
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, 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 to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Stock Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF SPECIAL GENERAL MEETING

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

CROSBY
Crosby Securities Limited

A letter from the Board is set out on pages 3 to 9 of this circular. A letter of advice from the Independent Financial Adviser (as defined herein) to the Independent Board Committee (as defined herein) and the Independent Shareholders (as defined herein) is set out on pages 12 to 22 of this circular. A letter of the Independent Board Committee is set out on pages 10 to 11 of this circular.

A notice convening the special general meeting of Build King Holdings Limited to be held at Units 601-605A, 6th Floor, Tower B, Manulife Financial Centre, 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Tuesday, 10 December 2013 at 10:00 a.m. is set out on Appendix II to 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 branch share registrar of the Company in Hong Kong, Tricor Progressive Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 meeting or any adjourned meeting if they so wish.

22 November 2013

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	10
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	12
APPENDIX I – GENERAL INFORMATION	23
APPENDIX II – NOTICE OF SPECIAL GENERAL MEETING	31

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 18 November 2013
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Days”	a day (other than a Saturday or a Sunday) on which banks generally are open for business in Hong Kong
“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)
“Concrete”	ready mixed concrete
“Directors”	the directors of the Company
“Framework Agreement”	the framework agreement between the Company and Wai Kee dated 18 November 2013 in respect of the continuing sale and purchase of Concrete
“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 Dr. Chow Ming Kuen, Joseph, Mr. Ng Chi Ming, James and Mr. Ho Tai Wai, David, established to make recommendation to the Independent Shareholders in respect of the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement
“Independent Financial Adviser” or “Crosby”	Crosby Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and being the Independent Financial Adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement

DEFINITIONS

“Independent Shareholders”	Shareholders other than Wai Kee and its associates (as defined in the Listing Rules)
“Individual Agreements”	individual agreements, contracts or orders for individual transactions during the term of the Framework Agreement
“Latest Practicable Date”	18 November 2013, 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
“Party”	the Company or Wai Kee
“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 Tuesday, 10 December 2013 at 10:00 a.m. for the purpose of considering, and if thought fit, approving the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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) and, where the context requires in connection with the supply of Concrete to the Group, its subsidiaries
“2011 Framework Agreement”	the framework agreement entered into between the Company and Wai Kee dated 8 July 2011 in respect of the continuing sale and purchase of Concrete
“%”	per cent.

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

Non-executive Directors:

Mr. David Howard Gem
Dr. Cheng Chi Pang, Leslie
Mr. Chan Chi Hung, Anthony

Independent Non-executive Directors:

Dr. Chow Ming Kuen, Joseph
Mr. Ng Chi Ming, James
Mr. Ho Tai Wai, David

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

22 November 2013

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement dated 18 November 2013.

On 8 July 2011, the Company entered into the 2011 Framework Agreement with Wai Kee for the purchase of Concrete from time to time for the period from 1 June 2011 to 31 December 2013 pursuant to the terms of the 2011 Framework Agreement. The term of the 2011 Framework Agreement will soon expire. Accordingly, on 18 November 2013, the Company entered into the Framework Agreement with Wai Kee for the purchase of Concrete from time to time for the period from 1 January 2014 to 31 December 2016, subject to the terms and conditions of the Framework Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with further information on the terms of the Framework Agreement and to convene the SGM to seek the approval of the Independent Shareholders with respect to the Framework Agreement.

THE FRAMEWORK AGREEMENT

On 18 November 2013, the Company entered into the Framework Agreement with Wai Kee, whereby the Company (by itself or through its subsidiaries) may, but is not obliged to, purchase Concrete from Wai Kee (or its subsidiaries and/or associates) from time to time during the period from 1 January 2014 to 31 December 2016 for the Group's construction projects.

The Group and Wai Kee (or its subsidiaries and/or associates) will enter into Individual Agreements for individual transactions during the term of the Framework Agreement, which shall contain details of transactions including but not limited to the rights, assumption and obligations of the parties, fees and expenses, requirements of manufacture, payment, delivery and indemnities. The terms of the Individual Agreements shall not conflict with the general principles set out in the Framework Agreement. Should there be any conflict, the parties shall discuss and agree such adjustments to the Individual Agreements so that the general principles in the Framework Agreement should prevail.

The parties agreed that the price, fee or any other consideration shall be determined with reference to the relevant market price on a fair and reasonable basis. As will be explained in greater detail below, the Group awards its contracts for Concrete through a tender/quotation by invitations process by which market price (being the price offered by independent suppliers in the market) for the relevant Concrete products can be ascertained.

The Framework Agreement is conditional upon approval by the Shareholders pursuant to the Listing Rules. Subject to satisfaction of such condition, the Framework Agreement is for a term commencing from 1 January 2014 and ending on 31 December 2016, both dates inclusive. The Framework Agreement may be renewed upon expiry subject to the Company's compliance with the Listing Rules.

