspection, Maintenance and Waterproofing (澳門混凝土檢測維修及防水工程協會) in March 2016. Mr. Kong was also appointed as a vice president of 澳門順德工商業聯合會 (Shun De Federation and Commercial Union Association of Macao\*) since September 2016. Mr. Kong was further appointed as a vice president, the 10th supervisory council of 澳門建造商會 (Macau Construction Association) since January 2021. Mr. Kong was appointed as a committee member of the 14th Qingdao Municipal Committee of the Chinese People’s Political Consultative Conference (CPPCC) (中國人民政治協商會議第十四屆青島市委員會) since April 2022.

Mr. Kong is the husband of Ms. Choi Fong Lan, an executive Director, and the father of Ms. Kong Ka Wan, a member of senior management. As at the Latest Practicable Date, Mr. Kong is interested in 684,950,000 Shares, representing 62.27% of the entire issued share capital of the Company.

Save as disclosed above, Mr. Kong did not hold any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Kong does not have any other relationships with any Directors, senior management, substantial or controlling Shareholders of the Company nor any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Kong has entered into a service agreement with the Company. Mr. Kong’s directorship in the Company shall be for a term of three years and will continue thereafter until terminated by not less than three months’ notice in writing served by either party on the other. Mr. Kong’s directorship is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Kong is entitled to an annual emolument of MOP1,320,000 for acting as the Director of, and/or holding other positions with the Company and a bonus for each financial year of the Company, which is at the discretion of the Board. The annual emolument of Mr. Kong and his discretionary bonus would be determined with reference

to various factors such as duties and level of responsibilities of Mr. Kong, the available information in respect of companies of comparable business or scale, the performance of Mr. Kong and the Group's performance for the financial year concerned and the prevailing market conditions and based on the recommendation from the remuneration committee of the Company.

Save as disclosed above, Mr. Kong is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Mr. Cheung Kin Wing** (“**Mr. Cheung**”), aged 69, joined the Group and was appointed as an independent non-executive Director on 24 November 2017. Mr. Cheung is primarily responsible for overseeing the Group with an independent perspective and judgement. Prior to joining the Group, Mr. Cheung has been a director and lead consultant of Sunplex Consultants Limited, a company providing management consulting service and human resources related IT solution service, since February 1999. Mr. Cheung has been a director of Self Strengthening Service Centre Limited (自強服務中心有限公司), a company limited by guarantee engaged in charitable activities to help the underprivileged, since September 2019. He was a consultant of the Hong Kong Institute of Certified Public Accountants between April 2008 and August 2008, and a director of the finance and operations department of the Hong Kong Institute of Certified Public Accountants between July 2004 and April 2008. Mr. Cheung was a partner of Coopers & Lybrand (now known as PricewaterhouseCoopers) from March 1995 until his resignation in May 1999.

Mr. Cheung has been an independent non-executive director of ENM Holdings Limited (安寧控股有限公司) (Hong Kong stock code: 0128) since June 2016, and an independent non-executive director of BaWang International (Group) Holding Limited (霸王國際(集團)控股有限公司) (Hong Kong stock code: 1338) since November 2014. Mr. Cheung was an independent non-executive director of Trio Industrial Electronics Group Limited (致豐工業電子集團有限公司) (Hong Kong stock code: 1710) from February 2017 until May 2022, and an independent director of AXA China Region Trustees Limited from August 1999 until August 2015, and an independent non-executive director of Bank of Communications Trustee Limited (交通銀行信託有限公司) since November 2003 until January 2018.

Mr. Cheung has been a fellow of The Institute of Chartered Accountants in England and Wales since February 2015 and a member of the Hong Kong Institute of Certified Public Accountants since May 1986. He obtained a Bachelor of Commerce from The University of Calgary in Canada in June 1979.

Save as disclosed above, Mr. Cheung did not hold any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Cheung does not have any other relationships with any Directors, senior management, substantial or controlling Shareholders of the Company nor any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Cheung has entered into a letter of appointment with the Company. Mr. Cheung's directorship in the Company shall be for a term of three years and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Mr. Cheung's directorship is also subject to the retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Cheung is entitled to an annual emolument of MOP206,000 for acting as the Director of, committee member of and/or holding other positions with the Company and a bonus for each financial year of the Company, which is at the discretion of the Board. The annual emolument of Mr. Cheung and his discretionary bonus would be determined with reference to various factors such as duties and level of responsibilities of Mr. Cheung, the available information in respect of companies of comparable business or scale, the performance of Mr. Cheung and the Group's performance for the financial year concerned and the prevailing market conditions and based on the recommendation from the remuneration committee of the Company.

