

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.

## **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.

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.

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.

**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.

### **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;

- (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

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.



## 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;

- (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.

### ***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

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).

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*