

DATED 29 AUGUST 2024

WING HONG SHUN ENTERPRISES LIMITED

(being the Contractor)

AND

ABLE ENGINEERING HOLDINGS LIMITED

(FOR AND ON BEHALF OF ITSELF AND ANY OF ITS SUBSIDIARIES)

(being the Sub-contractor)

FRAMEWORK SUBCONTRACTING AGREEMENT

 **Howse Williams**

27/F, Alexandra House
18 Chater Road
Central, Hong Kong
Tel: 2803 3688
Fax: 2803 3618
Ref: BPCH/A.00907.00011

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THIS AGREEMENT is made on the 29th day of August 2024

BETWEEN:

- (1) **WING HONG SHUN ENTERPRISES LIMITED** 榮康順企業有限公司, a company incorporated in Hong Kong with limited liability, whose registered office is at Unit 2221, Grandtech Centre, 8 On Ping Street, Shatin, N.T., Hong Kong (the “**Contractor**”); and
- (2) **ABLE ENGINEERING HOLDINGS LIMITED** 安保工程控股有限公司 (for and on behalf of itself and any of its subsidiaries), a company incorporated in the Cayman Islands with limited liability, whose registered office is at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and its principal place of business in Hong Kong at No. 155 Waterloo Road, Kowloon Tong, Kowloon, Hong Kong, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited with stock code 1627 (the “**Sub-contractor**”)

(each of the Contractor and the Sub-contractor being a “**Party**”, and collectively, the “**Parties**”).

RECITALS

- (A) The Contractor is principally engaged in manufacture, design and trading of professional products related to precast concrete elements in Hong Kong. As at the date of this Agreement, all the issued shares of the Contractor are wholly owned by Mr. LEUNG Shek On. Upon the completion of the conditional acquisition of 90% of the issued shares of the Contractor by Bright Realm Limited (“**Bright Realm**”), a company incorporated in Hong Kong and is owned indirectly as to 100% by Mr. NGAI Chun Hung, a controlling shareholder of the Sub-contractor, pursuant to an agreement relating to the sale and purchase of the shares of the Contractor dated 29 August 2024, all the issued shares of the Contractor will be owned as to 10% by Mr. LEUNG Shek On and 90% by Bright Realm. The Contractor will accordingly become a connected person of the Sub-contractor and the transaction contemplated hereunder will constitute a continuing connected transaction of the Sub-contractor under Chapter 14A of the Listing Rules.
- (B) The Sub-contractor and its subsidiaries (the “**Sub-contractor Group**”) are principally engaged in building construction, repair, maintenance, alteration and addition works and sales of prefabricated construction units in Hong Kong.
- (C) The Contractor is desirous of engaging any member of the Sub-contractor Group as a sub-contractor from time to time for the provision

procurement services for construction projects in Hong Kong (the “**Sub-contracting Arrangements**”).

- (D) This Agreement governs the overall relationship of the Parties in relation to the Sub-contracting Arrangements according to the requirements of Chapter 14A of the Listing Rules.

NOW, THEREFORE, for and in consideration of the foregoing premises, mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the Parties hereto agree to the following terms and conditions:

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Agreement where the context so admits the following words and expressions shall have the following meanings:

“Accepted Project(s)” has the meaning ascribed to it in Clause 4.2;

“Affiliate” in relation to a Party, any subsidiary or holding company of that Party or any subsidiary of the holding company of that Party. The terms “subsidiary” and “holding company” shall have the same meanings as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), but for the purposes of this Agreement shall not include the other Party to this Agreement;

“Annual Cap” the maximum amount of sub-contracting fees payable to the Sub-contractor Group by the Contractor under the Sub-contracting Arrangements for the Service Year, expressed in monetary value in Hong Kong dollars (“HK\$”), as follows:

Year ending 31 March	Annual Cap (HK\$)
2025	123,000,000
2026	202,000,000
2027	245,000,000

“Business Day(s)” any day (excluding Saturday, Sunday and public holidays, and a day on which

	tropical cyclone warning no. 8 or above is hoisted or a 'black' rainstorm warning signal or 'extreme conditions' caused by a super typhoon as announced by the government of Hong Kong is in force in Hong Kong at any time between 9:00 a.m. and 15:00 p.m.) on which banks are generally open for ordinary business in Hong Kong;
"Condition"	has the meaning ascribed to it in Clause 2.1;
"Effective Date"	the date on which this Agreement becomes unconditional;
"Force Majeure Event"	(a) any supervening outbreak of war affecting Hong Kong, hostilities (whether war be declared or not), invasions, acts of foreign enemies, rebellion, revolution, military or usurped power, overthrow (whether by external or internal means) of the government, civil war, riot, civil disturbances, fire (if not caused or contributed to by a Party, its Affiliates, sub-contractor, or agent), civil commotion, pandemic and acts of God; or (b) any supervening catastrophic event which is similar to the foregoing if not caused or contributed to by a Party, its Affiliates, sub-contractor, or agent, and which, in either (a) or (b) above, prevents the performance of a Party's performance of its duties and obligations hereunder;
"HK\$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Long Stop Date"	31 December 2024 or such other date as the Parties may agree in writing;

