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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 licensed securities dealer 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 Build King Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**CONNECTED TRANSACTION
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

BALLAS
C A P I T A L
A subsidiary of Crosby

Capitalized terms used on this cover page shall have the same meanings as defined in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 11 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 23 of this circular. A letter from the Independent Board Committee is set out on pages 12 to 13 of this circular.

A notice convening the SGM to be held at Academy Room I-II, 1st Floor, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 24 May 2023 at 2:30 p.m. (or immediately after the conclusion or adjournment of the forthcoming annual general meeting of the Company to be held at the same venue and on the same day) is set out on Appendix II of this circular. Whether or not you intend to attend such meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Progressive Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjourned meeting if they so wish.

3 May 2023

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DEFINITIONS

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

“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Build King Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 240)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Faith Oriental”	Faith Oriental Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Wai Kee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Company comprising all independent non-executive Directors, namely Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor, Mr. Lo Yiu Ching, Dantes and Ms. Ng Cheuk Hei, Shirley, established to make recommendation to the Independent Shareholders in respect of the terms of the Supplementary Agreement
“Independent Financial Adviser”	Ballas Capital Limited, a licensed corporation which is licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplementary Agreement
“Independent Shareholders”	Shareholders other than Wai Kee and its associates
“Kaden”	Build King Construction Limited (formerly known as Kaden Construction Limited), a company incorporated in the United Kingdom with limited liability and a wholly-owned subsidiary of the Company
“Kaden-Titan JV”	a joint venture between Kaden and Titan

DEFINITIONS

“Lam Tei Quarry”	a quarry located in Lam Tei, Tuen Mun, New Territories, Hong Kong
“Latest Practicable Date”	27 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Contract”	Contract No. GE/2014/01 for the rehabilitation of Lam Tei Quarry-Extended Works between the Government of Hong Kong, as employer, and Faith Oriental as contractor
“PRC”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened on Wednesday, 24 May 2023 at 2:30 p.m. (or immediately after the conclusion or adjournment of the forthcoming annual general meeting of the Company to be held at the same venue and on the same day) for the purpose of considering, and if thought fit, approving the terms of the Supplementary Agreement
“Shareholders”	the shareholders of the Company
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-contract”	the sub-contract between Kaden-Titan JV and Faith Oriental dated 21 July 2015 regarding the carrying out of the Sub-contract Works
“Sub-contract Price”	a sub-contract price of HK\$532,635,000 agreed by the parties under the Sub-contract
“Sub-contract Works”	the sub-contract works described under the section headed “THE SUPPLEMENTARY AGREEMENT” in the circular
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Supplementary Agreement”	the supplementary agreement between Kaden-Titan JV and Faith Oriental dated 25 April 2023 pursuant to which the Sub-contract was extended and supplemented

DEFINITIONS

“Titan”	Titan Foundation Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Wai Kee”	Wai Kee Holdings Limited, a holding company of the Company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 610)
“Wai Kee Group”	Wai Kee and its subsidiaries (other than members of the Group)

LETTER FROM THE BOARD



BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

Executive Directors:

Mr. Zen Wei Peu, Derek (*Chairman,
Chief Executive Officer and Managing Director*)
Mr. Chang Kam Chuen, Desmond
Mr. Lui Yau Chun, Paul
Mr. Tsui Wai Tim

Non-executive Directors:

Mr. David Howard Gem
Mr. Chan Chi Hung, Anthony

Independent Non-executive Directors:

Mr. Ho Tai Wai, David
Mrs. Ling Lee Ching Man, Eleanor
Mr. Lo Yiu Ching, Dantes
Ms. Ng Cheuk Hei, Shirley

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal Place of Business
in Hong Kong:*

Units 601-605A, 6th Floor, Tower B
Manulife Financial Centre
223 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

3 May 2023

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The Company refers to its announcement dated 25 April 2023 in relation to the Supplementary Agreement, which extends and supplements the Sub-contract which was the subject matter of the Company's announcement dated 21 July 2015 and shareholders circular dated 29 July 2015.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with: (i) further information on the Supplementary Agreement; (ii) recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee; (iv) a notice of the SGM; and (v) other information as required to be disclosed under the Listing Rules, so as to enable you to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the SGM in relation to the Supplementary Agreement and the transactions contemplated thereunder.

BACKGROUND

On 31 March 2015, Faith Oriental has been awarded the Main Contract by Hong Kong government under which it is required to carry out design, construction, completion and maintenance works in relation to the rehabilitation of the Lam Tei Quarry over a period of approximately seven years from and including the date of possession of the site by Faith Oriental. The Main Contract grants Faith Oriental the rights and permission to process and sell surplus rock, overburden (being soft natural material or totally or partially decomposed rock) and rock products; to erect and/or install and operate processing plant, buildings and structures within the site to manufacture, to sell and export from the site ready-mixed concrete, precast concrete units, bituminous materials; to manufacture, store, sell and export emulsion matrix from the site; and with prior permission from the government-appointed supervising officer under the Main Contract to import rock, rock product, fill material and/or recycled aggregates.