The Framework Agreement may be terminated by either the Group or Wai Kee by giving prior written notice to the other party three (3) months in advance and the parties should decide on the terms and conditions of such termination by mutual agreement.

LETTER FROM THE BOARD

ANNUAL CAPS

During the seven months ended 31 December 2011, the year of 2012 and the eight months ended 31 August 2013, the expenses of the Group for the purchase of Concrete from Wai Kee pursuant to the 2011 Framework Agreement were as follows:

	<i>Amount (HK\$'000)</i>		
	Seven months ended 31 December 2011	2012	Eight months ended 31 August 2013
Expenses for the purchase of Concrete pursuant to the 2011 Framework Agreement	3,552	36,799	8,100 <i>(Note)</i>
Annual cap in respect of the purchase of Concrete pursuant to the 2011 Framework Agreement	10,000	45,000	55,000

Note: This figure represents the actual expenses during the eight months ended 31 August 2013. The final actual amount of the purchases for the year ending 31 December 2013 may be different. The shortfall between the estimated annual cap for 2013 and actual expenses was attributable to a combination of factors, including (i) lower than expected number and value of projects secured by the Group (as opposed to its joint ventures transactions of which are not considered transactions of the Group for the purposes of Chapter 14A of the Listing Rules); (ii) physical works for those projects in 2013 commenced in the last quarter of 2013 (therefore the expenses for Concrete are not shown in the table above; and (iii) as mentioned below, Wai Kee was not awarded Concrete supply contracts by the Group for some projects of the Group that require delivery in 2013.

Under the Framework Agreement, the Group and Wai Kee agreed that the maximum aggregate value of the contract sum in respect of the sale and purchase of Concrete for the periods covered under the Framework Agreement shall not exceed the amounts set out below.

Period	Total value not exceeding (HK\$'000) (Note)
1 January 2014 – 31 December 2014	32,000
1 January 2015 – 31 December 2015	50,000
1 January 2016 – 31 December 2016	43,000

Note: These figures represent the estimated maximum cap in respect of the sale and purchase of Concrete for the periods concerned under the Framework Agreement. The actual amount of the purchases may be different.

LETTER FROM THE BOARD

As Concrete supply contracts are awarded by the Group by reference to the requirements of its building/construction projects, the delivery of Concrete may take place over a period of time that can range from 1 year to 3 years, depending on the nature and progress of the building/construction project. Expenses for the purchase of Concrete are recognised in the financial statements of the Group on each delivery of Concrete. The above annual caps have been determined based on: (i) the average annual amounts of Concrete contracted for or committed by the Company from Wai Kee under contracts entered into pursuant to the 2011 Framework Agreement for the 7 months ended 31 December 2011 and the 2 years ended 31 December 2013 of approximately HK\$35 million and assuming substantially the same level of Concrete requirements for the Group's projects in the following years (by which Concrete supply contracts of HK\$34 million, HK\$35 million and HK\$36 million of Concrete for the financial years ending 31 December 2014, 2015 and 2016 respectively were projected) having regard to the possible new projects in Hong Kong that the Group may be or is likely to be awarded during the term of the Framework Agreement; (ii) the estimated expenses for Concrete required for projects already on hand that are to be delivered or recognised in the following years, mainly in the financial years ending 31 December 2014 and 2015, hence the lower in the annual cap amount for the financial year ending 31 December 2016; (iii) an assumption that on average 50% in value of all Concrete contracts awarded in a financial year will be delivered in that financial year with the balance deliverable in the next succeeding year, which assumption is based on the completion history of prior projects undertaken by the Group; and (iv) a 4% annual allowance for possible increases in price of Concrete, calculated by reference to the cost of material indices for portland cement and aggregate issued by the Census and Statistics Department of Hong Kong. As far as the management of the Company is aware, portland cement is the most commonly used type of cement in Hong Kong for producing concrete and aggregates are small or crushed stones that are widely used for the same purpose. Accordingly, they consider it reasonable to make reference to such cost of material indices when determining the growth rate in the market price of Concrete. The cost of material indices are used in estimating the growth rate in the market price of Concrete for the purposes of the proposed annual caps for the periods under the Framework Agreement; whereas when estimating the annual caps for the periods under the 2011 Framework Agreement, the increases in price of Concrete were factored into the Company's then projected growth in revenue of construction projects.

In general, after the Group is awarded a new construction project, the Group's purchasing department will invite tenders/quotations from a pre-approved list of Concrete suppliers providing them with the same specifications for Concrete and other requirements that may be relevant to the project. Wai Kee is a pre-approved Concrete supplier. The purchasing department will review all tender prices submitted and the relevant tender will be awarded to the lowest bidder. The senior management of the Group will also review all the tender prices submitted to ensure that whenever Wai Kee is awarded a contract, their price is the lowest bid. By way of example, the terms offered by the Company's independent Concrete suppliers for four construction projects in years 2011 and 2013 were more favourable to the Group than those offered by Wai Kee, therefore the Group purchased Concrete from its independent suppliers instead of Wai Kee for such projects.