"Regulatory Compliance"	compliance with the relevant requirements applicable to connected transactions under the Listing Rules;
"Service Year"	a period of 12 months ending 31 March;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Sub-contracting Arrangements"	has the meaning ascribed to it in Recital (C);
"Sub-contractor Group"	has the meaning ascribed to it in Recital (B);
"%"	per cent.

1.2. In this Agreement, unless otherwise specified:

- 1.2.1. references in this Agreement to Clauses, Schedules and Annexes are to clauses in and schedules and annexes to this Agreement (unless the context otherwise requires);
- 1.2.2. Recitals, Schedules and Annexes to this Agreement shall be deemed to form part of this Agreement;
- 1.2.3. any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall, wherever necessary or appropriate in the context, be construed as including references to the sections of the previous legislation from which the consolidating legislation has been prepared;
- 1.2.4. headings are inserted for convenience only and shall not affect the construction of this Agreement;
- 1.2.5. a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);

- 1.2.6. a reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established;
- 1.2.7. the masculine gender shall include the feminine and neuter and the singular number shall include the plural and vice versa;
- 1.2.8. references to writing shall include any methods of producing or reproducing words in a legible and non-transitory form;
- 1.2.9. references to times of the day are to Hong Kong times;
- 1.2.10. the words "include", "includes" and "including" or similar words are deemed to be followed by the words "without limitation"; and
- 1.2.11. a reference to this Agreement or to any other agreement or document referred to in this Agreement is a reference to this Agreement or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of this Agreement) from time to time.

2. CONDITIONAL AGREEMENT

- 2.1. This Agreement and the obligations of the Parties under this Agreement shall not become effective or binding upon the Parties unless and until, and in any event on or before the Long Stop Date, the passing of all resolutions by the shareholders of the Sub-contractor (other than those who are required to abstain from voting under the Listing Rules) at a general meeting of the Sub-contractor approving the entering into this Agreement by the Sub-contractor (for and on its own behalf and any of its subsidiaries) and the performance of the transactions contemplated hereunder in accordance with the relevant provisions in the Listing Rules, the articles of association of the Sub-contractor and the applicable laws and regulations in Hong Kong and other applicable jurisdictions (the "**Condition**").
- 2.2. If the Condition is not fulfilled on or before the Long Stop Date, this Agreement shall be of no effect without the necessity for either Party giving any notice to that effect and there shall be no claim under or in connection with this Agreement by either Party against the other.
- 2.3. For avoidance of doubt, the Condition shall not be waived by any Party.

3. TERM

- 3.1. Subject to Clause 2, the term of this Agreement shall commence on the Effective Date and ending on 31 March 2027, unless earlier terminated under Clause 7.

4. SUB-CONTRACTING ARRANGEMENTS

- 4.1. Pursuant to the terms and conditions under this Agreement, the Contractor may invite the Sub-contractor or any member of the Sub-contractor Group for quotations for the provision of the relevant services. The Contractor will generally select the most suitable subcontractor(s) from the approved list of subcontractors based on their relevant skill sets, qualifications and experience, subject to their availability and fee quotations. The Contractor is not bound to engage the Sub-contractor Group or any of its members for quotations submitted by it and may engage other sub-contractors.
- 4.2. In the event that the Contractor accepts the quotations provided by the Sub-contractor Group or any of its members, the Contractor shall acknowledge its acceptance of the Sub-contractor Group's or its relevant member's quotations by a written confirmation. The Sub-contractor Group or its relevant member shall carry out the works and the Contractor shall pay the subcontracting fees to the Sub-contractor Group or its relevant member in accordance with the relevant quotations accepted in writing (the "**Accepted Projects**").