On 21 July 2015, members of the Group (as sub-contractor) entered into the Sub-contract with Faith Oriental (as main contractor) to carry out the Sub-contract Works at Lam Tei Quarry for a period of approximately seven years which corresponds to the duration of the Main Contract.

On 18 October 2022, Faith Oriental (as contractor) entered into a supplementary agreement with the Government of Hong Kong Special Administrative Region pursuant to which, amongst other things, the duration of the Main Contract was extended to 31 December 2025.

In light of the extension of duration of the Main Contract and the progress of works undertaken by Faith Oriental under the Main Contract, on 25 April 2023, members of the Group (as sub-contractor) entered into the Supplementary Agreement with Faith Oriental (as main contractor) pursuant to which the duration of the Sub-contract was extended to 31 December 2025 and the scope of the Sub-contract Works was expanded to include the additional works described below.

THE SUPPLEMENTARY AGREEMENT

Date : 25 April 2023 (which extended and supplemented the Sub-contract dated 21 July 2015)

Parties : Kaden-Titan JV as sub-contractor; and
Faith Oriental as the main contractor.

LETTER FROM THE BOARD

Sub-contract works : *Under the Sub-contract*

Pursuant to the Sub-contract, Kaden-Titan JV is required to undertake the following Sub-contract Works (subject to any variations authorised by Faith Oriental) over a term of approximately seven years from the date on which Kaden-Titan JV took possession of the site in accordance with the Sub-contract:

1. rock excavation and multi-transportation of rock material within the site area, all in accordance with the details of and requirements under the Main Contract or as directed by Faith Oriental save as expressly stated elsewhere in the Sub-contract;
2. provision, servicing, removal upon Sub-contract Works completion, of temporary site accommodation, for Faith Oriental and the government-appointed supervising officer; and
3. (if required) temporary and permanent drainage, irrigation system and slope stabilization work according to the design to be provided by Faith Oriental.

As at 31 December 2022, approximately 90% of the total volume of rock has been excavated within the site and members of the Group have received approximately HK\$386,928,000 of the Sub-contract Price from Wai Kee Group and the remaining works mainly relate to works for landscaping, drainage, slope stabilization and hoarding.

The agreed Sub-contract Price for the above Sub-contract Works is HK\$532,635,000 (subject to adjustment in respect of the actual works completed on the site). Nonetheless, the Group estimates that the final Sub-contract Price for the original Sub-contract Works is expected to be lower than HK\$532,635,000 because the actual works performed by Kaden-Titan JV are less than estimated, which was contributed by lower actual quantity of rocks required for rock blasting and transportation work.

Under the Supplementary Agreement

Pursuant to the Supplementary Agreement, Kaden-Titan JV is required to undertake the following additional works (subject to any variations authorised by Faith Oriental) in addition to the Sub-contract Works:

1. multi-transportation of imported rock materials within the site area during the extended period in accordance with the details and requirements of the extended Main Contract or as directed by Faith Oriental save as expressly stated elsewhere in the Sub-Contract; and

LETTER FROM THE BOARD

2. servicing temporary site accommodation for Faith Oriental and the government-appointed supervising officer during the extended period.

All works under both the Sub-contract and the Supplementary Agreement are to be performed in compliance with the works programme specified by Faith Oriental and in any event within the milestone dates for completion of works specified in the extended Main Contract.

Sub-contract Price : The parties agreed an additional Sub-contract Price of HK\$161,415,640 for the additional works under the Supplementary Agreement (subject to adjustment in respect of the actual works completed on the site).

Approximately HK\$98,126,640 and HK\$63,289,000 of the additional Sub-contract Price are for the earthworks and preliminaries respectively.

The additional Sub-contract Price has been determined based on the Group's pricing policy for construction projects or other projects involving the delivery of services similar to the additional works taking into account factors such as:

- (i) the Group's estimation of the volume of imported rock materials that would be required to be handled at the site;
- (ii) the estimated costs of labour and professional staff, temporary materials, sub-contractors, plant and equipment required to undertake the works and other costs such as insurance costs, utilities, transportation costs and costs for maintenance of site safety;
- (iii) the estimated costs of servicing and maintaining temporary site accommodation for the government-appointed supervising officer based on specifications under the extended Main Contract, and for Faith Oriental based on operations undertaken pursuant to the Main Contract;
- (iv) the estimated costs of servicing and maintaining site vehicle for Faith Oriental and the government-appointed supervising officer; and
- (v) historical costs of providing those services during the term of the Sub-contract, the overall profit margin that could be achieved being higher than other contracts undertaken by the Group for independent third party employers/main contractors due to the efficiencies of the Group's team having developed close working relationship with Faith Oriental during the Sub-contract that allows for more effective cost control compared to new projects.

LETTER FROM THE BOARD

To ensure that the Group's margins for sub-contracting projects are determined appropriately, the Group has internal control procedures in place whereby the details of works, estimation of costs and margins are reviewed by at least two directors of the sub-contracting entity. For sub-contracting projects with contract sum of over HK\$10 million (as in the case of the additional works under the Supplementary Agreement), approval from the Chairman of the Group is also required. The requisite review of the Supplementary Agreement has been done by two directors of each of Kaden and Titan who do not have any material interests in the transactions contemplated under the Supplementary Agreement, and the Chairman's approval for the Supplementary Agreement was obtained accordingly. Separately, as disclosed below, the Chairman, Mr. Zen Wei Peu, Derek ("Mr. Zen"), has abstained from voting on the Board resolution approving the Supplementary Agreement because of his shareholding in Wai Kee.

