

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 KPa-BM Holdings Limited (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker, registered dealer in securities or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8141)

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

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

A notice convening the annual general meeting of the Company (“**AGM**”) to be held at 3:00 p.m. on Wednesday, 9 August 2017 at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong is set out on pages 14 to 18 of this circular. A form of proxy for use by the shareholders at the AGM is enclosed.

Whether or not you are able to attend the AGM, you are advised to read this circular and to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

This circular, together with a form of proxy, will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the Company’s website at <http://www.kpa-bm.com.hk>.

* For identification purpose only

21 June 2017

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix I — Explanatory Statement on the Repurchase Mandate	7
Appendix II — Biographical details of retiring directors	11
Notice of AGM	14

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 9 August 2017 at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong, for the purpose of considering and if thought fit, approving, <i>inter alia</i> , the resolutions proposed in this circular
“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time
“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	KPa-BM Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed on GEM (Stock Code: 8141)
“controlling shareholder(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 June 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Date”	8 October 2015, being the date on which dealing in the Company’s Shares first commenced on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase the Shares of the aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Retiring Directors”	the Directors retiring at the AGM and, being eligible, offering themselves for re-election at the AGM in accordance with the Articles and the GEM Listing Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



KPa-BM Holdings Limited
應力控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8141)

Executive Directors:

Mr. Yip Pak Hung (*Chairman*)
Mr. Wai Yat Kin (*Chief Executive Officer*)
Mr. Lui Bun Yuen, Danny

Registered Office:

P.O. Box 1350
Clifton House, 75 Fort Street
Grand Cayman, KY1-1108
Cayman Islands

Independent Non-executive Directors:

Ms. Lai Pik Chi, Peggy
Mr. Lam Chi Wai, Peter
Dr. Yeung Kit Ming

*Head office and principal place of
business in Hong Kong:*

1907-1915, The Octagon
6 Sha Tsui Road
Tsuen Wan, New Territories
Hong Kong

21 June 2017

To the Shareholders

Dear Sirs or Madams,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) the granting of the General Mandate to the Directors;
- (b) the granting of the Repurchase Mandate to the Directors;
- (c) the granting of the extension mandate to extend the General Mandate by an amount representing the aggregate nominal amount of any Shares purchased or repurchased under the Repurchase Mandate; and
- (d) the re-election of the Retiring Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

A notice convening the AGM setting out the details of the ordinary resolutions to be proposed at the AGM is set out on pages 14 to 18 of this circular.

GENERAL MANDATE

The Directors have been granted a general and unconditional mandate to allot, issue and deal with Shares pursuant to the ordinary resolutions of the Shareholders passed on 8 August 2016. The general mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by any applicable laws or the Articles to hold its next annual general meeting; or (c) when varied, revoked or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

As at the Latest Practicable Date, the existing general mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general and unconditional mandate to allot, issue and deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution (that is, the General Mandate).

REPURCHASE MANDATE

The Directors have been granted a general and unconditional mandate to exercise the power of the Company to repurchase Shares pursuant to the ordinary resolutions of the Shareholders passed on 8 August 2016. The repurchase mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by any applicable laws or the Articles to hold its next annual general meeting; or (c) when varied, revoked or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

As at the Latest Practicable Date, the existing repurchase mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general mandate to exercise all the powers of the Company to purchase or repurchase Shares with the aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution (that is, the Repurchase Mandate). An explanatory statement giving the particulars required under Rule 13.08 of the GEM Listing Rules in respect of the Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out Appendix I to this circular.

The Company had in issue an aggregate of 600,000,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolutions for the approval of the General Mandate and the Repurchase Mandate and in accordance with the terms therein, the Company would be

LETTER FROM THE BOARD

allowed to allot, issue and deal with a maximum of 120,000,000 new Shares and to repurchase a maximum of 60,000,000 Shares respectively, on the basis that no further Shares will be issued or repurchased by the Company between the Latest Practicable Date to the date of the AGM.

