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 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 and the accompanying form of proxy 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.

Build King

BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING

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

上銀國際有限公司
BOSC International Company Limited

A letter from the Board (as defined herein) is set out on pages 4 to 10 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 13 to 25 of this circular. A letter from the Independent Board Committee is set out on pages 11 to 12 of this circular.

A notice convening the special general meeting of Build King Holdings Limited to be held at Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 6 July 2016 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 Level 22, Hopewell Centre, 183 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.

16 June 2016

CONTENTS

Page

DEFINITIONS

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

"Announcement"	the announcement of the Company dated 7 June 2016
"associates"	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)
"Concrete"	ready mixed concrete
"Directors"	the directors of the Company
"Framework Agreement"	the framework agreement between the Company and Wai Kee dated 7 June 2016 in respect of the continuing sale and purchase of Concrete from 2016 to 2018
"Group"	the Company and its subsidiaries from time to time
"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. Ho Tai Wai, David, and Mrs. Ling Lee Ching Man, Eleanor, 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 "BOSC"	BOSC International Company Limited, a corporation licensed to carry out type 1 (dealing in 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
"Independent Shareholders"	Shareholders other than Wai Kee and its associates (as defined in the Listing Rules)
"Individual Agreement"	individual agreement, contract or order for individual transaction during the term of the Framework Agreement
"Latest Practicable Date"	10 June 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"Leader JV"	Leader Joint Venture, formerly known as Sembawang-Leader Joint Venture
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	The People's Republic of China
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"SEC"	Sembawang Engineers and Constructors Pte. Ltd.
"SGM"	the special general meeting of the Company to be convened on Wednesday, 6 July 2016 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
"2013 Framework Agreement"	the framework agreement entered into between the Company and Wai Kee dated 18 November 2013 in respect of the continuing sale and purchase of Concrete from 2014 to 2016
"%"	per cent.

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
Mr. Chan Chi Hung, Anthony

Independent Non-executive Directors:
Dr. Chow Ming Kuen, Joseph
Mr. Ho Tai Wai, David
Mrs. Ling Lee Ching Man, Eleanor

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

16 June 2016

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement.

On 18 November 2013, the Company entered into the 2013 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 pursuant to the terms of the 2013 Framework Agreement. The 2013 Framework Agreement and the transactions thereunder and the respective annual caps were approved by the then Independent Shareholders at the Company's special general meeting held on 10 December 2013.

As set out in the circular of the Company dated 22 November 2013, the annual caps in respect of the sale and purchase of Concrete under the 2013 Framework Agreement for the three years ending 31 December 2016 were set at HK$32 million, HK$50 million and HK$43 million, respectively.

As the Group expects the aggregate amounts of Concrete procured or to be procured from Wai Kee in the current financial year to exceed the existing 2016 annual cap of HK$43 million, 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 2016 to 31 December 2018, subject to the terms and conditions of the Framework Agreement.

The purpose of this circular is to provide the Shareholders with further information on the terms of the Framework Agreement (including the proposed annual caps), and to convene the SGM to seek the approval of the Independent Shareholders with respect to the Framework Agreement, the transactions thereunder and the proposed annual caps.

THE FRAMEWORK AGREEMENT

On 7 June 2016, 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 2016 to 31 December 2018 for the Group's construction projects.

The Group and Wai Kee (or its subsidiaries and/or associates) will enter into Individual Agreement for individual transaction during the term of the Framework Agreement, which shall contain details of the transaction 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 Agreement 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 Agreement 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 third party suppliers for products of the same or substantially similar kind in ordinary business and within the same territory in the market) for the relevant Concrete products can be ascertained.

The Framework Agreement is conditional upon approval by the Independent Shareholders pursuant to the Listing Rules, whereupon the 2013 Framework Agreement will cease to have effect. Subject to satisfaction of such condition, the Framework Agreement is for a term commencing from 1 January 2016 and ending on 31 December 2018, 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.