Payment : Monthly payments for all works under both the Sub-contract and the Supplementary Agreement are to be made by reference to monthly statements of value of work properly done, all materials delivered to the site for incorporation in the works and if allowable under the Main Contract, the value of off-site materials for incorporation in such works at the date of the relevant statement.

The statements of value of work properly done is prepared based on the records kept on the site of the volume of rock material processed. Each truckload of rock material will be weighed in at a weighbridge on the site witnessed by representatives of both the Group and Wai Kee Group and recorded accordingly. These records are also subject to review by the government-appointed supervising officer.

Revenue in the Group's financial statements is recognized by using the output method, measured by reference to the value of work performed during the relevant period in accordance with the Hong Kong Financial Reporting Standards.

Conditions Precedent : The obligations of the parties under the Supplementary Agreement are conditional upon approval by the Independent Shareholders pursuant to the Listing Rules.

Duration : The term for the delivery of the works under the Sub-contract and the Supplementary Agreement expires on 31 December 2025.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SUPPLEMENTARY AGREEMENT

The Company is an investment holding company and its group companies are principally engaged in the undertaking of construction projects in Hong Kong and the PRC and are also engaged in environmental and waste management and marine engineering. Kaden-Titan JV is a joint venture between Kaden and Titan, each a wholly-owned subsidiary of the Company, solely for the project at Lam Tei Quarry. The principal business of Kaden is to undertake civil engineering and building construction projects and that of Titan is to undertake piling, foundation and earth works.

Wai Kee (the holding company of the Company) is an investment holding company and its group companies are principally engaged in property development and investment, toll road, investment and asset management, construction, sewage treatment and steam fuel, construction materials and quarrying. Faith Oriental is a wholly-owned subsidiary of Wai Kee. Its principal business is investment holding, quarrying, manufacturing, trading and delivery of construction materials.

Given that the additional works under the Supplementary Agreement (which mainly related to the transportation of rock materials and servicing temporary site accommodation for Faith Oriental) are part of the Group's core construction business activities and are effectively a continuation of the Sub-contract Works undertaken by the Group since 2015 on the same site largely co-terminus with the extension of the Main Contract, the Directors are of the view that it is desirable to enter into the Supplementary Agreement and to generate more revenue for the Group from performing the additional works.

Taking into account the scope of work and the basis of the Sub-contract Price described above, the Directors (including the Independent Non-executive Directors) are of the view that the terms of the Supplementary Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Wai Kee is a majority shareholder of the Company. As at the Latest Practicable Date, Wai Kee (through its subsidiaries) is interested in 724,435,033 Shares, representing approximately 58.33% of the Shares in issue. Accordingly, Wai Kee is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Supplementary Agreement exceed 5%, the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Faith Oriental, a wholly-owned subsidiary of Wai Kee, is a party to the Sub-Contract, Wai Kee and its associates are required under the Listing Rules to abstain from voting at the SGM on the resolution for approving the Supplementary Agreement. Mr. Zen, the Chairman and an executive Director held (i) 119,775,228 Shares representing 9.64% of the Company's issued share capital; and (ii) 249,424,078 shares in Wai Kee representing 31.45% of the issued share capital in Wai Kee as at date of the Supplementary Agreement and as at the Latest Practicable Date. Accordingly, Mr. Zen has abstained from voting on the Board resolution approving the Supplementary Agreement, as required by the bye-laws of the Company, on the basis that Mr. Zen, as a director of the Company, is deemed to have a material interest in those transactions under the bye-laws of the Company. In addition, Mr. Zen has confirmed to the Company that he and his associates will also voluntarily abstain from voting at the SGM.

LETTER FROM THE BOARD

SGM AND CLOSURE OF REGISTER OF MEMBERS

The SGM will be held on 24 May 2023 for the purposes of providing the Independent Shareholders with an opportunity to consider and, if thought fit, to approve the Supplementary Agreement and the transactions contemplated thereunder. As required under the Listing Rules, votes at the SGM will be taken by way of a poll.

The Company's register of members will be closed from Friday, 19 May 2023 to Wednesday, 24 May 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Progressive Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than Thursday, 18 May 2023 at 4:00 p.m.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend and vote at the SGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Progressive Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such case, the form of proxy shall be deemed to be revoked.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising the Independent Non-executive Directors, namely Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor, Mr. Lo Yiu Ching, Dantes and Ms. Ng Cheuk Hei, Shirley, has been established to advise the Independent Shareholders in relation to the terms of the Supplementary Agreement. The recommendations of the Independent Board Committee, based on the advice of the Independent Financial Adviser, is set out in its letter on pages 12 to 13 of this circular.