EXTENSION OF GENERAL MANDATE

In addition, subject to the passing of the resolutions to grant the General Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to authorise the Directors to extend the General Mandate to allot and issue Shares by an amount of shares representing the aggregate nominal value of shares of the Company purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Repurchase Mandate.

RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 112 of the Articles, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. In accordance with Article 108(a) of 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 (3), the number nearest to but not less than one-third) shall retire from office by rotation.

Accordingly, Mr. Yip Pak Hung, Ms. Lai Pik Chi, Peggy, Mr. Lam Chi Wai, Peter and Dr. Yeung Kit Ming shall retire at the AGM and being eligible, offer themselves for re-election. The biographical details of the Retiring Directors are set out in Appendix II to this circular.

AGM AND PROXY ARRANGEMENT

The notice convening the AGM to be held at 3:00 p.m. on Wednesday, 9 August 2017 at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong is set out on pages 14 to 18 of this circular. Ordinary resolutions will be proposed at the AGM for the purpose of considering and if thought fit, approving, *inter alia*, the resolutions proposed in this circular.

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before

LETTER FROM THE BOARD

the time appointed for the holding of the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjourned meeting thereof) should you so wish.

VOTING AT THE AGM

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the AGM, in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules, on the results of the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

RECOMMENDATION

The Directors believe that the General Mandate, the Repurchase Mandate, the extension of the General Mandate and the re-election of Retiring Directors are in the interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is also drawn to the appendices to this circular.

Yours faithfully,
By order of the Board
KPa-BM Holdings Limited
Yip Pak Hung
Chairman and Executive Director

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, a total of 600,000,000 Shares were in issue. As at the Latest Practicable Date, the Company did not have any outstanding options, warrants and convertible securities to subscribe for the Shares.

Assuming that no further Shares are issued or repurchased during the period from the Latest Practicable Date until the AGM, exercise in full of the Repurchase Mandate, on the basis of 600,000,000 Shares in issue as at the Latest Practicable Date, could result in up to a maximum of 60,000,000 Shares being repurchased by the Company.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

3. SOURCE OF FUNDS

The Company is empowered by the Articles to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Cayman Companies Law, the GEM Listing Rules and/or other applicable laws, rules and regulations, as the case may be.

Any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if authorised by the Articles and subject to the Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The premium, if any, payable on repurchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are repurchased or, if authorised by the Articles and subject to Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

The Company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or settlement otherwise than in accordance with the trading rules of the Stock Exchange.

4. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

5. IMPACT ON WORKING CAPITAL OR GEARING POSITION

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 March 2017, being the date of its latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and all applicable laws of the Cayman Islands.

7. DISCLOSURE OF INTERESTS

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 GEM Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell any of their Shares to the Company or its subsidiaries pursuant to the Repurchase Mandate.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any of his/her/its Shares to the Company nor has undertaken not to sell any of the Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved by Shareholders.

8. THE TAKEOVERS CODE

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 may be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, to the best knowledge of the Directors, the controlling Shareholders (as defined in the GEM Listing Rules) of the Company, namely Mr. Lui Bun Yuen, Danny, Mr. Wai Yat Kin, Mr. Yip Pak Hung and Success Wing Investments Limited, together with their parties acting in concert (within the meaning of the Takeovers Code) and their respective associates, were beneficially interested in 432,000,000 Shares representing 72% of the total issued Shares. In the event that the Directors exercise the Repurchase Mandate in full the power of the Company to repurchase Shares, the interest of the controlling Shareholders, together with their parties acting in concert and their respective associates, in the Company would be increased to approximately 80% of the total issued Shares. Such increase will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase and no disposal by any of the controlling Shareholders of their interests in the Shares, an exercise of Repurchase Mandate may result in less than 25% of the Shares being held by the public. In any event, unless otherwise approved by the Stock Exchange, the Directors will refrain from exercising the power conferred by the Repurchase Mandate to an extent as may result in a public shareholding of less than 25%.