ANNUAL CAPS IN RESPECT OF THE FRAMEWORK AGREEMENT

During the years 2014 and 2015 and the three months ended 31 March 2016, the expenses of the Group for the purchase of Concrete from Wai Kee pursuant to the 2013 Framework Agreement were as follows:

	2014	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Expenses for the purchase of Concrete pursuant to the 2013 Framework Agreement	16,666	36,341	17,888 *(Note 1)*
Annual cap in respect of the purchase of Concrete pursuant to the 2013 Framework Agreement	32,000	50,000	43,000

Notes:

1. This figure represents the actual expenses during the three months ended 31 March 2016.

2. The main factor contributing to the differences between the actual expenses for the purchase of Concrete and the respective annual caps pursuant to the 2013 Framework Agreement was the delay in the construction schedule of certain projects, that resulted in a partial shift of Concrete usage from 2014 and 2015 to 2016.

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 2016 – 31 December 2016	90,000
1 January 2017 – 31 December 2017	80,000
1 January 2018 – 31 December 2018	60,000

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.

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 one year to four years, depending on the nature and progress of the building/construction projects. Expenses for the purchase of Concrete are recognised in the financial statements of the Group on each delivery of Concrete.

As disclosed in the 2015 Annual Report, on 30 November 2015, the Group entered into an agreement with SEC, the Group's joint venture partner for Leader JV pursuant to which SEC has withdrawn from the joint operation due to their financial difficulties. Leader JV is responsible for the Diamond Hill Project. As a result of such withdrawal, Leader JV became an indirect wholly-owned subsidiary of the Company. Prior to the withdrawal, purchases of Concrete from Wai Kee by Leader JV were not transactions of the Company, and accordingly, in determining the annual caps under the 2013 Framework Agreement, the Company had not taken into account the requirements of Leader JV for Concrete supply. Upon Leader JV becoming a subsidiary of the Company, its purchases of Concrete from Wai Kee constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The Company currently estimates that the Concrete required for the Diamond Hill Project will be delivered and recognised in 2016 and 2017 respectively.

In addition, due to the delay in the construction schedule of certain projects already on hand, the Concrete usage from 2014 and 2015 partially shifted to 2016.

Based on the above, the Company has had to increase the annual caps for purchases of Concrete for 2016 beyond what was set out in the 2013 Framework Agreement.

The annual caps under the Framework Agreement have been determined based on the following factors:

(i) the estimated expenses for Concrete required for the nine projects already on hand (including the Diamond Hill Project) that are to be delivered or recognised in 2016 and the following two years based on each of their current progress;

(ii) to cater for requirements of new projects that the Group may be or is likely to be awarded during the term of the Framework Agreement, the Company took into account the average annual quantity and value of Concrete contracted for by the Company from Wai Kee under contracts over the three years ended 31 December 2015 (excluding the requirements of the Diamond Hill Project) and the average distribution of deliveries of Concrete required over the life of those projects (being approximately 10% for the first year, 35% for the second year and 35% for the third year and 20% for the fourth year), on the assumption that new projects will collectively have a similar level of Concrete consumption;

(iii) the historical market price of Concrete and a 4% annual allowance for possible increases in price of Concrete after 2015, calculated by reference to the cost of material indices for portland cement and aggregate issued by the Census and Statistics Department of the Hong Kong Government. 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. As with the 2013 Framework Agreement, the costs 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; and

(iv) a buffer of 10% in respect of the annual amounts of Concrete during the term of the Framework Agreement estimated based on the above factors.

In general, after the Group is awarded a new construction project, the Group will source supplies in accordance with its internal procedures on selection of Concrete suppliers and procurement. The Group's purchasing department will invite tenders/quotations from a pre-approved list of Concrete suppliers (including Wai Kee and other independent Concrete suppliers) providing them with the same specifications for Concrete and other requirements that may be relevant to the project. The Group will generally invite tenders/quotations from at least three independent suppliers for a new construction project. The purchasing department will then 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.

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 (such as Leader JV, prior to the withdrawal of SEC), 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 are required to 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 TRANSACTIONS

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 continue to 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 in the ordinary and usual course of business of the Group, and that the terms and the proposed 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 (23.40%) 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.

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 655,415,033 Shares, representing approximately 52.78% 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 Agreement 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.

SGM

It is proposed that the SGM be convened and held at Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 6 July 2016 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 33 to 34 of this circular.

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 123,725,228 Shares (9.96%) 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.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Dr. Chow Ming Kuen, Joseph, Mr. Ho Tai Wai, David and Mrs. Ling Lee Ching Man, Eleanor, has been formed to advise the Independent Shareholders in respect the transactions and annual caps pursuant to the Framework Agreement. BOSC 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.