Ballas Capital Limited has been appointed as the Independent Financial Adviser for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplementary Agreement. The advice of the Independent Financial Adviser is set out in its letter on pages 14 to 23 of this circular.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

LETTER FROM THE BOARD

RECOMMENDATION

Taking into account the letters from the Independent Board Committee and the Independent Financial Advisor which are respectively set out on pages 12 to 13 and pages 14 to 23 of this circular and all other factors stated above as a whole, the Directors (including the Independent Non-executive Directors) are of the view that the terms of the Supplementary Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. As such, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

Yours faithfully,
By Order of the Board
Build King Holdings Limited
Chang Kam Chuen, Desmond
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee, which has been prepared for the purpose of incorporation into this circular, setting out its recommendation to the Independent Shareholders in respect of the Supplementary Agreement and the transactions contemplated thereunder.



BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

3 May 2023

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

We refer to the circular issued by the Company to the Shareholders dated 3 May 2023 (the “Circular”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the terms of the Supplementary Agreement and the transactions contemplated thereunder, details of which are set out in the Circular. Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of the advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out in the “Letter from the Independent Financial Adviser” set out on pages 14 to 23 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of, and the principal factors and reasons considered by and the opinion of the Independent Financial Adviser as stated in its letter, we consider that the terms of the Supplementary Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM in respect of the Supplementary Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Independent Board Committee of
Build King Holdings Limited
Ho Tai Wai, David
Ling Lee Ching Man, Eleanor
Lo Yiu Ching, Dantes
Ng Cheuk Hei, Shirley
Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplementary Agreement.

BALLAS

C A P I T A L

A subsidiary of Crosby

5/F, Capital Centre,
151 Gloucester Road,
Wanchai, Hong Kong

3 May 2023

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE SUPPLEMENTARY AGREEMENT

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplementary Agreement entered into between (i) Kaden-Titan JV, a joint venture company between two wholly-owned subsidiaries of the Company; and (ii) Faith Oriental, a wholly-owned subsidiary of Wai Kee, on 25 April 2023, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 3 May 2023, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 31 March 2015, Faith Oriental has been awarded the Main Contract by Hong Kong government under which it is required to carry out design, construction, completion and maintenance works in relation to the rehabilitation of the Lam Tei Quarry over a period of approximately seven years from and including the date of possession of the site by Faith Oriental. On 21 July 2015, members of the Group (as sub-contractor) entered into the Sub-contract with Faith Oriental (as main contractor) to carry out the Sub-contract Works at Lam Tei Quarry for a period of approximately seven years which corresponds to the duration of the Main Contract. On 18 October 2022, Faith Oriental (as contractor) entered into a supplementary agreement with the Government of Hong Kong Special Administrative Region pursuant to which, amongst other things, the duration of the Main Contract was extended to 31 December 2025.

In light of the extension of duration of the Main Contract and the progress of works undertaken by Faith Oriental under the Main Contract, on 25 April 2023, members of the Group (as sub-contractor) entered into the Supplementary Agreement with Faith Oriental (as main contractor) pursuant to which the duration of the Sub-contract was extended to 31 December 2025 and the scope of the Sub-contract Works was expanded to include the additional works.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Wai Kee is a majority shareholder of the Company. As at the Latest Practicable Date, Wai Kee (through its subsidiaries) is interested in 724,435,033 Shares, representing approximately 58.33% of the Shares in issue. Accordingly, Wai Kee is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Supplementary Agreement exceed 5%, the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising the Independent Non-executive Directors, namely Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor, Mr. Lo Yiu Ching, Dantes and Ms. Ng Cheuk Hei, Shirley, has been established to advise the Independent Shareholders in relation to the terms of the Supplementary Agreement.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the counterparties of the Supplementary Agreement or their respective core connected persons or associates. In the two years immediately preceding the Latest Practicable Date, save for (i) the appointment as the independent financial adviser to the Company in respect of the investment agreement dated 6 October 2022 in relation to the formation of a joint venture; (ii) the appointment as the independent financial adviser to the Company in respect of the framework agreement dated 30 November 2022 entered into between the Company and Wai Kee in relation to the continuing sale and purchase of concrete from 1 January 2023 to 31 December 2025; and (iii) this appointment as the independent financial adviser to the Company in respect of the Supplementary Agreement, we did not have any other relationship or interests in the Company, the counterparties of the Supplementary Agreement or their respective core connected persons or associates nor had we acted as independent financial adviser to other transactions of the Company that could reasonably be regarded as hindrance to our independence as defined under the Listing Rules. Accordingly, we consider we are eligible to give independent advice on the terms of the Supplementary Agreement.

BASIS OF OUR OPINION

In formulating our advice and recommendation, we have reviewed information on the facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in a responsibility statement set out in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We considered that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, the counterparties of the Supplementary Agreement or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in respect of the Supplementary Agreement, we have considered the following principal factors and reasons:

A. Background and reasons for the Supplementary Agreement

Information on the Group

The Company is an investment holding company and its group companies are principally engaged in the undertaking of construction projects in Hong Kong and the PRC and are also engaged in environmental and waste management and marine engineering.

Information on Kaden-Titan JV

Kaden-Titan JV is a joint venture between Kaden and Titan, each a wholly-owned subsidiary of the Company, solely for the project at Lam Tei Quarry. The principal business of Kaden is to undertake civil engineering and building construction projects and that of Titan is to undertake piling, foundation and earth works.