9. SHARE PRICES

The highest and lowest traded prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2016		
June	0.380	0.295
July	0.390	0.280
August	0.480	0.305
September	0.510	0.355
October	0.560	0.460
November	0.510	0.445
December	0.485	0.420
2017		
January	0.640	0.450
February	0.660	0.580
March	0.700	0.580
April	0.670	0.580
May	0.730	0.610
June (up to Latest Practicable Date)	0.740	0.640

10. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares had been made by the Company in the 6 months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Set out below are the biographical details of the Retiring Directors proposed to be re-elected at the AGM.

EXECUTIVE DIRECTOR

Mr. YIP Pak Hung (葉柏雄), aged 58, was appointed as a Director on 15 May 2015 and then was appointed as an executive Director, chairman of the Board and the compliance officer of the Company on 26 June 2015. Mr. Yip is primarily responsible for the overall management and corporate policy making of the Group's business operations. He is also a director of eight wholly-owned subsidiaries of the Company, namely (i) AcouSystem Limited; (ii) BuildMax Limited; (iii) KPa Contracting Limited; (iv) KPa Engineering Limited; (v) KPa Engineering (HK) Limited; (vi) Light Dimension Limited; (vii) Sun Pool Engineering Limited; and (viii) Youkang Limited.

Mr. Yip obtained a bachelor degree of arts from the faculty of science and mathematics of University of Windsor in Canada in June 1983. He joined the Group and was appointed as a director of KPa Engineering on 16 January 1993. Prior to joining the Group, Mr. Yip has accumulated approximately 8 years of sales experience in different industries from 1984 to 1992. Mr. Yip has more than 20 years of experience in the structural engineering and construction industry. He has held a leadership role in the overall management and administration of the Group's business operation since he joined the Group.

Mr. Yip has been a director of Constar Engineering Limited ("Constar"), a private company incorporated in Hong Kong in 1994, and was subsequently struck off by the Company Registry as a defunct company and was dissolved on 5 September 2003 pursuant to section 291 of the Predecessor Companies Ordinance. Constar was set up to market and promote the flagpole business. However, owing to (i) the comparatively small scale of the flagpole business of Constar; and (ii) the fact that Constar had not carried out any substantial business since incorporation, Constar subsequently became a defunct company. Pursuant to section 291 of the Predecessor Companies Ordinance, where the Registrar of Companies has reasonable cause to believe that a company is not carrying on business or in operation, the Registrar may strike the name of the company off the register after the expiration of a specified period. Mr. Yip confirmed that the said company was solvent and it had not carried out any substantial business at the time of it being struck off.

As at the Latest Practicable Date, Mr. Yip held a long position of 432,000,000 Shares, representing 72% of the total issued Shares.

Mr. Yip has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date but will be subject to retirement by rotation and eligible for re-election pursuant to the Articles. Mr. Yip will be entitled to a remuneration of HK\$2,210,000 per annum, which was determined by the Board on recommendation of the remuneration committee by reference to his duties and responsibilities with the Company, the Company's performance and current market situation.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. LAI Pik Chi, Peggy (黎碧芝), aged 52, was appointed as an independent non-executive Director on 22 September 2015 and is responsible for providing independent judgment on the Group's strategy, performance, resources and standard of conduct. She is the chairman of the audit committee and a member of both the remuneration committee and the nomination committee of the Company. Ms. Lai obtained a master degree of business administration from the University of Manchester in the United Kingdom in June 2010. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of both the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Ms. Lai has over 20 years of auditing, accounting, financial management experience. She was employed by Chung Nam Watch Co., Ltd. as the financial controller from November 2004 to June 2008. Ms. Lai served as an executive director from October 2008 to May 2011, and the chairman of the board from January 2009 to May 2011 of Mandarin Entertainment (Holdings) Limited (now known as Nine Express Limited) (stock code: 9), a company listed on the Main Board of the Stock Exchange. She was the chief financial officer and company secretary from May 2012 to May 2016 and remains as the company secretary until 30 June 2016 of CIG Yangtze Ports PLC (stock code: 8233), a company listed on GEM of the Stock Exchange.