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 construction, toll road and 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 the terms of the Framework Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms and the proposed annual caps set out above are fair and reasonable and in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that all Independent Shareholders vote in favour of the ordinary resolutions set out in the notice of the SGM.

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

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

BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

CONTINUING CONNECTED TRANSACTIONS

16 June 2016

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular issued by Company to the Shareholders dated 16 June 2016 (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. BOSC 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 13 to 25 of the Circular.

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, on normal commercial terms and in the ordinary and usual course of business of the Group 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
Ho Tai Wai, David
Ling Lee Ching Man, Eleanor
Independent Non-executive Directors

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.

上銀國際有限公司
BOSC International Company Limited

34th Floor, Citibank Tower
3 Garden Road
Hong Kong

16 June 2016

To the Independent Board Committee and
the Independent Shareholders

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 16 June 2016, 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.

As the Group expects the aggregate amounts of Concrete procured and to be procured from Wai Kee in the current financial year to exceed the existing 2016 annual cap of HK$43 million under the 2013 Framework Agreement, on 7 June 2016, the Company entered into the Framework Agreement with Wai Kee for the sale and purchase of Concrete from time to time during the period from 1 January 2016 to 31 December 2018.

As at the Latest Practicable Date, Wai Kee (through its subsidiaries) was interested in 655,415,033 Shares, representing approximately 52.78% 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 Agreement constitute continuing connected transactions for the Company under the Listing Rules (the "Continuing Connected Transactions").

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 (who, as at the Latest Practicable Date, held 123,725,228 Shares (9.96%) 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. Ho Tai Wai, David and Mrs. Ling Lee Ching Man, Eleanor, 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 they 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 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.

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.

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 the Group is 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 construction, toll road and property development, construction materials and quarrying. According to the Company's annual report for the year ended 31 December 2015, the Group's revenue amounted to approximately HK$3,237.3 million and HK$4,571.6 million for the two years ended 31 December 2014 and 2015, respectively, and such revenue mainly represented income from construction contracts during the relevant years.

Reference is made to the Company's announcement dated 18 November 2013 and the circular dated 22 November 2013. On 18 November 2013, the Company entered into the 2013 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 annual caps in respect of the sale and purchase of Concrete under the 2013 Framework Agreement for the three years ending 31 December 2016 were HK$32 million, HK$50 million and HK$43 million, respectively (the "Historical Annual Caps").

As stated in the Letter from the Board, on 30 November 2015, the Group entered into an agreement with SEC, the Group's joint venture partner for Leader JV pursuant to which SEC has withdrawn from the joint operation due to their financial difficulties. Leader JV is responsible for the Diamond Hill Project. As a result of such withdrawal, Leader JV became an indirect wholly-owned subsidiary of the Company. Prior to such withdrawal, purchases of Concrete from Wai Kee by Leader JV were not transactions of the Company, and accordingly, in determining the annual caps under the 2013 Framework Agreement, the Company had not taken into account the requirements of Leader JV for Concrete supply. Upon Leader JV becoming a subsidiary of the Company, its purchases of Concrete from Wai Kee would constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the Group expects the aggregate amounts of Concrete procured and to be procured from Wai Kee in the current financial year to exceed the existing 2016 annual cap of HK$43 million under the 2013 Framework Agreement, the Group has decided to enter into the Framework Agreement with Wai Kee for the purchase of Concrete from time to time for the period from 1 January 2016 to 31 December 2018, subject to the proposed annual caps under the Framework Agreement.

Also stated in the Letter from the Board, 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 continue to be able to secure a steady and reliable supply of Concrete at prices no less favourable than those from other 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 management of the Company 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 Independent Shareholders as a whole.

B. Major terms of the Framework Agreement

(i) Individual Agreement

The Company (by itself or through its subsidiaries) may, but is not obliged to, purchase Concrete from Wai Kee (or its subsidiaries and/associates) from time to time during the period from 1 January 2016 to 31 December 2018 for the Group's construction projects.

The Group and Wai Kee (or its subsidiaries and/or associates) will enter into Individual Agreement for individual transaction during the term of the Framework Agreement, which shall contain details of the transaction 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 Agreement 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 Agreement so that the general principles in the Framework Agreement should prevail.

