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If you have sold or transferred all your shares in Wai Kee 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 the transfer was effected for transmission to the purchaser or transferee.

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WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

CONTINUING CONNECTED TRANSACTIONS BUSINESS SERVICES AGREEMENTS AND NOTICE OF SPECIAL GENERAL MEETING

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

BALLAS
C A P I T A L

All capitalised terms used herein shall have the same meanings as those set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 5 to 17 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 35 of this circular. A letter from the Independent Board Committee is set out on pages 18 to 19 of this circular.

A notice convening the SGM to be held at Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 July 2025 at 10:00 a.m. is set out in Appendix II to this circular. Whether or not you intend to attend the SGM, 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 Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

10 July 2025

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to that term under the Listing Rules
“Board”	the board of Directors
“Build King”	Build King Holdings Limited, a subsidiary of the Company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 240)
“Build King Group”	Build King and its subsidiaries from time to time
“Building Services”	services covering construction, maintenance, and project management related services including provision of services as main contractor, project manager, consultant and sub-contractor for a variety of works including superstructure, foundation, maintenance, construction and interior decoration and other related services
“Business Services Agreements”	the NWD Services Agreement and the CTFS Services Agreement and “Business Services Agreement” means either one of those agreements as the context may require
“CTFE”	Chow Tai Fook Enterprises Limited, a holding company of CTFS, based on information available to the Company
“CTFS”	CTF Services Limited (previously known as NWS Holdings Limited), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 659), a holding company of Vast Earn, based on information available to the Company
“CTFS Group”	at any time, CTFS together with its 30%-controlled companies (as defined in the Listing Rules) and their respective subsidiaries at that time
“CTFS Services Agreement”	the business services agreement entered into between Build King and CTFS on 4 July 2025 in relation to the provision of the Foundation Services by the members of Build King Group to the members of CTFS Group from 1 January 2025 to 31 December 2027

DEFINITIONS

“Company”	Wai Kee Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 610)
“connected person”	has the meaning ascribed to that term under the Listing Rules
“continuing connected transactions”	has the meaning ascribed to that term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Foundation Services”	services covering construction, maintenance, and project management related services including provision of services as main contractor, project manager, consultant and sub-contractor for a variety of foundation works and other related services
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, namely, Dr. Wong Che Ming, Steve, Mr. Wan Siu Kau, Samuel, Mr. Wong Man Chung, Francis and Ms. Tsang Wing Yee, established to make recommendation to the Independent Shareholders in respect of the terms of and the proposed annual caps in relation to the transactions contemplated under the Business Services Agreements
“Independent Financial Adviser” or “Ballas Capital”	Ballas Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and being an 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 contemplated under the Business Services Agreements
“Independent Shareholders”	the Shareholders other than Vast Earn and its associates
“Latest Practicable Date”	4 July 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 17)
“NWD Group”	at any time, NWD and its subsidiaries at that time
“NWD Services Agreement”	the business services agreement entered into between Build King and NWD on 4 July 2025 in relation to the provision of the Building Services by the members of Build King Group to the members of NWD Group from 1 January 2025 to 31 December 2027
“Services”	Building Services or Foundation Services (as the context may require)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened on Monday, 28 July 2025 at 10:00 a.m. at Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, approving the terms of and the proposed annual caps in relation to the transactions contemplated under the Business Services Agreements
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	holders of Shares

DEFINITIONS

“Specifically Approved Projects”	(i) the sub-contract (“Titan Sub-Contract”) between Titan Foundation Limited (“Titan”), a wholly-owned subsidiary of Build King and an indirect subsidiary of the Company, and the fully integrated and unincorporated joint venture between Vibro Construction Company Limited (a subsidiary of CTFS) and Titan (“Vibro-Titan JV”) for the carrying out of partial excavation and lateral support works by Titan for the Vibro-Titan JV that was approved by Shareholders in October 2024, further particulars of which are included in the Company’s circular dated 8 October 2024; (ii) the sub-contract between Titan and Vibro (H.K.) Limited (a subsidiary of CTFS) that was approved by the Board for the carrying out of jet grout works, further particulars of which are included in the Company’s announcement dated 15 November 2024; and (iii) the sub-contract between Titan and Vibro (H.K.) Limited that was approved by the Board for the carrying out of horizontal pipe pile works, further particulars of which are included in the Company’s announcement dated 26 May 2025
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to thereto under the Listing Rules
“%”	per cent
“Vast Earn”	Vast Earn Group Limited, a substantial shareholder of the Company, holding 91,134,000 Shares (representing approximately 11.49% of the Shares in issue) of the Company