LETTER FROM THE BOARD

To the extent a joint venture (which is not a subsidiary of the Company) may be established between any Group member and an independent third party, and such joint venture purchases Concrete from Wai Kee from time to time, the amount of such purchases will not be included in the above annual caps as they will not constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Payments shall be made by the Group to Wai Kee (or its relevant subsidiary or associate) on a monthly basis within 30 days of receipt of invoice from Wai Kee (or its relevant subsidiary or associate) by cheque, bank draft or other method of bank transfer.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

A stable supply of Concrete is important to the Group's construction projects. The Concrete products that are offered by Wai Kee are mainly mixed concrete products of a comprehensive range. The Directors consider that by entering into the Framework Agreement, the Group will be able to secure a steady and reliable supply of Concrete at prices no less favourable than those from other independent third parties.

The terms of the Framework Agreement were arrived at after arm's length negotiations between the parties. The Directors (including the Independent Non-executive Directors) are of the view that the terms of the Framework Agreement are on normal commercial terms, and that the terms and annual caps set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the bye-laws of the Company, where a company in which a Director and/or his associate(s) (which has the meaning ascribed to it under the Listing Rules) holds 5% or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction and that Director shall not vote on any resolution of the Board approving any contract or arrangement or proposal concerning that transaction. On the date of the Board meeting approving the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement, Mr. Zen Wei Peu, Derek ("Mr. Zen") held 185,557,078 shares (23.4%) in Wai Kee. Therefore, Mr. Zen is deemed to have a material interest in the Framework Agreement and accordingly, he has abstained from voting in the Board resolution approving the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Wai Kee is a majority shareholder of the Company. As at the Latest Practicable Date, Wai Kee (through its subsidiaries) was interested in 635,415,033 Shares, representing approximately 51.17% of the Company's issued share capital. Accordingly, Wai Kee is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Transactions under the Framework Agreement and the Individual Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions under the Framework Agreement exceed 5%, the Framework Agreement is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Wai Kee is a party to the Framework Agreement, Wai Kee and its associates are required under the Listing Rules to abstain from voting at the SGM on the resolution for approving the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement. Mr. Zen (who, as at the Latest Practicable Date, held 111,475,228 Shares (8.98%) in the Company and 185,557,078 shares (23.40%) in Wai Kee) confirmed to the Company that he will voluntarily abstain from voting in the SGM.

SGM

It is proposed that the SGM be convened and held at Units 601-605A, 6th Floor, Tower B, Manulife Financial Centre, 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Tuesday, 10 December 2013 at 10:00 a.m. to consider and, if thought fit, approve the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement. A notice of the SGM is set out on pages 31 to 32 of this circular.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Dr. Chow Ming Kuen, Joseph, Mr. Ng Chi Ming, James and Mr. Ho Tai Wai, David, has been formed to advise the Independent Shareholders in respect of the transactions and annual caps pursuant to the Framework Agreement. Crosby has also 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 and the proposed annual caps in relation to the transactions under the Framework Agreement.

LETTER FROM THE BOARD

GENERAL

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

Wai Kee is an investment holding company and is principally engaged in civil engineering, toll road, property development, construction materials and quarrying.

ADDITIONAL INFORMATION

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

RECOMMENDATION

The Directors (including the Independent Non-executive Directors) consider that the terms of the transactions pursuant to the Framework Agreement and the annual caps to be fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that all Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of the SGM.

Yours faithfully,
By Order of the Board
Build King Holdings Limited
Zen Wei Peu, Derek
Chairman

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 terms of and the proposed annual caps in relation to the transactions under the Framework Agreement as set out in the Circular.



22 November 2013

CONTINUING CONNECTED TRANSACTIONS

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular issued by Company to the Shareholders dated 22 November 2013 (the "Circular") of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and to advise you on the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement, as set out in the Circular as to the fairness and reasonableness and to recommend whether or not the Independent Shareholders should approve the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement as set out in the Circular. Crosby has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out on pages 12 to 22 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in relation to the Framework Agreement.

Having taken into account principal factors and reasons considered by and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the continuing connected transactions contemplated under the terms of the Framework Agreement (including the relevant annual caps) as set out in the Circular to be fair and reasonable so far as the interests of the Independent Shareholders are concerned and to be in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to support and to vote in favour of the resolution to approve the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement.

Yours faithfully,
For and on behalf of
Independent Board Committee of
Build King Holdings Limited
Chow Ming Kuen, Joseph
Ng Chi Ming, James
Ho Tai Wai, David
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 and the proposed annual caps in relation to the transactions under the Framework Agreement.