Save as disclosed above, Mr. Cheung is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

\* *For identification purpose only*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations, within the meaning of the SFO, which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/Nature of interests	Number of Shares	Percentage of shareholding interest
Mr. Kong Kin I	Beneficial owner, interest in a controlled corporation ( <i>Note 1</i> ); Interest of spouse ( <i>Note 2</i> )	684,950,000	62.27% ( <i>Note 3</i> )
Ms. Choi Fong Lan	Beneficial owner, interest in a controlled corporation ( <i>Note 1</i> ); Interest of spouse ( <i>Note 2</i> )	684,950,000	62.27% ( <i>Note 3</i> )

*Notes:*

- Fortunate Year Investments Limited ("**Fortunate Year**") is owned as to 60% by Mr. Kong Kin I and 40% by Ms. Choi Fong Lan. Under the SFO, Mr. Kong Kin I and Ms. Choi Fong Lan are deemed to be interested in all the Shares registered in the name of Fortunate Year.

2. Ms. Choi Fong Lan is the spouse of Mr. Kong Kin I. Under the SFO, Ms. Choi Fong Lan is deemed to be interested in the same number of Shares in which Mr. Kong Kin I is interested, and vice versa.
3. The percentage is calculated on the basis of 1,100,000,000 Shares in issued as at the Latest Practicable Date.

Saved as disclosed above, as at the Latest Practicable Date, there were no other interests or short positions of the Directors or chief executive of the Company in the Shares or underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or pursuant to section 352 of the SFO, required to be recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Substantial Shareholders' interests and short positions in Shares, underlying shares and debentures**

As at the Latest Practicable Date, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Substantial Shareholder	Nature of interests	Number of Shares	Percentage of shareholding interest
Fortunate Year	Beneficial interest	670,000,000	60.91% (Note)

*Note:* The percentage is calculated on the basis of 1,100,000,000 Shares in issued as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, no other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

**3. DIRECTORS' INTERESTS IN CONTRACT AND ASSET**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, the date to which the latest published audited accounts of the Group were made up.

Save as (i) the construction services provided by Construtor Civil Kong Kin I to the Group; and (ii) the lease of office by Mr. Kong and Ms. Choi to the Group, there was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

#### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

#### 5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

#### 6. EXPERT'S CONSENT AND QUALIFICATION

The following is the qualification of the expert who has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Grande Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date,

- (i) Grande Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and the reference to its name in the form and context in which they respectively appear;
- (ii) Grande Capital does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;

- (iii) Grande Capital does not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

## **7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Company since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

## **8. MISCELLANEOUS**

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

## **9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company ([www.kinpang.com.mo](http://www.kinpang.com.mo)) for the period of 14 days from the date of this circular:

- (i) the Subcontracting Framework Agreement;
- (ii) the letter from the Board, the text of which is set out on pages 5 to 17 of this circular;
- (iii) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 18 to 19 of this circular;
- (iv) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 20 to 34 of this circular; and
- (v) the written consent of the Independent Financial Adviser, which was referred to in the section headed “Expert’s consent and qualification” in this appendix.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Kin Pang Holdings Limited** **建鵬控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1722)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Kin Pang Holdings Limited (the “**Company**”) will be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 6 June 2024 at 11:00 a.m. (the “**Meeting**”) for the following purposes:

#### **ORDINARY RESOLUTIONS**

As ordinary businesses:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and of the auditors of the Company for the year ended 31 December 2023;
2. To re-elect the retiring Directors and to authorise the board of directors (the “**Board**”) to fix the remuneration of the Directors;
3. To re-appoint Linksfield CPA Limited as the auditors of the Company and to authorise the Board to fix the remuneration of the auditors;

As special businesses:

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- 4.1 subject to paragraph 4.3 below and pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”), including the resale of Treasury Shares (as hereinafter defined), and to make or grant offers, agreements and options (including bonds,

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## NOTICE OF ANNUAL GENERAL MEETING

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warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