LETTER FROM THE BOARD



WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

Executive Directors:

Mr. Zen Wei Peu, Derek

(Chairman and Chief Executive Officer)

Miss Chiu Wai Yee, Anriena

Independent Non-executive Directors:

Dr. Wong Che Ming, Steve

Mr. Wan Siu Kau, Samuel

Mr. Wong Man Chung, Francis

Ms. Tsang Wing Yee

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business:

Unit 1103, 11th Floor

East Ocean Centre

98 Granville Road, Tsimshatsui

Kowloon

Hong Kong

10 July 2025

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS BUSINESS SERVICES AGREEMENTS AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

We refer to the announcement of the Company dated 4 July 2025 in relation to the Business Services Agreements (including the annual caps thereunder) entered into by Build King with NWD and CTFS, respectively.

The purpose of this circular is to provide the Shareholders with further information on the Business Services Agreements and related information required under the Listing Rules together with the notice of the SGM.

LETTER FROM THE BOARD

BACKGROUND INFORMATION AND REASONS FOR AND BENEFITS OF THE BUSINESS SERVICES AGREEMENTS

The Company is an investment holding company and the Group is principally engaged in construction, sewage treatment, steam fuel, construction materials, quarrying, property development and investment, toll road, investment and asset management. The Company's 58.33% listed subsidiary, Build King, and its subsidiaries provide a full spectrum of construction services from building construction and civil engineering to foundation, electrical and mechanical, interior refurbishments and fitting out works in Hong Kong. A member of Build King Group is a specialist contractor for piling and foundation works and is experienced in completing foundation projects that involve complicated foundation and engineering designs. As stated in Build King's annual report 2024, Build King Group's construction operations recorded approximately 15% increase in its audited consolidated turnover for the year ended 31 December 2024 over the preceding year.

In addition to its established civil engineering capabilities, Build King Group has also been actively developing its building business over the years. Having established a track record of delivering quality and reliable building construction services, Build King Group has recorded approximately 42.9% growth in revenue from its Building Services over the three years ended 31 December 2024. Build King Group has been receiving increasing invitations to tender (both in numbers and contract value) from different developers.

Based on information published by NWD, it is an investment holding company and NWD Group is principally engaged in property development, property investment and investment in and/or operation of hotels and other strategic businesses. NWD has reported in its 2024/2025 interim report that as at 31 December 2024, NWD Group had a landbank with a total attributable gross floor area of approximately 7.23 million sq. ft. in Hong Kong available for immediate development and agricultural landbank with a total attributable land area of approximately 15.53 million sq. ft. pending land use conversion in the New Territories, most of which was located within the Northern Metropolis. NWD Group has stated that it is proactively developing a number of new projects, including one which will support the development of the Northern Metropolis and serve as a new development model for NWD Group's agricultural landbank of approximately 15 million sq. ft. in the Northern Metropolis.

Based on information published by CTFS, it is an investment holding company and the principal activities of its subsidiaries include the development of, investment in and/or operation of toll roads, insurance, logistics, construction and facilities management business. CTFS has stated in respect of its construction segment, it is engaged in the design and construction of building works within Hong Kong and design and construction of civil engineering works, with particular expertise in foundations and site investigation works, serving government, institutional clients and also commercial and residential projects in the private sector.