5. PRICING POLICY

- 5.1. The Parties acknowledge and confirm that the sub-contracting fees payable for the Accepted Projects will be arrived at after arm's length negotiations on normal commercial terms and will be determined, on a project-by-project basis, by reference to, among other things, the following factors:
- 5.1.1. the prevailing market prices of materials and relevant costs of sub-contracting services at the time of tendering for the Accepted Projects based on the competitive quotations from suppliers and/or sub-contractors of the Contractor;
 - 5.1.2. the scale, complexity and specifications of the Accepted Projects, nature and amount of works to be performed, the capacity of the Sub-contractor Group or its relevant member, the estimated time required to complete the works and other technical project requirements of the Accepted Projects;
 - 5.1.3. the historical fees received from independent third party sub-contractors for similar scope of services performed for similar projects;

- 5.1.4. the fee level in the market and competitive conditions at the contract negotiation stage;
 - 5.1.5. the terms (including payment terms and terms of service) previously entered into with independent third party sub-contractors for similar scope of services performed for similar projects; and
 - 5.1.6. the level of risks involved in the Accepted Projects and the sub-contracting services.
- 5.2. For the avoidance of doubt, the Contractor and the relevant member of the Sub-contractor Group providing the sub-contracting services shall separately negotiate the terms of each Accepted Projects on arm's length basis and enter into separate agreements in respect of each Accepted Projects.
- 5.3. The Contractor and the Sub-contractor shall procure that the aggregate sub-contracting fees payable under the Accepted Projects in the Service Year shall not exceed the Annual Cap in respect of the Service Year.
- 5.4. In the event that the aggregating contracting fees payable in the Service Year are approaching the Annual Cap, the Contractor and the Sub-contractor Group shall procure all necessary Regulatory Compliance actions to be taken to comply with Regulatory Compliance requirements before the Annual Cap is exceeded.
- 5.5. In arriving at the Annual Cap in respect of the Service Year, the Sub-contractor has considered:
 - 5.5.1. the historical project size of the Sub-contractor Group in providing relevant services for the past one (1) financial year;
 - 5.5.2. the historical transaction amount between the Contractor and the Sub-contractor Group for the past one (1) financial year which approximately amounted to HK\$65,953,000;
 - 5.5.3. the estimated amount of final sub-contracting fees to be received by the Sub-contractor Group under the Accepted Projects for the Service Year for the years ending 31 March 2025, 31 March 2026 and 31 March 2027 taking into account the existing sub-contracting arrangements entered into by members of the Sub-contractor Group with other third parties;

- 5.5.4. the estimated demand from the Contractor for sub-contracting services to be provided by the Sub-contractor Group for the Service Year for the years ending 31 March 2025, 31 March 2026 and 31 March 2027 taking into account the existing contracts, potential contracts and submitted tenders of the Contractor;
- 5.5.5. a buffer on the estimated demand for sub-contracting services to be provided by the Sub-contractor Group amounting to approximately HK\$11,158,000, HK\$18,358,000 and HK\$22,190,000 for the years ending 31 March 2025, 31 March 2026 and 31 March 2027, respectively, representing 10% of the estimated contract sum for the relevant years with reference to the actual and forecasted awarded contract amount and estimated precast cost; and
- 5.5.6. the economic growth rate.

6. REVIEW AND MODIFICATION

- 6.1. Subject to Regulatory Compliance, the Party may from time to time review and agree in writing to vary, change, renew and/or amend this Agreement.
- 6.2. All modifications or amendments to this Agreement must be in writing and signed by both Parties and must specify which Clauses and Schedules are intended to be amended.
- 6.3. The Contractor undertakes to use all its best efforts to (a) do or procure to be done all such acts and (b) provide or procure all such sufficient assistance, consents or information, as may be reasonable and appropriate to ensure the Sub-contractor Group's Regulatory Compliance, whether or not upon or in respect to the Sub-contractor Group's request.

7. TERMINATION

7.1. Early Termination

Either Party may terminate this Agreement upon giving at least six (6) months prior written notice to the other Party.

7.2. Termination on Default

Either Party (the "**Non-defaulting Party**") may terminate this Agreement immediately at any time by giving to the other Party (the "**Defaulting Party**") a notice in writing to that effect, if:

- 7.2.1. the Defaulting Party is in breach of any of its obligations under this Agreement and fails to remedy such breach (if capable of remedy) within thirty (30) days of receiving a written notice to do so from the Non-defaulting Party; or
- 7.2.2. the Defaulting Party is subject to the law as to insolvency and/or bankruptcy, makes any arrangement or composition with its creditors, has a receiver appointed or enters into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation or appears to likely to be or do so; or
- 7.2.3. any of the directors, officers or key management of the Defaulting Party commits an offence under the Hong Kong Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong) or any subsidiary legislation made thereunder or any law of a similar nature.

7.3. Termination due to Force Majeure Event

Either Party may by written notice to the other Party, terminate this Agreement if a delay in the performance of a material obligation of either Party due to a Force Majeure Event extends for more than ninety (90) consecutive days.