(ii) Pricing principal

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 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 (including Wai Kee and other independent Concrete suppliers) providing them with the same specifications for Concrete and other requirements that may be relevant to the project. As advised by the management of the Company, they will generally invite tenders/quotations from at least three independent suppliers for a new construction project (the "Independent Quotations"). The purchasing department will then 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.

To review whether the Company has followed the aforesaid internal procedures for the tendering of projects, we have selected samples from the Company's projects on hand where they have Concrete contracted from Wai Kee over the three years ended 31 December 2015 (excluding the Diamond Hill Project, as the project did not constitute connected transactions of the Company until the end of 2015 upon Leader JV becoming a subsidiary of the Company) (the "Historical Contracts") on a sampling basis (the "Sample Contracts"). We have obtained and reviewed the Independent Quotations of the Sample Contracts and the Company's internal manual in relation to the aforesaid tender procedures and noted no inconsistencies with the above representations made by the management of the Company. In addition, we have discussed with the management of the Company and they have advised us that their practice of inviting at least three independent suppliers for tenders/quotations for new construction projects is consistent with other projects awarded to the Group and such practice is also common in the industry. As such, we concur with the view of the management that such practice is sufficient for the Company to select suppliers on a fair and reasonable basis.

The Company confirms that, before engaging Wai Kee to supply Concrete during the term of the 2013 Framework Agreement, the Company asked for quotations from its independent Concrete suppliers in order to ascertain that the terms offered by Wai Kee were no less favourable than that offered by its independent Concrete suppliers. Among all the projects awarded to Wai Kee during the term of the 2013 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 the Sample Contracts. 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 principal 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. We have reviewed the payment terms of the Independent Quotations and noted that the payment terms for the Framework Agreement are generally consistent with the payment terms of the Independent Quotations.

(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 Group adheres to a set of internal procedures which allow them to purchase Concrete at the lowest price from suppliers who have been invited to the tender; (ii) the Framework Agreement does not restrict the Group from purchasing Concrete from its independent third parties if these independent third parties offer more favourable pricing terms as compared to Wai Kee; and (iii) the principle terms of the Framework Agreement, in particular terms relating to pricing and payment, are fair and reasonable, we concur with the view of the management of the Company that the terms of the Framework Agreement are fair and reasonable, on normal commercial terms and in the interests of the Group and the Independent Shareholders as a whole.

C. The proposed annual caps

The historical transaction amounts of the continuing connected transactions under the 2013 Framework Agreement and the proposed annual caps for the transactions contemplated under the Framework Agreement for the three years ending 31 December 2018 are as follows:

	Historical transaction amounts			Proposed annual caps under the Framework Agreement		
	For the year ended 31 December 2014 ("2014")	For the year ended 31 December 2015 ("2015")	From 1 January 2016 to 31 March 2016 ("Period 2016")	For the year ending 31 December 2016	For the year ending 31 December 2017	For the year ending 31 December 2018
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)	*HK$'000*	*HK$'000*	*HK$'000*
Purchase of Concrete by the Group from Wai Kee	16,666	36,341	17,888 *(Note)*	90,000	80,000	60,000
Annual caps under the 2013 Framework Agreement	32,000	50,000	43,000			

Note: This figure represents the actual expenses for Period 2016.

As set out in the Letter from the Board, the proposed annual caps under the Framework Agreement have been determined based on the following factors:

(i) the estimated expenses for Concrete required for the nine projects already on hand (including the Diamond Hill Project) that are to be delivered or recognised in 2016 and the following two years based on each of their current progress;

(ii) to cater for requirements of new projects that the Group may be or is likely to be awarded during the term of the Framework Agreement, the Company took into account the average annual amounts of Concrete contracted for or committed by the Company from Wai Kee under contracts over the three years ended 31 December 2015 (excluding the requirements of the Diamond Hill Project) and the average distribution of deliveries of Concrete required over the life of those projects (being approximately 10% for the first year, 35% for the second year and 35% for the third year and 20% for the fourth year), on the assumption that new projects will collectively have a similar level of Concrete consumption;

(iii) the historical market price of Concrete and a 4% annual allowance for possible increases in price of Concrete after 2015, calculated by reference to the cost of material indices for portland cement and aggregate issued by the Census and Statistics Department of the Hong Kong Government; and

(iv) a buffer of 10% in respect of the annual amounts of Concrete during the term of the Framework Agreement estimated based on the above factors.