CROSBY

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

22 November 2013

*To the Independent Board Committee and
the Independent Shareholders of Build King Holdings Limited*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the Shareholders dated 22 November 2013, 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 18 November 2013, the Company entered into the conditional Framework Agreement with Wai Kee for the sale and purchase of Concrete from time to time during the period from 1 January 2014 to 31 December 2016 (both dates inclusive). As at the Latest Practicable Date, Wai Kee (through its subsidiaries) was interested in 635,415,033 Shares, representing approximately 51.17% of the Company’s issued share capital. Accordingly, Wai Kee is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules and the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under the Listing Rules (the “**Continuing Connected Transactions**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Continuing Connected Transactions exceed 5%, the Framework Agreement is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As Wai Kee is a party to the Framework Agreement, Wai Kee and its associates are required under the Listing Rules to abstain from voting at the SGM on the resolution for approving the Framework Agreement, the transactions and the proposed annual caps thereunder. Further, Mr. Zen Wei Peu, Derek ("**Mr. Zen**") (who, as at the Latest Practicable Date, held 111,475,228 Shares (8.98%) in the Company and 185,557,078 shares (23.40%) in Wai Kee) confirmed to the Company that he will voluntarily abstain from voting in the SGM.

Pursuant to the bye-laws of the Company, Mr. Zen is deemed to have a material interest in the Framework Agreement and accordingly, he has abstained from voting in the Board resolution approving the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement.

The Independent Board Committee, comprising Dr. Chow Ming Kuen, Joseph, Mr. Ng Chi Ming, James and Mr. Ho Tai Wai, David, has been formed to advise the Independent Shareholders in respect of the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and 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 Appendix I to the Circular that the 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 the 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 in the Circular or 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 the omission of which would make any statement in the Circular misleading have been omitted from the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider 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, Wai Kee or any of their respective subsidiaries or associates.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Crosby is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of and the proposed annual caps in relation to the transactions under the Framework Agreement, we have considered the following principal factors and reasons:

A. Background and reasons for entering into the Framework Agreement

The Company is an investment holding company and its group companies are principally engaged in the undertaking of construction projects in Hong Kong, the PRC and the Middle East and are also engaged in environmental and waste management and marine engineering. As stated in the Letter from the Board, Wai Kee is an investment holding company and is principally engaged in civil engineering, toll road, property development, construction materials and quarrying.

Reference is made to the Company's announcement dated 8 July 2011 and the circular dated 29 July 2011. On 8 July 2011, the Company entered into the 2011 Framework Agreement with Wai Kee, whereby the Company (by itself or through its subsidiaries) may, but is not obliged to, purchase Concrete from Wai Kee (or its subsidiaries and/or associates) from time to time during the period from 1 June 2011 to 31 December 2013 for the Group's construction projects.

As the Group intends to continue its existing business relationship with Wai Kee beyond expiration of the 2011 Framework Agreement on 31 December 2013, the Company entered into the Framework Agreement with Wai Kee on 18 November 2013, pursuant to which the Company may continue, but is not obliged, to purchase Concrete from Wai Kee (or its subsidiaries and/or associates) for the three years ending 31 December 2016.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Letter from the Board, a stable supply of Concrete is important to the Group's construction projects. The Directors consider that by entering into the Framework Agreement, the Group will be able to secure a steady and reliable supply of Concrete at prices no less favourable to the Company than those from independent third parties.

Having considered the above and our analysis and view on the major terms of the Framework Agreement (as explained below), we concur with the view of the Directors that the entering into of the Framework Agreement falls within the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

B. Major terms of the Framework Agreement

(i) Individual Agreements arrangement

The Company (by itself or through its subsidiaries) may, but is not obliged to, purchase Concrete from Wai Kee (or its subsidiaries and/or associates) from time to time during the period from 1 January 2014 to 31 December 2016 for the Group's construction projects.

The Group and Wai Kee (or its subsidiaries and/or associates) will enter into Individual Agreements for individual transactions during the term of the Framework Agreement, which shall contain details of transactions including, but not limited to, the rights, assumption and obligation of the parties, fees and expenses, requirements of manufacture, payment, delivery and indemnities. The terms of the Individual Agreements shall not conflict with the general principles set out in the Framework Agreement. Should there be any conflict, the parties shall discuss and agree such adjustments to the Individual Agreements so that the general principles in the Framework Agreement should prevail.