8. CONSEQUENCES OF TERMINATION

- 8.1. On termination of this Agreement, howsoever arising, each quotation accepted or contract entered into in respect of the Accepted Projects then in force at the date of such termination shall nevertheless continue in full force and effect for the remainder of the term of such contract, unless earlier terminated in accordance with the terms of such quotation or contract.
- 8.2. On termination of this Agreement:
 - 8.2.1. any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of this Agreement which existed at or before the date of termination shall not be affected and
 - 8.2.2. the following clauses shall continue to be in force: Clause 1 (Definitions and Interpretation), Clause 6 (Review and Modification), Clause 7 (Termination), Clause 8 (Consequences of Termination) and Clause 11 (General).

9. FURTHER ASSURANCES

Each Party represents and warrants that it has the full right, power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. Each Party further agrees to do anything reasonably necessary to give effect to this Agreement and to the transactions contemplated by it.

10. NOTICES

- 10.1. Any notice to be given under this Agreement shall be in writing and shall be delivered or sent to the relevant Party at his address, email address or fax number set out below (or such other address, email address or fax number as the addressee has by five (5) days' prior written notice specified to the other Party:

The Contractor

Address	:	Unit 2221, Grandtech Centre, No. 8 On Ping Street, Shatin Hong Kong
Fax number	:	3101 9196
Email address	:	soleung@whse.com.hk
Attention	:	Mr. LEUNG Shek On

The Sub-contractor

Address	:	155 Waterloo Road, Kowloon Tong, Kowloon, Hong Kong
Fax number	:	2796 0519
Email address	:	yaukf@ableeng.com.hk
Attention	:	Mr. YAU Kwok Fai

- 10.2. Any notice required to be given by any Party to any other shall be deemed validly served by hand delivery or by prepaid registered letter sent through the post (airmail if to an overseas address) or by facsimile transmission to the address as set out in Clause 10.1 and any notice served by hand shall be deemed to have been served on delivery, any notice served by email shall be deemed to have been served on despatch, any notice served by facsimile transmission shall be deemed to have been served when sent and any notice served by prepaid registered letter shall be deemed to have been served 48 hours after the time at which it was posted and in proving service it shall be sufficient (in the case of service by hand and prepaid registered letter) to prove that the notice was properly addressed and delivered or posted, as the case may be, and in the case of service by facsimile transmission to prove that the transmission was confirmed as sent by the originating machine.

11. GENERAL

- 11.1. This Agreement constitutes the whole agreement between the Parties and supersedes any previous agreements or arrangements between them relating to the subject matter hereof.
- 11.2. If any provision or part of a provision of this Agreement shall be, or be found by any authority or court of competent jurisdiction to be, invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Agreement, all of which shall remain in full force and effect.
- 11.3. Neither waiver of any particular breach or default, nor any delay in exercising any rights, will constitute a waiver of any subsequent breach or default.
- 11.4. A person who is not a Party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any terms of this Agreement.
- 11.5. The Parties rights and obligations, which, by their nature would continue beyond the expiration or termination of this Agreement or where the context so requires, shall survive any such expiration or termination of this Agreement.
- 11.6. Whenever this Agreement requires a Party's consent or approval, it will not be unreasonably withheld or delayed.
- 11.7. The relationship between the Contractor and the Sub-contractor is that of independent contractors. Nothing in this Agreement: (a) gives either Party the power to direct or control the day-to-day activities of the other Party; (b) constitutes the Parties as partners, joint venturers, co-owners or otherwise as participants in a joint undertaking, or (c) except as expressly provided herein, permits a Party to create or assume any obligation on behalf of the other Party.
- 11.8. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together constitute one instrument.

12. GOVERNING LAW AND JURISDICTION

- 12.1. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 12.2. The Parties irrevocably submit to the exclusive jurisdiction of the Court of Hong Kong to settle any disputes and claims which may arise out of or in connection with this Agreement.

IN WITNESS WHEREOF the Parties hereof have signed this Agreement on the date first above written.

The Contractor

Signed by LEUNG SHEK ON)
for and on behalf of)
WING HONG SHUN ENTERPRISES LIMITED)
in the presence of:)

For and on behalf of
WING HONG SHUN ENTERPRISES LIMITED
榮康順企業有限公司

.....
Authorized Signature(s)

The Sub-contractor

Signed by YAU KWOK FAI)
for and on behalf of)
ABLE ENGINEERING HOLDINGS LIMITED)
in the presence of:)

For and on behalf of
Able Engineering Holdings Limited
安保工程控股有限公司

.....
Authorised Signature(s)