Information on Faith Oriental

Faith Oriental is a wholly-owned subsidiary of Wai Kee. Its principal business is investment holding, quarrying, manufacturing, trading and delivery of construction materials.

Information on Wai Kee

Wai Kee (the holding company of the Company) is an investment holding company and its group companies are principally engaged in property development and investment, toll road, investment and asset management, construction, sewage treatment and steam fuel, construction materials and quarrying.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reasons for and benefits of the Supplementary Agreement

On 31 March 2015, Faith Oriental has been awarded the Main Contract by Hong Kong government under which it is required to carry out design, construction, completion and maintenance works in relation to the rehabilitation of the Lam Tei Quarry over a period of approximately seven years from and including the date of possession of the site by Faith Oriental. On 21 July 2015, members of the Group (as sub-contractor) entered into the Sub-contract with Faith Oriental (as main contractor) to carry out the Sub-contract Works at Lam Tei Quarry for a period of approximately seven years which corresponds to the duration of the Main Contract. On 18 October 2022, Faith Oriental (as contractor) entered into a supplementary agreement with the Hong Kong government pursuant to which, amongst other things, the duration of the Main Contract was extended to 31 December 2025.

In light of the extension of duration of the Main Contract and the progress of works undertaken by Faith Oriental under the Main Contract, on 25 April 2023, members of the Group (as sub-contractor) entered into the Supplementary Agreement with Faith Oriental (as main contractor) pursuant to which the duration of the Sub-contract was extended to 31 December 2025 and the scope of the Sub-contract Works was expanded to include the additional works.

As set out in the Letter from the Board, the Group is principally engaged in the undertaking of construction projects in Hong Kong and the PRC. Given that the additional works under the Supplementary Agreement (which mainly related to the transportation of rock materials and servicing temporary site accommodation for Faith Oriental) are part of the Group's core construction business activities and are effectively a continuation of the Sub-contract Works undertaken by the Group since 2015 on the same site, the Directors are of the view that it is desirable to enter into the Supplementary Agreement to generate more revenue for the Group from performing the additional works.

Taking into account the above, in particular (a) Kaden-Titan JV as sub-contractor has been carrying out the sub-contract works at Lam Tei Quarry since 2015 pursuant to the Sub-contract dated 21 July 2015, which the additional works under the Supplementary Agreement represent a continuation of sub-contract works to be performed by Kaden-Titan JV up to 31 December 2025; (b) the nature of the additional works under the Supplementary Agreement falls within the scope of the principal business of the Group, which is the undertaking of construction projects; (c) the Supplementary Agreement allows the Group to enhance its revenue stream; and (d) our analysis on the principal terms of the Supplementary Agreement as discussed in the sections below, we concur with the view of the Directors that the entering into the Supplementary Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

B. Major terms of the Supplementary Agreement

The principal terms of the Supplementary Agreement are set out below:

Date

25 April 2023 (which extended and supplemented the Sub-contract dated 21 July 2015)

Parties

Sub-contractor: Kaden-Titan JV

Main contractor: Faith Oriental

Duration

The term of the delivery of the works under the Sub-contract and the Supplementary Agreement expires on 31 December 2025.

Sub-contract Works (under the Sub-contract)

Pursuant to the Sub-contract, Kaden-Titan JV is required to undertake the following Sub-contract Works (subject to any variations authorised by Faith Oriental) over a term of approximately seven years from the date on which Kaden-Titan JV took possession of the site in accordance with the Sub-contract:

1. rock excavation and multi-transportation of rock material within the site area, all in accordance with the details of and requirements under the Main Contract or as directed by Faith Oriental save as expressly stated elsewhere in the Sub-contract;
2. provision, servicing, removal upon Sub-contract Works completion, of temporary site accommodation, for Faith Oriental and the government-appointed supervising officer; and
3. (if required) temporary and permanent drainage, irrigation system and slope stabilization work according to the design to be provided by Faith Oriental.

As at 31 December 2022, approximately 90% of the total volume of rock has been excavated within the site and members of the Group have received approximately HK\$386,928,000 of the Sub-contract Price from Wai Kee Group and the remaining works mainly relate to works for landscaping, drainage, slope stabilization and hoarding.

The agreed Sub-contract Price for the above Sub-contract Works is HK\$532,635,000 (subject to adjustment in respect of the actual works completed on the site).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Sub-contract Works (under the Supplementary Agreement)

Pursuant to the Supplementary Agreement, Kaden-Titan JV is required to undertake the following additional works (subject to any variations authorised by Faith Oriental) in addition to the Sub-contract Works (the “**Additional Works**”):

1. multi-transportation of imported rock materials within the site area during the extended period in accordance with the details and requirements of the extended Main Contract or as directed by Faith Oriental save as expressly stated elsewhere in the Sub-Contract; and
2. servicing temporary site accommodation for Faith Oriental and the government-appointed supervising officer during the extended period.

All works under both the Sub-contract and the Supplementary Agreement are to be performed in compliance with the works programme specified by Faith Oriental and in any event within the milestone dates for completion of works specified in the extended Main Contract.