Ms. Lai entered into a service agreement with the Company for a term of 3 years commencing from Listing Date and subject to the requirements for retirement by rotation at least once every three years) and re-election at the annual general meeting of the Company pursuant to the Articles of Association and the GEM Listing Rules. Ms. Lai is entitled to receive a monthly director fee of HK\$15,000, which is determined by the Board with reference to the prevailing market rate and Ms. Lai's duties and responsibilities in the Company. Ms. Lai's director fee is subject to review by the Board and the remuneration committee of the Company from time to time.

Mr. LAM Chi Wai, Peter (林志偉), aged 57, was appointed as an independent non-executive Director on 22 September 2015 and is responsible for providing independent judgment on the Group's strategy, performance, resources and standard of conduct. He is the chairman of the remuneration committee and a member of both the audit committee and the nomination committee of the Company. Mr. Lam obtained a diploma in business administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in July 1986.

Mr. Lam also obtained a bachelor degree of business administration from Hong Kong Shue Yan University in October 2010. He is an affiliate member of the Chartered Institute of Marketing. Mr. Lam has approximately 20 years of experience in sales and marketing in the timepiece industry. From 1986 to 1995, he worked in the sales and/or marketing department for various watch trading companies. In 1995, Mr. Lam and his business partners set up a watch-selling business and its holding company, Powerwell Pacific Holdings Limited (stock code: 8265), subsequently listed on GEM of the Stock Exchange on 26 January 2011 and he was appointed as an executive director of that holding company from July 2010 to September 2014.

Mr. Lam entered into a service agreement with the Company for a term of 3 years commencing from Listing Date and subject to the requirements for retirement by rotation (at least once every three years) and re-election at the annual general meeting of the Company pursuant to the Articles of Association and the GEM Listing Rules. Mr. Lam is entitled to receive a monthly director fee of HK\$15,000, which is determined by the Board with reference to the prevailing market rate and Mr. Lam's duties and responsibilities in the Company. Mr. Lam's director fee is subject to review by the Board and the remuneration committee of the Company from time to time.

Dr. YEUNG Kit Ming (楊傑明), aged 59, was appointed as an independent non-executive Director on 22 September 2015 and is responsible for providing independent judgment on the Group's strategy, performance, resources and standard of conduct. He is the chairman of the nomination committee and a member of both the audit committee and the remuneration committee of the Company. Dr. Yeung obtained his bachelor degree of science from the University of Hong Kong in November 1981 and a doctoral degree in philosophy from University of California, San Diego in the US in June 1987. From August 1990 to September 2004, Dr. Yeung worked at the Chinese University of Hong Kong as a lecturer and later became a teaching fellow.

Dr. Yeung entered into a service agreement with the Company for a term of 3 years commencing from Listing Date and subject to the requirements for retirement by rotation at least once every three years) and re-election at the annual general meeting of the Company pursuant to the Articles of Association and the GEM Listing Rules. Dr. Yeung is entitled to receive a monthly director fee of HK\$15,000, which is determined by the Board with reference to the prevailing market rate and Dr. Yeung's duties and responsibilities in the Company. Dr. Yeung's director fee is subject to review by the Board and the remuneration committee of the Company from time to time.

GENERAL

Save as disclosed above, none of the Retiring Directors:

- (i) held any other positions in any members of the Group as at the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date;
- (iii) held any other directorships in listed public companies in the three years prior to the Latest Practicable Date; and
- (iv) had any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information in relation to the Retiring Directors that needs to be disclosed pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of GEM Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 17.50(2)(w) of GEM Listing Rules.

