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Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus dated 30 September 2015 (the “**Prospectus**”) of KPa-BM Holdings Limited (the “**Company**”).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



(incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

Number of Placing Shares : 150,000,000 Placing Shares
Placing Price : HK\$0.30 per Placing Share (payable in full on application plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% and subject to refund)
Nominal value : HK\$0.01 each
Board lot : 10,000 Shares
Stock code : 8141

Sponsor



Bookrunner and Lead Manager



Co-Managers

I-Access Investors Limited

**Ping An of China Securities (Hong Kong)
Co. Limited**

- The Placing Price is HK\$0.30 per Share (excluding brokerage fee of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%). The net proceeds from the Placing to be received by the Company, after deducting the underwriting commission and related expenses, are estimated to be approximately HK\$27.0 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the paragraph headed “Placing Price and use of proceeds” below.
- The 150,000,000 Shares offered by the Company under the Placing has been fully subscribed.
- Pursuant to the Placing, 150,000,000 Shares have been conditionally allocated to a total of 118 selected professional, institutional and other investors.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates, and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them, and none of the placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after completion of the Capitalisation Issue and the Placing within the meaning of the GEM Listing Rules.
- The Directors confirm that immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be 25% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Thursday, 8 October 2015. Shares will be traded in board lots of 10,000 Share each. The Stock code for the Share is 8141.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is HK\$0.30 per Share (excluding brokerage fee of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%). The net proceeds from the Placing to be received by the Company, after deducting the underwriting commission and related expenses, are estimated to be approximately HK\$27.0 million. The Directors intend to apply the net proceeds from the Placing for the following purposes:

- approximately 49.3% of the net proceeds, or approximately HK\$13.3 million, for further expanding the Group's capacity to capture more business opportunities;
- approximately 18.5% of the net proceeds, or approximately HK\$5.0 million, for further development of the Group's structural engineering business;
- approximately 22.2% of the net proceeds, or approximately HK\$6.0 million, for enhancing the Group's design and customisation capabilities; and
- approximately 10.0% of the net proceeds, or approximately HK\$2.7 million, for the general working capital.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 150,000,000 Shares offered by the Company under the Placing has been fully subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 150,000,000 Placing Shares have been conditionally allocated to a total of 118 selected professional, institutional and other investors. The distribution of the Placing Shares is set out below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	21,000,000	14.00%	3.50%
Top 5 placees	84,320,000	56.21%	14.05%
Top 10 placees	120,980,000	80.65%	20.16%
Top 25 placees	146,440,000	97.63%	24.41%

Number of Placing Shares allocated	Number of places
10,000 to 100,000	84
100,001 to 1,000,000	16
1,000,001 to 5,000,000	9
5,000,001 and above	<u>9</u>
Total	<u><u>118</u></u>

The Directors confirm that, to the best of their knowledge and belief, all places under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates, and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the places has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them, and none of the places is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after completion of the Capitalisation Issue and the Placing within the meaning of the GEM Listing Rules.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be beneficially owned by the three largest public Shareholders. The Directors confirm that immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be 25% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, which is expected to be on Thursday, 8 October 2015, or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on or about Thursday, 8 October 2015 for credit to the relevant CCASS Participants' stock accounts designated by the Bookrunner (also in its capacity as the Underwriter), the placees or their respective agents (as the case may be). Prospective investors of the Placing Shares should note that the Bookrunner (also in its capacity as the Underwriter) is entitled to terminate its obligations under the Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set forth under the section headed "Underwriting — Grounds for termination" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be on Thursday, 8 October 2015. Such events include, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism, strike or lock-out, natural disaster or outbreak of infectious diseases. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, the Placing shall lapse and thereafter, all money received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.kpa-bm.com.hk immediately following such lapse. All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date, which is expected to be on Thursday, 8 October 2015.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Thursday, 8 October 2015.

If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.kpa-bm.com.hk. Shares will be traded in board lots of 10,000 Shares each. The stock code for the Shares is 8141.

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

Hong Kong, 7 October 2015

As at the date of this announcement, 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.

This announcement, 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 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.

This announcement and a copy of the Prospectus will remain on the Stock Exchange's website at www.hkexnews.hk and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.kpa-bm.com.hk.

* *For identification purpose only*