LETTER FROM THE BOARD

As at the Latest Practicable Date, CTFS is a substantial shareholder (and therefore a connected person) of the Company holding through its indirect subsidiary, Vast Earn, 91,134,000 Shares (representing approximately 11.49% of the Shares in issue). Based on public records, CTFE, the holding company of CTFS, is a controlling shareholder of NWD. Accordingly, NWD being an associate of the Company's substantial shareholder is a connected person of the Company under the Listing Rules. As such, the transactions between the members of the Group (including Build King Group) and the members of NWD Group or CTFS Group constitute continuing connected transactions of the Company under the Listing Rules.

Given that the size of contracts for Services in the construction and building industry would generally exceed the de minimis thresholds under the Listing Rules and such contracts are generally awarded through public or private tender process for which the timetable applicable to all bidders cannot be dictated by Build King Group as a potential bidder and would not typically allow for bidder's shareholders' approval process, Build King has entered into the NWD Services Agreement with NWD and the CTFS Services Agreement with CTFS to facilitate the Company's compliance with the requirements of Chapter 14A of the Listing Rules while accommodating Build King Group's ordinary course of business activities.

The two Business Services Agreements set out the framework for the provision of Services by the members of Build King Group to the members of NWD Group or (as the case may be) CTFS Group from time to time. The terms of each Business Services Agreement were arrived at after arm's length negotiations between the parties to that agreement. Members of Build King Group will enter into separate agreement(s) with the members of NWD Group or (as the case may be) CTFS Group in respect of any project that involves the provision of Services under the relevant Business Services Agreement that may be awarded to Build King Group following successful tender.

The Board (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) is of the opinion that the terms of and the proposed annual caps in relation to the transactions contemplated under each of the two Business Services Agreements are on normal commercial terms and fair and reasonable and the entering into of the Business Services Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors had any material interest in each of the two Business Services Agreements. Accordingly, none of them is required to abstain from voting on the resolutions approving the terms and the proposed annual caps in relation to the transactions contemplated under the Business Services Agreements at the Board meeting.

LETTER FROM THE BOARD

THE BUSINESS SERVICES AGREEMENTS

The principal terms of the Business Services Agreements are substantially similar, save as to the parties to each agreement and the scope of Services, as summarised below, together with additional explanation of those terms.

Date : 4 July 2025

Parties : In respect of the NWD Services Agreement:

- (1) Build King; and
- (2) NWD

In respect of the CTFS Services Agreement:

- (1) Build King; and
- (2) CTFS

Subject matter : The NWD Services Agreement relates to the provision by the members of Build King Group of Building Services to the members of NWD Group, while the CTFS Services Agreement relates to the provision by the members of Build King Group of Foundation Services to the members of CTFS Group (other than Foundation Services under the Specifically Approved Projects).

Each Business Services Agreement requires that all agreements in relation to the provision of relevant Services by the members of Build King Group to the members of NWD Group or (as the case may be) CTFS Group are:

- (a) in writing and set out the terms and conditions on which the transactions contemplated are to be undertaken;
- (b) determined in the usual and ordinary course of business (as defined in the Listing Rules) of Build King Group and are on normal commercial terms;
- (c) negotiated on an arm's length basis and at prices and terms at the then prevailing market rates for the provision of the Services no less favourable to Build King Group than the prices and terms offered by Build King Group to independent third parties; and
- (d) in compliance with all applicable provisions of the Listing Rules and the relevant Business Services Agreement.

LETTER FROM THE BOARD

Payment terms : The payment terms are not provided under each Business Services Agreement and will be determined on a case-by-case basis and set out in the relevant agreements as contemplated under that Business Services Agreement as explained under “Pricing Policy and Internal Control” below.

Term : An initial term of three years starting from 1 January 2025 (subject to the approval of the relevant Business Services Agreement granted by resolution of the Independent Shareholders at the SGM), unless terminated earlier in accordance with the terms and conditions thereunder. The commencement date is set to coincide with the beginning of the financial year of the Group to facilitate compliance. The Group has not provided and will not prior to obtaining Independent Shareholders’ approval at the SGM provide any Building Services or Foundation Services other than pursuant to the Specifically Approved Projects or otherwise in circumstances permitted under Chapter 14A of the Listing Rules.