NOTICE OF AGM



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8141)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of KPa-BM Holdings Limited (the “**Company**”) will be held at 3:00 p.m. on Wednesday, 9 August 2017 at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and the independent auditor of the Company for the year ended 31 March 2017;
2. To re-elect Mr. Yip Pak Hung as an executive Director;
3. To re-elect Ms. Lai Pik Chi, Peggy as an independent non-executive Director;
4. To re-elect Mr. Lam Chi Wai, Peter as an independent non-executive Director;
5. To re-elect Dr. Yeung Kit Ming as an independent non-executive Director;
6. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
7. To approve the proposed final dividend of HK1.6 cents per share;
8. To re-appoint BDO Limited as the auditor of the Company and authorise the Board to fix the auditor’s remuneration; and

as special business, to consider and, if thought fit, pass the following resolutions (with or without amendments) as ordinary resolutions:

9. “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with new shares in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as amended from time to time) (the “**GEM Listing Rules**”) be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF AGM

- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); (ii) the exercise of the rights of subscription or conversion under the terms of any warrants which may be issued by the Company or any securities which are convertible into shares; (iii) the exercise of options granted under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees, officers, Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company; and (iv) any scrip dividend or similar arrangement providing for allotment and issue of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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 laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking or varying such mandate.

“**Rights Issue**” means an offer of shares of the Company or offer or issue of warrants or options or other securities giving rights to subscribe for the shares of the Company open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holding of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in

NOTICE OF AGM

relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange, in any territory outside Hong Kong, applicable to the Company).”

10. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase or repurchase shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company on the Stock Exchange or on any other stock exchange on which the shares or securities of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Securities and Futures Commission, the Companies Law of the Cayman Islands, the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:
 - “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) 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 laws of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking or varying such mandate.”

NOTICE OF AGM

11. “**THAT** conditional upon resolutions no. 9 and no. 10 above being passed (with or without amendments), the general and unconditional mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with shares of the Company pursuant to the resolution set out in resolution no. 9 above be and is hereby extended by the addition thereto an amount of shares representing the aggregate nominal amount of shares of the Company purchased or repurchased by the Company pursuant to the authority granted to the directors of the Company under resolution no. 10 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”

By order of the Board
KPa-BM Holdings Limited
Yip Pak Hung
Chairman and Executive Director

Hong Kong, 21 June 2017

Notes:

1. A member of the Company entitled to attend and vote at the annual general meeting shall be entitled to appoint one or if he is a holder of two or more shares of the Company, more than one proxies to attend and vote in his stead. A proxy need not be a member of the Company but must be present in person in the annual general meeting to represent the member. Completion and return of the form of proxy will not preclude a member of the Company from attending the annual general meeting and voting in person should he so wish. In such event, his form of proxy will be deemed to have been revoked.
2. Where there are joint registered holders of any share, any one of such persons may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. A form of proxy for the annual general meeting is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time for holding the annual general meeting or any adjournment thereof.
4. To ascertain the members' entitlement to attend and vote at the meeting, the register of members will be closed from Friday, 4 August 2017 to Wednesday, 9 August 2017, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 3 August 2017.
5. To ascertain the members' entitlement to the proposed final dividend upon passing of resolution no. 7 set out in this notice, the register of members will be closed from Wednesday, 16 August 2017 to Friday, 18 August 2017, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the proposed final dividend payable on or about 8 September 2017, all transfers of shares, accompanied by the relevant share

NOTICE OF AGM

certificates, must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 15 August 2017.

6. An explanatory statement containing further details regarding resolution no. 10 above is set out in Appendix I to this circular of which this notice of AGM forms part.
7. Biographical details of the retiring Directors of the Company are set out in Appendix II to this circular.
8. Members of the Company or their proxies shall produce documents of their proof of identity when attending the annual general meeting.
9. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at www.kpa-bm.com.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, the executive Directors are Mr. Yip Pak Hung, 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.