In assessing the fairness and reasonableness of the proposed annual caps under the Framework Agreement, 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 under the Framework Agreement have primarily taken into account the Group's Concrete demand for (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 "New Projects").

Existing Projects

In respect of the estimated Concrete demand of the Existing Projects, we understand from the management of the Company that they have considered the nine construction projects on hand which are expected to be completed during the term of the Framework Agreement. Based on the expected delivery schedules provided by the management of the Company, the purchase of Concrete relating to the Existing Projects contribute approximately 90% and 60% of the proposed annual caps for 2016 and 2017 under the Framework Agreement (the proposed annual cap for 2018 under the Framework Agreement is mostly projected by the New Projects). We note that the proposed annual caps for 2016 and 2017 represent a significant increase to the historical caps under the 2013 Framework Agreement. As stated in the Letter from the Board, the significant increases are mainly due to the Concrete required for the Diamond Hill Project to be delivered and recognized in 2016 and 2017 which was beyond what was set out in the historical annual caps of the 2013 Framework Agreement. In addition, the significant increase in the proposed annual cap for 2016 under the Framework Agreement is partly due to the delay in the construction schedule of certain Existing Projects, which led to a partial shift in Concrete usage from 2014 and 2015 to 2016.

We note that the proposed annual cap for 2016 under the Framework Agreement is significantly higher than the annual cap for 2016 under the 2013 Framework Agreement. As stated in the Letter from the Board, the Group entered into an agreement with SEC, the Group's joint venture partner for Leader JV pursuant to which SEC has withdrawn from the joint operation due to their financial difficulties. Leader JV is responsible for the Diamond Hill Project. As a result of such withdrawal, Leader JV became an indirect wholly-owned subsidiary of the Company. Prior to such withdrawal, purchases of Concrete from Wai Kee by Leader JV were not transactions of the Company, and accordingly, in determining the annual caps under the 2013 Framework Agreement, the Company had not taken into account the requirements of Leader JV for Concrete supply. Upon Leader JV becoming a subsidiary of the Company, its purchases of Concrete from Wai Kee would constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The purchase of Concrete for the Diamond Hill Project is expected to occur throughout 2016 and 2017. In addition to this, as stated in the Letter from the Board, due to the delay in the construction schedule of certain projects, there was a partial shift of Concrete usage from 2014 and 2015 to 2016. Based on the above, we concur with the view of the management that it is fair and reasonable to increase the annual caps for purchases of Concrete for 2016 under the Framework Agreement.

The Company further advised that in order to meet the Concrete demand of the Existing Projects, the Group has entered into purchase contracts with Wai Kee which specified supply quantity, price and expected delivery schedule of such Concrete, which is expected to be delivered during the term of the Framework Agreement. We have reviewed the aforementioned purchase contracts and expected 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 under the Framework Agreement.

New Projects

In respect of the estimated Concrete demand of the New 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 the components of Concrete; and

ii. the anticipated Concrete demand of the New Projects under the term of the Framework Agreement.

As advised by the Company, the Concrete price is mainly affected by the cost of its major components including portland 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 the Hong Kong Government ("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, they consider it reasonable to make reference to such cost of material indices when determining the growth rate in the market price of Concrete.

We have reviewed the relevant information published by CSD dated April 2016 and note that the annual average cost of material index of portland cement increased at a CAGR of approximately 3.4% from 99.6 in 2003 to 148.5 in 2015 and the annual average cost of material index of aggregates increased at a CAGR of approximately 6.0% from 101.0 in 2003 to 203.3 in 2015. 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 2013 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 we concur with the view of the management of the Company 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.

In respect of the anticipated Concrete demand for the New Projects, as advised by the Company, it is estimated based on (i) the average annual quantity and value of Concrete contracted for under the Historical Contracts; 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 (i) reviewed the historical contracted quantities and value of Concrete for the Historical Contracts; (ii) reviewed the information provided by the Company relating to the historical delivery stages with respect to the Historical Contracts; (iii) reviewed the management's estimated Concrete demand of the New Projects over the term of the Framework Agreement; and (iv) discussed with the management of the Company in relation to the expected requirements of new projects that the Group may be or is likely to be awarded during the term of the Framework Agreement.