Subject to re-compliance with the requirements of the applicable Listing Rules and other applicable laws and regulations at the relevant time or, alternatively, any waivers obtained from the strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, each Business Services Agreement is automatically renewed for a successive period of three (3) years thereafter (or such other period permitted under the Listing Rules) unless a party under that Business Services Agreement gives a 30 days’ prior written notice to the other party to terminate that Business Services Agreement.

Notwithstanding the above, the NWD Services Agreement may be terminated at any time by the written agreement of Build King and NWD, and the CTFS Services Agreement may be terminated at any time by the written agreement of Build King and CTFS.

LETTER FROM THE BOARD

PRICING POLICY AND INTERNAL CONTROL

Tender invitations in the construction and building industry generally include specifications of the works that are subject to tender, the period within which the works are required to be performed, payment milestones and generally applicable terms of contract. A tender submission will typically set out the price at which such works are to be delivered and such breakdown as may be required under the terms of the tender invitation and (where applicable) proposed payment milestones. Generally speaking, main/sub-contractor activities would, depending on the requirements of the employer, be charged at a fixed sum with or without a variable element while consultancy or project management activities are charged as a percentage of the project cost. Payment milestones for construction projects are generally correlated to the amount of work done and actual payments are typically based on surveyor or authorised person's certifications on the work completed during the relevant payment period in accordance with the terms of the awarded contract.

General pricing policy

In pricing each tender, regardless of the nature of services required and of whether the transaction is to be entered into with connected persons of the Company or Build King or independent third parties, Build King Group will estimate:

- (a) the potential costs of the construction works ("**project costs**") to which the services relate, which is the aggregate of the direct costs, including labour and professional staff cost, plant and machinery cost, building materials cost and sub-contractor fees (where applicable), estimated by reference to considerations such as the nature of the project (including the location and size of project, and whether it is main contractor or sub-contractor services that are being required), the complexity, method and program to be used for the relevant construction works, the possible technical issues that may need to be addressed, the timing for delivery of services and late delivery penalty structure, the pricing structure which would typically be specified in each tender invitation document (including lump sum or variable pricing/price adjustment structures), performance bond requirements, etc. (the "**Specification Considerations**"), the availability of the resources to Build King Group, including the staff/labour, specialist contractors, machinery resources and project cashflow (the "**Resources Considerations**"); and
- (b) a potential margin within the range of what Build King Group would in its experience in the industry charge for similar projects of similar specifications for independent third party employers.

LETTER FROM THE BOARD

Where Build King Group is to provide main contractor or sub-contractor services, the tender price will represent the whole of the potential project costs. The tender price may be a fixed sum or be based on a variable charging formula or a combination of both, depending on the terms of the tender invitation. The tendering team will prepare a cost estimate of the tender according to the requirements of the tender documents and assess cash flow from the project based on milestones specified in the tender and/or to be proposed by Build King Group in the tender based on the works that are subject to the tender. The tendering team may conduct tender progress meetings throughout the estimating process as and when required.

After having the potential project costs and the proposed tender price estimated, a management meeting will be held at which the cost estimation and other related documents are presented to senior management of Build King Group. None of the senior management involved (which will include one or more executive director(s) of Build King depending on the nature and size of the project) is an associate or staff of NWD Group or CTFS Group and accordingly has no conflict of interest. Senior management will review the potential project costs estimate, any potential margin and the proposed tender price, and determine in discussion with the tendering team whether or not the tender price (including the pricing structure) should be modified having regard to various factors including the specification of the project, the potential risks associated with the project (for example, projects requiring Build King Group to bear suppliers and sub-contractor costs are generally regarded as higher risk than those which do not), the general business environment and the perceived competitiveness of the tender price. In determining the profit margin of potential projects, the senior management will consider factors including, but not limited to, the existing workload and the capacity of Build King Group, perceived future price trends of various components of the project costs, the competitiveness of the tender price, the reliability and reputation of the potential clients and the strategic importance of the project under tender to the future growth of Build King Group. Generally, Build King Group's gross profit margin in its tenders for construction services would be consistent within its gross margin range. For the year ended 31 December 2024, Build King Group's building services division recorded 4% gross margin. The Foundation Services team had 8 outstanding projects to date in the same year for external (non Build King Group) clients, excluding any maintenance services contracts, of which 75% (i.e. 6 projects) that have tender value each exceeding HK\$100 million had tender gross margins ranging from 5% to 8%. The remaining two projects of tender value aggregating approximately HK\$23 million (i.e. not significantly larger than the 6 outstanding projects referred to above) commanded higher than 10% tender gross margins and are considered outliers for Foundation Services contracts.