Sub-Contract Price

The parties agreed an additional Sub-contract Price of HK\$161,415,640 for the Additional Works (subject to adjustment in respect of the actual works completed on the site) (the “**Additional Sub-contract Price**”). Approximately HK\$98,126,640 and HK\$63,289,000 of the Additional Sub-contract Price are for the earthworks and preliminaries respectively.

Payment

Monthly payments for all works under both the Sub-contract and the Supplementary Agreement are to be made by reference to monthly statements of value of work properly done, all materials delivered to the site for incorporation in the works and if allowable under the Main Contract, the value of off-site materials for incorporation in such works at the date of the relevant statement.

The statements of value of work properly done is prepared based on the records kept on the site of the volume of rock material processed. Each truckload of rock material will be weighed in at a weigh bridge on the site witnessed by representatives of both the Group and Wai Kee Group and recorded accordingly. These records are also subject to review by the government-appointed supervising officer.

Revenue in the Group’s financial statements is recognized by using the output method, measured by reference to the value of work performed during the relevant period in accordance with the Hong Kong Financial Reporting Standards.

Conditions Precedent

The obligations of the parties under the Supplementary Agreement shall be conditional upon approval by the Independent Shareholders pursuant to the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

C. Assessment on the major terms of the Supplementary Agreement

Additional Sub-contract Price

As set out in the Letter from the Board, pursuant to the Supplementary Agreement, the Additional Sub-contract Price for the Additional Works is HK\$161,415,640 (subject to adjustment in respect of the actual works completed on the site). The Additional Sub-contract Price has been determined based on the Group's pricing policy for construction projects or other projects involving the delivery of services similar to the Additional Works taking into account factors including (i) the Group's estimation of the volume of required rock materials; (ii) estimated costs of labour and professional staff, temporary materials, sub-contractors, plant and equipment required to undertake the works and other costs such as insurance costs, utilities, transportation costs and costs for maintenance of site safety; (iii) the estimated costs of servicing and maintaining temporary site accommodation for the government-appointed supervising officer and for Faith Oriental; (iv) the estimated costs of servicing and maintaining site vehicle for the government-appointed supervising officer and for Faith Oriental; and (v) historical costs of providing those services during the term of the Sub-contract, the overall profit margin that could be achieved being higher than other contracts undertaken by the Group for independent third party employers/main contractors.

We have obtained the calculation of the Additional Sub-contract Price of HK\$161,415,640 and note that such price is based on the aggregate of the estimated price components of each category of the Additional Works, including earthwork, site management, general labour, general plant, servicing temporary accommodation etc. We note that the Additional Sub-contract Price of HK\$161,415,640 mainly comprised the price components for (i) earthworks (which mainly represented costs related to uploading imported rock to rock crushing plant and delivering rock to processing plant) ("**Earthworks**"), which accounted for around 60% of the total Additional Sub-contract Price; and (ii) preliminaries (which mainly represented costs related to site management, general labour, general plant and servicing temporary site accommodation and vehicle) ("**Preliminaries**"), which accounted for around 40% of the total Additional Sub-contract Price.

In respect of Earthworks, based on our review of the calculations and discussion with management of the Company, we understand that the estimated costs for Earthworks for the extended period were mainly determined through the estimates of (a) the volume of imported rock uploaded per month (approximately 120,000 tons), taking into account project requirements and the production capacity of the rock crushing plant; (b) the ratio of raw rock to crushed rock (which determines the expected volume of crushed rock produced from crushing raw rock) and the ratio of crushed rock for export purpose; and (c) the price per ton in respect of (i) uploading the rock to rock crushing plant; (ii) uploading crushed rocks from crushing plant and delivering the rock to processing plant; and (iii) uploading crushed rock from crushing plant to truck, taking into account the costs of operating and sub-contracting the necessary transportation equipment (such as backhoe, wheel loader and dump truck) required at each stage of the rock crushing process.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of Preliminaries, based on our review of the calculations and discussion with management of the Company, we understand that the estimated costs for Preliminaries for the extended period were mainly determined through the estimates of (a) labour costs, which were estimated based on the number and categories of staff required for the project (such as site management, general labour, driver, welder etc.); (b) general plant costs, which were estimated based on the amount of machinery and equipment (such as road sweeper, water truck and crane truck) required on the site to facilitate the excavation work; (c) costs relating to servicing temporary site accommodation for the contractor and supervising officer including costs of consumables, site offices, telecommunication etc.; and (d) other site-related costs including power and water supply, transportation and site safety, such estimated costs having taken into account the site requirements and the actual relevant historical costs incurred by Kaden-Titan JV (with adjustment for inflation) in carrying out its sub-contracting works.

We understand that in determining the Additional Sub-contract Price, Kaden-Titan JV applied a profit margin for the Supplementary Agreement based on the cost estimates for the Additional Works as described above, having taken into account the efforts required by Kaden-Titan JV for conducting the Additional Works and the profit margin for other contracts undertaken by the Group for independent third party employers/main contractors.