(ii) Pricing principle

The parties agree that the price, fee or any other consideration shall be determined with reference to the relevant market price on a fair and reasonable basis. As advised by the Company, the Concrete products provided by Wai Kee are mainly mixed concrete products of a comprehensive range and the Group usually sources supplies in accordance with its internal established criteria and procedures on selection of Concrete suppliers and procurement. As stated in the Letter from the Board, in general, after the Group is awarded a new construction project, the Group's purchasing department will invite tenders/quotations from a pre-approved list of Concrete suppliers providing them with the same specifications for Concrete and other requirements that may be relevant to the project. Wai Kee is a pre-approved

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Concrete supplier. The purchasing department will review all tender prices submitted and the relevant tender will be awarded to the lowest bidder. The senior management of the Group will also review all the tender prices submitted to ensure that whenever Wai Kee is awarded a contract, their price is the lowest bid. The Company confirms that, before engaging Wai Kee to supply Concrete during the term of the 2011 Framework Agreement, the Company has asked for quotations from its independent Concrete suppliers in order to ascertain that the terms offered by Wai Kee were no less favourable to the Company than that offered by its independent Concrete suppliers. Among all the projects awarded to Wai Kee during the term of the 2011 Framework Agreement, we have reviewed the documents provided by the Company relating to the quotations submitted by the concrete suppliers (including, among others, Wai Kee) for some of those projects. For the documents we have reviewed, we note that the Company followed the aforementioned internal procedures and the relevant contracts were awarded to the lowest bidder. Given the above, we are of the view that the pricing principle is fair and reasonable.

(iii) *Payment*

Payments shall be made by the Group to Wai Kee (or its relevant subsidiaries or associates) on a monthly basis within 30 days of receipt of invoice from Wai Kee (or its relevant subsidiary or associate) by cheque, bank draft or other method of bank transfer.

(iv) *Termination/renewal*

The Framework Agreement may be terminated by either the Group or Wai Kee by giving prior written notice to the other party three months in advance and the parties should decide on the terms and conditions of such termination by mutual agreement. The Framework Agreement may be renewed upon expiry subject to the Company's compliance with the Listing Rules.

Based on the above, in particular that (i) the Framework Agreement does not restrict the Group from purchasing Concrete from its independent third parties; and (ii) the pricing principle is fair and reasonable, we concur with the view of the Directors that the terms of the Framework Agreement are fair and reasonable, on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

C. The proposed annual caps

The historical transaction amounts of the continuing connected transactions under the 2011 Framework Agreement and the proposed annual caps for the transactions contemplated under the Framework Agreement for the three years ending 31 December 2016 are as follows:

	Historical transaction amounts			Proposed annual caps		
	From 1 June 2011 to 31 December 2011 ("Period 2011") HK\$'000 (audited)	For the year ended 31 December 2012 ("FY2012") HK\$'000 (audited)	From 1 January 2013 to 31 August 2013 ("Period 2013") HK\$'000 (unaudited)	For the year ending 31 December 2014 HK\$'000	For the year ending 31 December 2015 HK\$'000	For the year ending 31 December 2016 HK\$'000
Purchase of Concrete by the Group from Wai Kee	3,552	36,799	8,100 (Note)	32,000	50,000	43,000

Note: This figure represents the actual expenses for the Period 2013. The final actual amount of the purchases for the year ending 31 December 2013 may be different.

We note that the proposed annual caps for the coming three years represented a significant increase as compared to the annualized transaction amounts of Concrete purchased by the Group from Wai Kee during the term of the 2011 Framework Agreement (except that of FY2012). As stated in the Letter from the Board, during the Period 2011 and the Period 2013, the terms offered by the Company's independent Concrete suppliers for four construction projects were more favourable to the Group than those offered by Wai Kee, and therefore the Group purchased Concrete from its independent suppliers instead of Wai Kee for such projects during such periods.

As set out in the Letter from the Board, the proposed annual caps have been determined based on (i) the average annual amounts of Concrete contracted for or committed by the Company from Wai Kee under the contracts entered into pursuant to the 2011 Framework Agreement for the seven months ended 31 December 2011 and the two years ending 31 December 2013 of approximately HK\$35 million and assuming substantially the same level of Concrete requirements for the Group's projects in the following years (by which Concrete supply contracts of HK\$34 million, HK\$35 million and HK\$36 million of Concrete for the financial years ending 31 December 2014, 2015 and 2016 respectively were projected) having regard to the possible new projects in Hong Kong that the Group may be or is likely to be awarded during the term of the Framework Agreement; (ii)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the estimated expenses for Concrete required for projects already on hand that are to be delivered or recognised in the following years, mainly in the financial years ending 31 December 2014 and 2015, hence the lower in the annual cap amount for the financial year ending 31 December 2016; (iii) an assumption that on average 50% in value of all Concrete contracts awarded in a financial year will be delivered in that financial year with the balance deliverable in the next succeeding year, which assumption is based on the completion history of prior projects undertaken by the Group; and (iv) a 4% annual allowance for possible increases in price of Concrete, calculated by reference to the cost of material indices for portland cement and aggregate issued by the Census and Statistics Department of Hong Kong. The Directors are of the view that the proposed annual caps set out above are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

In assessing the fairness and reasonableness of the proposed annual caps, we have reviewed and discussed with the management of the Company about the underlying calculation. Based on our review and discussion, we understand that the proposed annual caps represent the sum of the Group's Concrete demand of (i) its construction projects on hand (the **"Existing Projects"**); and (ii) the possible new projects in Hong Kong that the Group may be or is likely to be awarded during the term of the Framework Agreement (the **"Potential Projects"**).