LETTER FROM THE BOARD

For tenders for Services to be rendered to NWD Group or CTFS Group

For tenders for Services to be rendered to NWD Group or CTFS Group contemplated under the relevant Business Services Agreement, senior management of Build King Group will also review the potential project costs estimate and the tender price to ensure that they are (i) arrived at through procedures consistent with that of tenders for contracts with other independent third parties; and (ii) on terms no less favourable to Build King Group than those that would have been offered at the time by Build King Group to other independent third parties on comparable circumstances.

Definitive contracts for the relevant Services will be entered into between the relevant members of Build King Group and those of NWD Group or (as the case may be) CTFS Group in respect of tenders awarded to Build King Group based on a form of contract provided by NWD Group or (as the case may be) CTFS Group, and incorporating terms of the successful tenders.

The tendering and commercial teams will review all contracts in relation to the provision of Services by the members of Build King Group to the members of NWD Group or (as the case may be) CTFS Group under the relevant Business Services Agreement to ensure that the terms comply with the tender and all applicable provisions of the relevant Business Services Agreement.

The finance department of the Group (including Build King Group) will keep track of the actual monthly continuing connected transactions under the relevant Business Services Agreement, including the size and revenue from potential new projects that for which tender is to be submitted, to monitor the aggregate value of Services being or to be provided to NWD Group or (as the case may be) CTFS Group to ensure the applicable annual caps are not exceeded as the works already awarded or any works to be subject to any new tender that fall under that Business Services Agreement are being or to be performed. In general, Build King Group will recognise revenue from agreements for Services, for which works are performed in stages during the duration of a project, using the output method measured by reference to the value of work performed during the year. If at any time, Build King Group estimates (based on projects in fact being undertaken or to be tendered for, the progress of performance of, and work schedule for, each relevant project and the value of work that has been or can therefore be expected to be recognised) that the relevant annual cap would be exceeded, or where one or more projects' duration will extend beyond the term of the relevant Business Services Agreement, the Company will take steps as appropriate to ensure compliance with the requirements under the then applicable Listing Rules.

Independent non-executive Directors will conduct an annual review of the transactions (including the pricing mechanism, methods and procedures established by Build King Group) under each of the Business Services Agreements with reference to conclusion on review of such continuing connected transactions and internal control procedures drawn by the Company, and the confirmation letter to be issued by the Company's independent auditor regarding continuing connected transactions.

LETTER FROM THE BOARD

ANNUAL CAPS

The Company proposes to seek approval from the Independent Shareholders for the annual caps under the Business Services Agreements for each financial year as follows:

	Financial year ending 31 December		
	2025	2026	2027
	Annual cap (HK\$ million)		
For the NWD Services Agreement	124	877	2,810
For the CTFS Services Agreement	108	163	150

Annual caps for Building Services under the NWD Services Agreement

Build King Group did not provide Building Services to NWD Group during the three years ended 31 December 2024. However, a joint venture employer which is an associate (but not a subsidiary) of NWD appointed Build King Group as main contractor for a residential development at NKIL 6591, Kai Tak Area 4B, Site 4, Kai Tak, Kowloon in 2023 for a contract sum of approximately HK\$2.4 billion, subject to variations in accordance with the terms of the relevant contract. Build King Group recognised revenue of approximately HK\$1.5 billion for the year ended 31 December 2024. That project is scheduled to be completed by August 2025. As NWD is a 30%-controlled company (as defined in the Listing Rules) of the substantial shareholder of the Company, that joint venture employer is not a connected person of the Company.

