

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**KPa-BM Holdings Limited**

**應力控股有限公司\***

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

(Stock code: 8141)

## CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of KPa-BM Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) dated 30 September 2015 (the “Prospectus”) in relation to the listing of the Company’s shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus. Reference is also made to the interim results announcement of the Company for the six months ended 30 September 2016, in which the utilisation of proceeds from the Placing up to 30 September 2016 was disclosed.

The net proceeds from the Placing were approximately HK\$28.9 million, which was different from the estimated net proceeds of approximately HK\$27.0 million as disclosed in the Prospectus. The Group intended to adjust the difference of approximately HK\$1.9 million in the same manner and in the same proportion to the use of proceeds as shown in the Prospectus.

### Change in Use of Proceeds

For reasons stated below, the board of directors (the “Board”) has resolved to change the use of the net proceeds from the Placing in the manner as set out below:

	<b>Original use of net proceeds</b>	<b>As at 30 September 2016</b>		<b>Revised use of proceeds</b>	<b>Revised unutilised proceeds</b>
	<i>HK\$ million</i>	<b>Utilised</b>	<b>Unutilised</b>	<i>HK\$ million</i>	<i>HK\$ million</i>
		<i>HK\$ million</i>	<i>HK\$ million</i>		
1 Further expanding the Group’s capacity to capture more business opportunities	14.2	8.3	5.9	<b>8.3</b>	—
2 Further development of the Group’s structural engineering business	5.4	—	5.4	—	—
3 Enhancing the Group’s design and customisation capabilities	6.4	1.9	4.5	<b>6.4</b>	<b>4.5</b>

	<b>Original use of net proceeds</b> <i>HK\$ million</i>	<b>As at 30 September 2016</b>		<b>Revised use of proceeds</b> <i>HK\$ million</i>	<b>Revised unutilised proceeds</b> <i>HK\$ million</i>	
		<b>Utilised</b> <i>HK\$ million</i>	<b>Unutilised</b> <i>HK\$ million</i>			
4	General working capital	2.9	2.7	0.2	<b>2.9</b>	<b>0.2</b>
5	Expanding the Group's capacity to capture more business, developing structural engineering business and acquisition of plant and equipment for operational needs	N/A	N/A	N/A	<b>11.3</b>	<b>11.3</b>
		<u>28.9</u>	<u>12.9</u>	<u>16.0</u>	<u><b>28.9</b></u>	<u><b>16.0</b></u>

#### **Reasons for Change in Use of Proceeds**

The Board regularly meets with the Company's management and evaluates conditions and prospects of the construction market in which the Group operates in order to determine the Group's business plan. Based on the operational needs of the Group arising from ongoing projects and potential future projects, the Board considers that the original intended use of proceeds as disclosed in the Prospectus would no longer be cost effective and optimal for the Group's development. In particular, following the listing of the Company, our customers have become more confident in our financial capability and the customers of our newly contracted projects did not require from us any surety bond. Furthermore, the Group's enhanced financial strength has enabled us to partake in more capital intensive projects. Accordingly, the Board had resolved to combine the use of the remaining unutilised proceeds from "further expanding the Group's capacity to capture more business opportunities" and "further development of the Group's structural engineering business" and extend it to include "acquisition of plant and equipment for operational use".

The Board considers that the above reallocated use of proceeds is better synergised with the Group's current financial needs and is therefore in the interests of the Company and its shareholders as a whole.

By order of the Board  
**KPa-BM Holdings Limited**  
**YIP Pak Hung**  
*Chairman*

Hong Kong, 9 November 2016

\* *For identification purpose only*

*This announcement, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.*

*As at the date of this announcement, the executive Directors are Mr. Yip Pak Hung (chairman of the Board), Mr. Wai Yat Kin and Mr. Lui Bun Yuen, Danny and the independent non-executive Directors are Ms. Lai Pik Chi, Peggy, Mr. Lam Chi Wai, Peter and Dr. Yeung Kit Ming.*

*This announcement will remain on the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at [www.kpa-bm.com.hk](http://www.kpa-bm.com.hk).*