Based on the above, we note that (i) based on the Historical Contracts, 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 10% of the Concrete was delivered in the first year, 35% in the second year, 35% in the third year and 20% in the fourth year); (ii) the estimated Concrete demand for the New Projects follows a similar pattern as the average historical Concrete delivery schedule; (iii) the management of the Company does not currently foresee any significant changes in the nature and requirements of new projects that the Group may be or is likely to be awarded during the term of the Framework Agreement; and (iv) the demand for New Projects have been determined by the average annual quantity and value of Concrete from the Historical Contracts. Given the above, we concur with the management of the Company about their basis of estimating the Concrete demand of the New Projects.

Based on the various factors described above, we concur with the view of the management of the Company that the proposed annual caps are fair and reasonable so far as the Group and the Independent Shareholders are concerned and in the interests of the Group and the Independent 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 2018, 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.55 to 14A.59 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;
- 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 agreement 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.

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 Independent 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
BOSC International Company Limited

Heidi Cheng	**Aaron Ko**
Managing Director	*Vice President*
Investment Banking	*Investment Banking*

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

		Number of Shares held		
Name of Director	**Capacity/Nature of interest**	**Long position** *(Note)*	**Short position**	**Percentage of shareholding** *(%)*
Zen Wei Peu, Derek	Personal	123,725,228	–	9.96
Chang Kam Chuen, Desmond	Personal	1,500,000	–	0.12
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 Long position *(Note 1)*	Short position	Percentage of shareholding *(%)*
Zen Wei Peu, Derek	Wai Kee	Personal	185,557,078	–	23.40
	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

Note:

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.

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 the 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))*	Beneficial owner	655,415,033	52.78	–	–
Wai Kee (Zens) Holding Limited ("Wai Kee (Zens)") *(Note (3))*	Corporate	655,415,033	52.78	–	–
Wai Kee *(Note (4))*	Corporate	655,415,033	52.78	–	–

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 Wai Kee (Zens).

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 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:

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, Chief Executive Officer and 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) who were directly or indirectly interested in 10% or more of the issued voting shares 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

Save as disclosed above, as at the Latest Practicable Date, the Directors and the 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 and 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 was, directly or indirectly interested in 10% or more of the issued voting shares 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 close associates had any interests in a business, which competed or was likely to compete, directly or indirectly, with the business of the Group.

4. ARRANGEMENT WITH DIRECTORS

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).

On 1 January 2016, a wholly-owned subsidiary of the Company (the "Subsidiary") and Gateway Business Services Limited ("Gateway", which is beneficially owned by Mr. David Howard Gem ("Mr. Gem"), a Non-executive Director) entered into a consultancy agreement, pursuant to which Gateway would provide the Subsidiary with consultancy services through Mr. Gem for a period of two years commencing on 1 January 2016 at a consultancy fee (exclusive of travelling and accommodation expenses) of HK$27,750 per month. Subject to the Company's financial performance, the Subsidiary may pay a discretionary fee not exceeding HK$10,000 per month to Gateway. If Mr. Gem is requested by the Subsidiary to visit countries outside the United Kingdom for more than one week, the charge payable to Gateway per additional week is HK$93,000. The consultancy services to be provided include, but are not limited to, strategic planning, marketing, project performance review, tendering, training and other services requested by the Subsidiary from time to time.

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 2015, 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, 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, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2015, 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, save as disclosed in section 4 above, 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

The Directors are of the opinion that, as at the Latest Practicable Date, there has not been any material adverse change in the financial or trading position of the Group since 31 December 2015, 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**
BOSC International Company Limited	A corporation licensed to carry out type 1 (dealing in 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 6 July 2016:

(a) the letter from the Independent Financial Adviser, the text of which is set out on pages 13 to 25 of this circular;

(b) the letter from the Independent Board Committee, the text of which is set out on pages 11 to 12 of this circular;

(c) the 2013 Framework Agreement;

(d) the Framework Agreement; and

(e) 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 Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 6 July 2016 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 7 June 2016 (the "Framework Agreement") in respect of the continuing sale and purchase of ready mixed concrete for the period commencing from 1 January 2016 and ending on 31 December 2018 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, 16 June 2016

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:

l. 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 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 Level 22, Hopewell Centre, 183 Queen's Road East, 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 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 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.