The Company considers the award of that project to Build King Group forms a reasonable basis for expecting that Build King Group stands a fair chance of being invited or having the opportunity to tender for or participate in future NWD Group development projects.

In determining the annual caps for the NWD Services Agreement, Build King took into account the factors set out below:

- (i) the estimated value of one residential building project of NWD Group (for works estimated to span substantially from the fourth quarter of 2026 for approximately 3 years) for which Build King Group has submitted tender and is in advanced stage of contract negotiations. Build King has assumed that this tender will be successful for the purposes of Listing Rules compliance (although there is no certainty as at the Latest Practicable Date that the relevant project will in fact be awarded to Build King Group);

LETTER FROM THE BOARD

- (ii) two potential residential development projects of NWD Group that Build King Group is aware of through media reports and/or invitation by NWD Group during the term of the NWD Services Agreement. Based on information available on these potential projects and assuming the relevant tender is successful, it is estimated that the works will commence between the fourth quarter of 2025 and the first quarter of 2027 for a period of approximately 2 years and therefore a significant part of the relevant contract value will be recognised in 2026 and 2027. Build King has applied a 50% discount of the aggregate contract revenue of these possible projects on the basis of a 50% probability in success or failure in its tenders. The Company considers this to be an objective probability for the purposes of determining the annual caps given that each tender is discrete and is awarded independent from other tenders and historical tender success rates with independent customers;
- (iii) to determine the potential size of each project, the relevant Specification Considerations and Resources Considerations, the prevailing market conditions, such as labour and construction material costs and perceived trends, building industry condition and trends, which may impact the estimation of Build King Group on pricing and a 10% buffer for upward adjustments due to variation orders (which are commonplace in the construction industry) under the relevant projects;
- (iv) a 20% growth buffer in view of the 42.9% growth in revenue from its Building Services over the three years ended 31 December 2024 (i.e. 14.3% growth on average per year) to cater for future business growth, inflation and any unforeseen changes in market conditions which can lead to an increase in the revenue from the provision of Building Services to NWD Group; and
- (v) where the tender terms of a project are not yet available, Build King Group has assumed for the purpose of calculating the annual caps that the estimated contract revenue of a project is evenly spread over its expected duration. Otherwise, the estimated revenue for each year is based on the indicative work schedule under discussion.

Annual caps for Foundation Services under the CTFS Services Agreement

Build King Group has not provided Foundation Services to CTFS Group in the two years ended 31 December 2023. It has been awarded the three Specifically Approved Projects which involve the provision of Foundation Services for contract sums of approximately HK\$610.1 million (to be delivered over a period of 2 years) and HK\$9.8 million (to be delivered over a period of 3 months under continuous working condition after commencement of works), respectively, in 2024 and HK\$11.2 million (to be delivered over a period of 3 months under continuous working condition after commencement of works) in 2025, in each case subject to re-measurement and variations under the terms of that relevant contract. Build King Group recognised for the year ended 31 December 2024 revenue of approximately HK\$1.7 million in respect of the first two projects (before inter-companies elimination) which were awarded only in the last quarter of 2024.

Given the smooth collaboration with the members of CTFS Group in relation to the Specifically Approved Projects and Build King Group's specialist Foundation Services capabilities, the Company considers it likely that Build King Group will receive more invitations to tender for or participate in providing Foundation Services for CTFS Group projects.