In respect of the Concrete demand of the Existing Projects, we understand from the management of the Company that they have considered two construction projects on hand which were awarded to the Group in 2012 and 2013 respectively and are expected to be completed by 2014 and 2016 respectively. The Company further advised that, to meet the Concrete demand of the Existing Projects, the Group has entered into purchase contracts with Wai Kee which specified supply quantity and price and scheduled the delivery of such Concrete during the term of the Framework Agreement. We have reviewed the aforementioned purchase contracts and delivery schedules. Since the Group recognizes the purchase of Concrete upon the receipt of Concrete, we concur with the view of the management of the Company that it is reasonable for the Group to include such Concrete demand when determining the proposed annual caps.

In respect of the estimated Concrete demand of the Potential Projects, the management of the Company advised that they have taken into account the following factors:

- i. the historical market price of Concrete and an expected annual growth rate of 4% in the market price of Concrete; and
- ii. the anticipated Concrete demand of the Potential Projects during the term of the Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of the expected annual growth rate of 4% in the market price of Concrete, we have reviewed the purchase contracts (which have specified the Concrete price) entered into by the Group with Wai Kee during the term of the 2011 Framework Agreement and note that the average Concrete price increased by a compound annual growth rate (“CAGR”) of approximately 5.4% from June 2011 to July 2013. Furthermore, as advised by the Company, the Concrete price is mainly affected by the cost of its major components including cement and aggregate and therefore, to determine the aforesaid growth rate in the market price of Concrete, the Company has made reference to the cost of material indices of portland cement and aggregate (altogether, the “**Indices**”) issued by the Census and Statistics Department of Hong Kong (“**CSD**”) (which are compiled for the purpose of working out the increase/decrease of payment to the main contractors of public construction projects to adjust for the change in costs of relevant materials). As stated in the Letter from the Board, as far as the management of the Company is aware, portland cement is the most commonly used type of cement in Hong Kong for producing concrete and aggregates are small or crushed stones that are widely used for the same purpose. Accordingly, the management considers it reasonable to make reference to such Indices when determining the growth rate in the market price of Concrete. The Indices are used in estimating the growth rate in the market price of Concrete for purposes of the proposed annual caps for the periods under the Framework Agreement; whereas when estimating the annual caps for the periods under the 2011 Framework Agreement, the increases in price of Concrete were factored into the Company’s then projected growth in revenue of construction projects.

We have reviewed the relevant information published by CSD dated 30 August 2013 and note that the cost of material index of portland cement increased at a CAGR of approximately 3.1% from 130.1 in June 2011 to 138.4 in June 2013 and the cost of material index of aggregates increased at a CAGR of approximately 5.9% from 128.3 in June 2011 to 143.9 in June 2013. The Company advised us that the expected annual growth rate of 4% in the market price of the Concrete represents the average of the aforesaid CAGR of the Indices weighted by the cost of cement and aggregate to produce the Concrete purchased from Wai Kee during the term of the 2011 Framework Agreement (the “**Weighted Average of the Indices**”). Given the above, we consider that the Weighted Average of the Indices is a good reference to determine the expected annual growth rate of Concrete price and, despite that the aforesaid expected annual growth rate of 4% is slightly lower than the historical CAGR of Concrete price of approximately 5.4% from June 2011 to July 2013, we concur with the view of the Directors that it is reasonable for the Group to apply the expected annual growth rate of 4% in estimating the Concrete price during the term of the Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of the anticipated Concrete demand (in terms of quantity) of the Potential Projects, as advised by the Company, it is estimated based on (i) the average annual quantity of Concrete contracted for or committed by the Group from Wai Kee during the term of the 2011 Framework Agreement; and (ii) the estimated delivery schedule over the coming three years with reference to the historical Concrete delivery schedules given that the construction works of the Group's projects are performed in stages. We have reviewed (i) the information provided by the Company relating to the historical delivery stages with respect to the purchase contracts contracted for or committed by the Group from Wai Kee during the term of the 2011 Framework Agreement; and (ii) the management's estimated Concrete demand of the Potential Projects over the term of the Framework Agreement, and note that for the aforesaid purchase contracts entered into by the Group with Wai Kee, (i) the Concrete was delivered in stages over the term of the construction project, depending on the nature and progress of the construction project and, on average, approximately 50% of Concrete was delivered within 12 months after the Group entered into the relevant purchase contracts with Wai Kee and the remaining Concrete was delivered in the following 12 months; (ii) the Group recognized the purchase of Concrete upon each receipt of Concrete; and (iii) the estimated Concrete demand for determining the proposed annual caps follows the pattern of the average historical Concrete delivery schedule. Given the above, we concur with the Directors about their basis of estimating the Concrete demand of the Potential Projects.