In order to compare the profit margin (represented by the Additional Sub-contract Price) of the Supplementary Agreement with transactions entered into with independent third parties, we have obtained all of Titan's projects with independent third parties that were entered into in the recent three years since 2020 up to the Latest Practicable Date (the "**Independent Transactions**"). We have reviewed the relevant tender summary sheet of the Independent Transactions, and note that the margin charged by Kaden-Titan JV in respect of the Supplementary Agreement is higher than the average of the margins of the Independent Transactions. We understand from management of the Company that the Group is able to command a higher margin for its project with the Wai Kee Group due to factors including (a) the long and trusted relationship between the Group and the Wai Kee Group and the confidence the Wai Kee Group has on the quality of the Group's construction work; and (b) the Group and Wai Kee are typically able to more efficiently manage the project site, leveraging on their respective knowledge and experience in performing contracting works, by sharing resources (such as site office and supporting staff), resulting in more effective cost control and optimisation of resources.

In addition, we have discussed with management of the Company and understand that to ensure that the Group's margins for sub-contracting projects are determined appropriately, the Group has internal control procedures in place whereby the details of works, estimation of costs and margins are reviewed by at least two directors of the sub-contracting entity. For sub-contracting projects with contract sum of over HK\$10 million (as in the case of the additional works under the Supplementary Agreement), approval from the Chairman of the Group is also required. The requisite review of the Supplementary Agreement has been done by two directors of each of Kaden and Titan who do not have any material interests in the transactions contemplated under the Supplementary Agreement, and the Chairman's approval for the Supplementary Agreement was obtained accordingly. We have obtained and reviewed the approval form for the additional works under the Supplementary Agreement and noted that the Group has complied with the aforementioned internal control policy and procedures.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of the original Sub-contract works pursuant to the Sub-contract dated 21 July 2015, we note that as set out in the Letter from the Board, approximately 90% of the total volume of rock has been excavated within the site and members of the Group have received approximately HK\$386,928,000 of the Sub-contract Price from Wai Kee Group as at 31 December 2022. We have discussed with management of the Company and understand that the estimated final price for the original Sub-contract works is expected to be lower than the original agreed price of HK\$532,635,000 as stipulated in the Sub-contract dated 21 July 2015, mainly due to the actual works performed by Kaden-Titan JV being less than estimated, which was contributed by lower actual quantity of rocks required for rock blasting and transportation work. We understand from management of the Company that around 90% of the original Sub-contract works had been completed as at 31 December 2022 and the remaining works mainly relate to works for landscaping, drainage, slope stabilization and hoarding. Despite the fact that the estimated final price of the original Sub-contract works is expected to be lower than the original agreed price of HK\$532,635,000, we understand from management of the Company that the final profit margin for the original Sub-contract works is expected to be higher than the original estimated margin. In this regard, we have obtained and reviewed the project forecast for the original Sub-contract works and the project summary of the actual Sub-contract works and noted that the actual profit margin was higher than the forecast margin. We understand from management of the Company that the higher actual margin is mainly due to more effective cost control achieved for the performance of the original Sub-contract works.

Taking into account the above, in particular (a) the Additional Sub-contract Price of HK\$161,415,640 represents a detailed estimation of the costs of each category of Additional Works (including both Earthworks and Preliminaries) and was determined based on factors including the estimated volume and pricing of rock excavation works, manpower and equipment needs and the costs of servicing temporary site accommodation in accordance with the requirements of the Additional Works; (b) the margin represented by the Additional Sub-contract Price is higher than the average margin of the Independent Transactions; and (c) the estimated final profit margin of the original Sub-contract works (pursuant to the Sub-contract dated 21 July 2015) is expected to be higher than the original estimated margin, which indicates the ability of the Group to achieve its indicated margin for the project, we are of the view that the Additional Sub-contract Price of HK\$161,415,640 for the Additional Works is fair and reasonable.

Terms of payment

Monthly payments are to be made by reference to monthly statements of value of work properly done, all materials delivered to the site for incorporation in the works and if allowable under the Main Contract, the value of off-site materials for incorporation in such works at the date of the relevant statement. We have reviewed the payment terms of the Independent Transactions and note that the payment terms for the Supplementary Agreement (being the same as those for the Sub-contract dated 21 July 2015) are generally consistent with the payment terms for the Independent Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Duration

The term for the delivery of the works under the Sub-contract and the Supplementary Agreement expires on 31 December 2025. We have discussed with management of the Company and understand that the extended duration of the Sub-contract to 31 December 2025 was determined taking into account the expected timing and milestone dates for the different stages of excavation work (including the Additional Work).

Our view

Having considered the above, in particular the fairness and reasonableness of the Additional Sub-contract Price under the Supplementary Agreement, we concur with the Directors' view that the terms of the Supplementary Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the Supplementary Agreement is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonableness so far as the Group and the Independent Shareholders are concerned.

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Supplementary Agreement.

Yours faithfully,

For and on behalf of

Ballas Capital Limited

Heidi Cheng

Managing Director

Colin Lee

Director

Note: Ms. Heidi Cheng has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003 and Mr. Colin Lee has been a licensed representative of Type 6 (advising on corporate finance) regulated activities from 2013 to 2018 and since 2020.

1. 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.