LETTER FROM THE BOARD

In determining the annual caps for the CTFS Services Agreement, Build King took into account the factors below:

- (i) the estimated value of one project for the delivery of Foundation Services to CTFS Group (to be performed within approximately 3 months period under continuous working condition from commencement of works) for which Build King Group is highly likely to be invited to submit a tender. Build King has assumed that this tender will be successful for the purposes of Listing Rules compliance (although there is no certainty as at the Latest Practicable Date that the relevant project will in fact be awarded to Build King Group);
- (ii) two potential projects similar in nature to the project under negotiation that may require Foundation Services that Build King Group is aware of through media reports and/or invitation by CTFS Group during the term of the CTFS Services Agreement. Based on information available on these potential projects and assuming the relevant tender is successful, it is estimated that the works will be required to be delivered typically within approximately 3 months period in 2026 or 2027. Build King has also applied a 50% discount of the aggregate contract revenue of these possible projects on the basis of a 50% probability in success or failure in its tenders;
- (iii) to determine the potential size of each project, the relevant Specification Considerations and Resources Considerations, the prevailing market conditions, such as labour and construction material costs and perceived trends, building industry condition and trends, which may impact the estimation of Build King Group on pricing and a 10% buffer for upward adjustments due to variation orders (which are commonplace in the construction industry) under the relevant projects;
- (iv) a buffer of HK\$75 million, HK\$150 million and HK\$150 million for 2025, 2026 and 2027, which is calculated by applying 50% probability to the Titan Sub-Contract (i.e. the Specifically Approved Project with the highest contract value) and pro-rated it over two years (being the period over which the Titan Sub-Contract works are to be performed) to arrive at an annual amount of HK\$150 million for 2026 and 2027 and HK\$75 million for half year in respect of 2025. For the year ended 31 December 2024, Build King Group had on hand two Foundation Services projects for independent third parties that were comparable or larger in size compared with the Titan Sub-Contract which demonstrates the market recognised capabilities of Build King Group in providing Foundation Services and the potential for securing additional contracts from CTFS Group. Accordingly, Build King Group considers it is fair and reasonable to provide for a buffer on the basis described above to cater for future business growth, inflation and any unforeseen changes in market conditions which would lead to an increase in revenue from the provision of Foundation Services to CTFS Group and allow for any shift in the year in which revenue is to be recognised for shorter delivery projects given that the commencement date of the delivery of Foundation Services can be delayed due to the progress of the construction project over which Build King Group has no control; and
- (v) where the tender terms of a project are not yet available, Build King Group has assumed for the purpose of calculating the annual caps that the estimated contract revenue of a project is evenly spread over its expected duration. Otherwise, the estimated revenue for each year is based on the indicative work schedule under discussion.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the annual caps for the transactions under each Business Services Agreement exceed 5%, both Business Services Agreements are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SGM

The SGM will be convened and held at Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 July 2025 at 10:00 a.m. which to consider, and if thought fit, to approve the terms of and the proposed annual caps in relation to the transactions contemplated under the Business Services Agreements. A notice of the SGM is set out on pages 43 to 44 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules, all votes to be taken at the SGM will be taken by way of poll.

The register of members of the Company will be closed from Thursday, 24 July 2025 to Monday, 28 July 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than Wednesday, 23 July 2025 at 4:00 p.m.

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

In light of the involvement of NWD and CTFS in the transactions contemplated under the Business Services Agreements, Vast Earn and its associates are required to abstain from voting on the resolutions to approve the terms of and the proposed annual caps in relation to the transactions contemplated under the Business Services Agreements at the SGM.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising all the independent non-executive Directors, namely, Dr. Wong Che Ming, Steve, Mr. Wan Siu Kau, Samuel, Mr. Wong Man Chung, Francis and Ms. Tsang Wing Yee, has been established to advise the Independent Shareholders in relation to the terms of and the proposed annual caps in relation to the transactions contemplated under the Business Services Agreement. Ballas Capital Limited 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 above transactions and the proposed annual caps.

Your attention is also drawn to the additional information set out in the letter from the Independent Board Committee set out on pages 18 to 19, the letter from the Independent Financial Adviser set out on pages 20 to 35, and the appendices to this circular.

RECOMMENDATION

Taking into account the letter from the Independent Board Committee and all other factors stated above as a whole, the Directors (including the independent non-executive Directors) are of the opinion that the terms of and the proposed annual caps in relation to the transactions contemplated under each of the two Business Services Agreements are on normal commercial terms and fair and reasonable and the entering into of the Business Services Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. As such, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM.