Based on the various factors described above, we concur with the view of the Directors that the proposed annual caps are fair and reasonable so far as the Group and the Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. However, as the proposed annual caps relate to future events and are based upon assumptions that may or may not remain valid for the whole period up to 31 December 2016, we express no opinion as to how closely the actual volume of the sale and purchase of Concrete pursuant to the Framework Agreement shall correspond to the proposed annual caps.

D. Requirements by the Listing Rules regarding the Continuing Connected Transactions

Pursuant to Rules 14A.37 to 14A.40 of the Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts that the Continuing Connected Transactions have been entered into:
 - in the ordinary and usual course of business of the Company;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than the terms available to or from (as appropriate) independent third parties; and
 - in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming that the Continuing Connected Transactions:
- have received the approval of the Board;
 - are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;
 - have been entered into in accordance with the relevant agreements governing the Continuing Connected Transactions; and
 - have not exceeded the proposed annual caps.
- (c) the Company shall allow, and shall procure the relevant counterparty to the Continuing Connected Transactions shall allow, the Company's auditors sufficient access to their records for the purpose of reporting on the Continuing Connected Transactions. The Board must state in the annual report whether its auditors have confirmed the matters stated in paragraph (b) above; and
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or the auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) above respectively.

In light of the reporting requirements relating to the Continuing Connected Transactions, in particular, (i) the restriction of the value of the Continuing Connected Transactions by way of the proposed annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the Continuing Connected Transactions and the proposed annual caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Continuing Connected Transactions and safeguard the interests of the Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the Framework Agreement 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 Group and the Shareholders as a whole, and the terms thereof as well as the proposed annual caps are fair and reasonable 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 terms of and the proposed annual caps in relation to the transactions under the Framework Agreement.

Yours faithfully,

For and on behalf of

Crosby Securities Limited

Heidi Cheng

Lily Li

Managing Director

Assistant Director

Corporate Finance

Corporate Finance

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) Directors' Interests

As at the Latest Practicable Date, the Directors and the chief executive of the Company and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to 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 which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or 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	111,475,228	–	8.98
Chang Kam Chuen, Desmond	Personal	1,400,000	–	0.11
David Howard Gem	Personal	900,000	–	0.07
Cheng Chi Pang, Leslie	Personal	1,170,000	–	0.09

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)	Short position	
Zen Wei Peu, Derek	Wai Kee	Personal	185,557,078	–	23.40
	Wai Kee (Zens) Construction & Transportation Company Limited	Personal	2,000,000	–	10.00
	Wai Luen Stone Products Limited	Personal	30,000	–	37.50

Note:

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

Save as disclosed above, 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 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 which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or 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.

(II) Substantial Shareholders' Interests

(A) Interests in the Company

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons ("Substantial Shareholders") (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision 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 ("Top Horizon") (Note (2))	Personal/ Beneficiary	635,415,033	51.17	–	–
Wai Kee (Zens) Holding Limited ("Wai Kee (Zens)") (Note (3))	Corporate	635,415,033	51.17	–	–
Wai Kee (Note (4))	Corporate	635,415,033	51.17	–	–
Vast Earn Group Limited (Note (5))	Personal/ Beneficiary	67,404,052	5.43	–	–
NWS Service Management Limited (incorporated in the British Virgin Islands) (Note (6))	Corporate	67,404,052	5.43	–	–
NWS Service Management Limited (incorporated in the Cayman Islands) (Note (7))	Corporate	67,404,052	5.43	–	–
NWS Holdings Limited (Note (8))	Corporate	67,404,052	5.43	–	–
New World Development Company Limited (Note (9))	Corporate	67,404,052	5.43	–	–

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	%
Chow Tai Fook Enterprises Limited (Note (10))	Corporate	67,404,052	5.43	–	–
Chow Tai Fook (Holding) Limited (Note (11))	Corporate	67,404,052	5.43		
Chow Tai Fook Capital Limited (Note (12))	Corporate	67,404,052	5.43		
Cheng Yu Tung Family (Holdings II) Limited (Note (13))	Corporate	67,404,052	5.43	–	–
Cheng Yu Tung Family (Holdings) Limited (Note (14))	Corporate	67,404,052	5.43	–	–

Notes:

- (1) Long position in the Shares
- (2) Top Horizon is a direct wholly owned subsidiary of Wai Kee (Zens).
- (3) Wai Kee (Zens) is deemed to be interested in the Shares through its interests in Top Horizon.
- (4) Wai Kee (Zens) is a direct wholly owned subsidiary of Wai Kee. Accordingly, Wai Kee is deemed to be interested in the Shares through its interests in its wholly owned subsidiaries, namely Wai Kee (Zens) and Top Horizon.
- (5) Vast Earn Group Limited is a wholly owned subsidiary of NWS Service Management Limited (incorporated in the British Virgin Islands).
- (6) NWS Service Management Limited (incorporated in the British Virgin Islands) is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely Vast Earn Group Limited.
- (7) NWS Service Management Limited (incorporated in the Cayman Islands) is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely NWS Service Management Limited (incorporated in the British Virgin Islands).