2. DISCLOSURE OF INTERESTS

(I) Interests and short positions of the Directors and chief executive in the Company and its associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and/or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

(A) *The Company*

Interests in Shares

Name of Director	Capacity/ Nature of interest	Number of Shares held		Percentage of shareholding (%)
		Long position (Note)	Short position	
Zen Wei Peu, Derek	Personal	119,775,228	—	9.64
Chang Kam Chuen, Desmond	Personal	1,500,000	—	0.12
Lui Yau Chun, Paul	Personal	1,683,092	—	0.14
Tsui Wai Tim	Personal	1,150,000	—	0.09
David Howard Gem	Personal	900,000	—	0.07

Note: Long position in the Shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).

(B) Associated corporations*Interests in shares*

Name of Director	Name of company	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding (%)
			Long position (Note 1)	Short position	
Zen Wei Peu, Derek	Wai Kee	Personal	249,424,078	—	31.45
		Securities interest	43,449,000	—	5.48
	Wai Kee (Zens) Construction & Transportation Company Limited (Note 2)	Personal	2,000,000	—	10.00
	Wai Luen Stone Products Limited	Personal	30,000	—	37.50
Lui Yau Chun, Paul	Wai Kee	Personal	200,000	—	0.03

Notes:

1. Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. With effect from 29 February 2016, the name of Wai Kee (Zens) Construction & Transportation Company Limited has been changed to Build King (Zens) Engineering Limited.

(II) Substantial Shareholders' Interests in the Company

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Substantial Shareholder	Capacity/ Nature of interest	Number of Shares held and percentage of shareholding			
		Long position (Note 1)		Short position	
		Number of Shares	%	Number of Shares	%
Top Horizon Holdings Limited (Note 2)	Beneficial owner	724,435,033	58.33	—	—
Wai Kee (Zens) Holding Limited (Note 3)	Corporate	724,435,033	58.33	—	—
Wai Kee (Note 4)	Corporate	724,435,033	58.33	—	—

Notes:

1. Long position in the Shares.
2. Top Horizon Holdings Limited is a direct wholly-owned subsidiary of Wai Kee (Zens) Holding Limited.
3. Wai Kee (Zens) Holding Limited is deemed to be interested in the Shares through its interests in Top Horizon Holdings Limited.
4. Wai Kee (Zens) Holding Limited is a direct wholly-owned subsidiary of Wai Kee. Accordingly, Wai Kee is deemed to be interested in the Shares through its interests in Wai Kee (Zens) Holding Limited.

Save as disclosed below, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Zen Wei Peu, Derek	Top Horizon Holdings Limited	Director
	Wai Kee (Zens) Holding Limited	Director
	Wai Kee	Vice Chairman, Chief Executive Officer and Executive Director

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was treated as a controlling shareholder).

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

5. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no litigation or claims of material importance was pending or threatened against any member of the Group.

8. EXPERTS AND CONSENT

The following is the qualification of the expert whose statement has been included in this circular:

Name	Qualification
Ballas Capital Limited	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or opinion or reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interests in any assets which had been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

9. DOCUMENTS ON DISPLAY

Copies of the Sub-contract and the Supplementary Agreement will be on display on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.buildking.hk) for a period of 14 days from the date of this circular.

**BUILD KING HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the SGM will be held at Academy Room I-II, 1st Floor, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 24 May 2023 at 2:30 p.m. (or immediately after the conclusion or adjournment of the forthcoming annual general meeting of the Company to be held at the same venue and on the same day) for the purposes of considering and, if thought fit, passing, with or without amendments, the following resolution. Unless the context otherwise requires, terms defined in the circular of the Company dated 3 May 2023 shall have the same meanings when used in this notice.

ORDINARY RESOLUTION**“THAT**

- (i) the Supplementary Agreement dated 25 April 2023 entered into between Faith Oriental Investment Limited, an indirect wholly-owned subsidiary of Wai Kee Holdings Limited, and a joint venture between Build King Construction Limited (formerly known as Kaden Construction Limited) and Titan Foundation Limited, each an indirect wholly-owned subsidiary of the Company, and the transactions contemplated thereunder be and are hereby approved; and
- (ii) the Directors be and are hereby authorised for and on behalf of the Company to do all things and acts and exercise all powers which they consider necessary, desirable or expedient in connection with the performance of the Supplementary Agreement and/or any variation thereof (subject to compliance with applicable Listing Rules) and otherwise in connection with the implementation of the transactions contemplated thereunder.”

By Order of the Board
Build King Holdings Limited
Chang Kam Chuen, Desmond
Company Secretary

Hong Kong, 3 May 2023

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business
in Hong Kong:
Units 601-605A, 6th Floor, Tower B
Manulife Financial Centre
223 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

Notes:

1. For determining the entitlement to attend and vote at the SGM to be held on Wednesday, 24 May 2023, the Company's register of members will be closed from Friday, 19 May 2023 to Wednesday, 24 May 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Progressive Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:00 p.m. on Thursday, 18 May 2023.
2. Any member of the Company entitled to attend and vote at the meeting by the above notice shall be entitled to appoint another person as his/her proxy to attend and vote instead of such member. Votes may be given either personally or by proxy or by a duly authorized corporate representative. A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised to sign the same.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Progressive Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.
5. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In the case of joint holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
7. No refreshments will be served at the meeting venue and the Company will not distribute any corporate gift at the SGM.