- 4.2 the approval in paragraph 4.1 above shall authorise the Directors during the Relevant Period to allot, issue and deal with additional Shares and make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- 4.3 the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph 4.1 above during the Relevant Period, other than (i) a Rights Issue (as hereinafter defined), or (ii) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares, or (iii) an issue of Shares for the grant or exercise of any option under any option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of Shares or rights to acquire Shares, or (iv) any issue of Shares as scrip dividends or similar arrangement pursuant to the articles of association of the Company, from time to time shall not exceed 20 per cent of the total number of Shares (excluding Treasury Shares (as hereinafter defined), if any) in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- 4.4 for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
- (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
  - (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting of the Company.

“**Rights Issue**” means an offer of Shares, or offer or issue of options, warrants or other securities giving the right to subscribe for Shares open for a period fixed by the Directors to the holders of Shares (and, where appropriate, to holders of other securities of the Company entitled to the offer) whose names appear on the

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register on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).

“**Treasury Shares**” means the Shares repurchased and held by the Company in treasury (if any), as authorised by the laws and regulations of the Cayman Islands and the articles of association of the Company, which for the purpose of the Listing Rules, include Shares repurchased by the Company and held or deposited in the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited for sale on the Stock Exchange, and has the meaning ascribed thereto under the Listing Rules which will come into effect on 11 June 2024 and as amended from time to time.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- 5.1 subject to paragraph 5.2 below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- 5.2 the aggregate number of Shares which the Directors are authorised to repurchase pursuant to the approval in paragraph 5.1 above during the Relevant Period shall not exceed 10 per cent of the total number of Share in issue (excluding Treasury Shares, if any) as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- 5.3 for the purposes of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (a) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
  - (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting of the Company.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** subject to the passing of resolutions numbered 4 and 5 set out in this notice convening this meeting, the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such power pursuant to resolution numbered 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of Shares representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 5 set out in the notice convening this meeting, provided that such number of Shares so repurchased shall not exceed 10 per cent of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of passing this resolution.”

7. To approve the subcontracting framework agreement dated 18 April 2024 entered into between Kin Pang Construction and Engineering Company Limited, an indirect wholly-owned subsidiary of the Company, and Construtor Civil Kong Kin I and its proposed annual caps.

Yours faithfully,  
By order of the Board  
**Kin Pang Holdings Limited**  
**Kong Kin I**  
*Chairman & Executive Director*

Hong Kong, 9 May 2024

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed (i.e. Tuesday, 4 June 2024 at 11:00 a.m.) for holding the Meeting or any adjournment thereof (as the case may be).

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3. For the purpose of ascertaining shareholders who are entitled to attend and vote at the Meeting to be held on Thursday, 6 June 2024, the register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024 (both days inclusive). In order to qualify for the right to attend and vote at the Meeting, all transfers documents accompanied by the relevant share certificates should be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 31 May 2024.
4. With regard to item number 2 in this notice, the Board proposes that the retiring Directors, namely, Mr. Kong Kin I and Mr. Cheung Kin Wing, be re-elected as Directors. Biographical details of these Directors are set out in Appendix II to the circular despatched to shareholders of the Company dated 9 May 2024 (the "Circular").
5. With reference to item number 3 in this notice, Linksfield CPA Limited are proposed to be re-appointed as the auditors of the Company.
6. Detailed information on other business to be transacted at the Meeting is set out in the Circular.
7. All resolutions as set out in this notice will be taken by poll at the Meeting.
8. If a Typhoon Signal No. 8 or above is hoisted or "extreme conditions" caused by super typhoon or a Black Rainstorm Warning Signal is in force at or at any time after 8:00 a.m. on the date of the Meeting, the Meeting will be adjourned. The Company will post an announcement on the website of the Company ([www.kinpang.com.mo](http://www.kinpang.com.mo)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the date, time and place of the adjourned meeting.  
  
The Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the Meeting under bad weather conditions bearing in mind their own situations.
9. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
10. As at the date hereof, the Board comprises (i) Mr. Kong Kin I (Chairman and Chief Executive Officer) and Ms. Choi Fong Lan as executive directors of the Company; and (ii) Mr. Cheung Kin Wing, Mr. Cheung Wai Lun Jacky and Mr. Zhao Zhipeng as independent non-executive directors of the Company.