- (8) NWS Holdings Limited is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely NWS Service Management Limited (incorporated in the Cayman Islands).
- (9) New World Development Company Limited is deemed to be interested in the Shares through its interests in its subsidiary, namely NWS Holdings Limited.
- (10) Chow Tai Fook Enterprises Limited is deemed to be interested in the Shares through its interests in more than one-third of the issued share capital of New World Development Company Limited.
- (11) Chow Tai Fook (Holding) Limited is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely Chow Tai Fook Enterprises Limited.
- (12) Chow Tai Fook Capital Limited is deemed to be interested in the Shares through its interests in its subsidiary, namely Chow Tai Fook (Holding) Limited.
- (13) Cheng Yu Tung Family (Holdings II) Limited is deemed to be interested in the Shares through its interests in more than one-third of the issued share capital of Chow Tai Fook Capital Limited.
- (14) Cheng Yu Tung Family (Holdings) Limited is deemed to be interested in the Shares through its interests in more than one-third of the issued share capital of Chow Tai Fook Capital 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	Director
	Wai Kee (Zens)	Director
	Wai Kee	Vice Chairman and Executive Director
Cheng Chi Pang, Leslie	Wai Kee	Non-executive Director

(B) Interests in other members of the Group

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company and save as disclosed in this circular, the persons (other than a Director or chief executive of the Company or a member of the Group) who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of subsidiary	Name of shareholder	Percentage of interest held (%)
Archibuild Limited	Cheng Lai Heung	26.66
	Lai Yiu Wah	13.34
Cheuk Wah Construction Engineering Limited	Goldky Industries Limited	40
Eastar Construction Engineering Limited	Fulight Engineering Limited	20
Huge Host Engineering Limited	Downer Mining (Asia) Limited	30
W K Aviation Engineering Company Limited	Kencana Capital Ventures Sdn. Bhd.	30
Yat Hing Decoration Works Limited	Chan Kwok Kai	10
	Lai Yiu Wah	20

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company are not aware of any other persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at Latest Practicable Date, none of the Directors and their respective associates had any interests in a business, which competed or was likely to compete, directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Gateway Business Services Limited (a company ultimately wholly owned by Mr. David Howard Gem, a non-executive Director) entered into a consultancy service contract with Leader Construction Company Limited (a wholly owned subsidiary of the Company) for provision of consultancy services for a period of two years commencing on 1 June 2012, further details in relation to which are set out in the Company's announcement dated 21 June 2012.

5. INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any assets which had been, since 31 December 2012, being the date to which the latest published audited accounts of the Company 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 had any direct or indirect interest in any assets which had been, since 31 December 2012, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or apart from any Concrete that may have been purchased from Wai Kee in which Mr. Zen holds shares as disclosed in section 2(I)(B) above, 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 contract or arrangement which is significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGES

Save as disclosed in the announcement of interim results published by the Company on 15 August 2013, the Directors are of the opinion that there has not been any material adverse change in the financial or trading position of the Group since 31 December 2012, being the date to which the latest published audited accounts of the Group were made up.

7. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinions or advice which are contained in this circular:

Name	Qualification
Crosby	The Independent Financial Adviser is a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of its letter as set out in this circular and references to its name in the form and context in which they appear respectively.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding in any member of the Group nor have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong from the date of this circular up to and including 10 December 2013:

- (a) the letter from the Independent Financial Adviser, the text of which is set out on pages 12 to 22 of this circular;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 10 to 11 of this circular;
- (c) the Framework Agreement; and
- (d) 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 Special General Meeting of Build King Holdings Limited (the “Company”) will be held at Units 601-605A, 6th Floor, Tower B, Manulife Financial Centre, 223 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Tuesday, 10 December 2013 at 10:00 a.m. to transact the following businesses:

ORDINARY RESOLUTION

“**THAT** the terms of and the proposed annual caps in relation to the transactions under the framework agreement between Build King Holdings Limited (the “Company”) and Wai Kee Holdings Limited dated 18 November 2013 (“Framework Agreement”) in respect of the continuing sale and purchase of ready mixed concrete for the period commencing from 1 January 2014 and ending on 31 December 2016 be and are hereby approved; and the directors of the Company be and are hereby authorised to do all such things and exercise all powers which they consider necessary, desirable or expedient in connection with the Framework Agreement and otherwise in connection with the implementation of the transactions contemplated thereunder including without limitation to the execution, amendment, supplement, delivery, waiver, submission and implementation of any further documents or agreements.”

By Order of the Board
Chang Kam Chuen, Desmond
Company Secretary

Hong Kong, 22 November 2013

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. 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.
2. 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.
3. The instrument appointing a proxy and (if required by the Board) 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, Tricor Progressive Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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.
4. 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.
5. In the case of joint holders of a share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that 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.