Yours faithfully,
For and on behalf of the Board
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 relation to the Business Services Agreements, the transactions contemplated thereunder and the relevant annual caps as set out in this circular.



WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

CONTINUING CONNECTED TRANSACTIONS THE BUSINESS SERVICES AGREEMENTS

10 July 2025

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular issued by Wai Kee Holdings Limited to the Shareholders dated 10 July 2025 (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 contemplated under the Business Services Agreements 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 contemplated under the Business Services Agreements as set out in the Circular. Ballas Capital Limited 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 20 to 35 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 Business Services Agreements.

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 terms of each Business Services Agreement and the relevant proposed annual caps as set out in the Circular are fair and reasonable and that the continuing connected transactions contemplated under the Business Services Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to support and to vote in favour of the resolutions to approve the terms of and the proposed annual caps in relation to the transactions contemplated under the Business Services Agreements.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Wai Kee Holdings Limited

Wong Che Ming, Steve
Wan Siu Kau, Samuel
Wong Man Chung, Francis
Tsang Wing Yee
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 contemplated under the Business Services Agreements as set out in this circular.

BALLAS
C A P I T A L

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

10 July 2025

*To the Independent Board Committee and
the Independent Shareholders of Wai Kee Holdings Limited*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS BUSINESS SERVICES AGREEMENTS

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Business Services Agreements (including the annual caps thereunder) entered into by Build King with NWD and CTFS, respectively, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 10 July 2025, 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 at the Latest Practicable Date, CTFS is a substantial shareholder (and therefore a connected person) of the Company holding through its indirect subsidiary, Vast Earn, 91,134,000 Shares (representing approximately 11.49% of the Shares in issue). Based on public records, CTFE, the holding company of CTFS, is a controlling shareholder of NWD. Accordingly, NWD being an associate of the Company’s substantial shareholder is a connected person of the Company under the Listing Rules. As such, the transactions between the members of the Group (including Build King Group) and the members of NWD Group or CTFS Group constitute continuing connected transactions of the Company under the Listing Rules.

The Business Services Agreements set out the framework for the provision of Services by the members of Build King Group to the members of NWD Group or (as the case may be) CTFS Group from time to time. Members of Build King Group will enter into separate agreement(s) with members of NWD Group or (as the case may be) CTFS Group in respect of any project that involves the provision of Services that may be awarded to Build King Group following successful tender.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the annual caps for the transactions under each Business Services Agreement exceed 5%, both Business Services Agreements are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors, namely, Dr. Wong Che Ming, Steve, Mr. Wan Siu Kau, Samuel, Mr. Wong Man Chung, Francis and Ms. Tsang Wing Yee, has been established to advise the Independent Shareholders in relation to the terms of and the proposed annual caps in relation to the transactions under the Business Services Agreements.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, NWD, CTFS or their respective core connected persons or associates. In the two years immediately preceding the Latest Practicable Date, save for the appointment as the independent financial adviser to (a) the Company in respect of the connected transactions in relation to the formation of joint venture and related subcontracting arrangement as disclosed in its circular dated 8 October 2024; (b) Build King, the shares of which are listed on the Stock Exchange and an indirect non wholly-owned subsidiary of the Company, in respect of the formation of a joint venture as disclosed in its circular dated 23 December 2023; (c) NWD in respect of (i) a connected transaction as disclosed in its announcement dated 26 September 2024; (ii) a connected transaction as disclosed in its circular dated 2 August 2024; and (iii) a connected transaction exempt from independent shareholder' approval in February 2024; and (d) CTFS in respect of an option adjustment as disclosed in its announcement dated 19 April 2024 (the “**Previous Engagements**”), we did not have any other relationship with or interests in the Group (including Build King Group), the counterparties of the Business Services Agreements or their respective core connected persons or associates. As the Previous Engagements were for the role of an independent financial adviser, they would not affect the independence of Ballas Capital for acting as the independent financial adviser to the Company in respect of the Business Services Agreements.

BASIS OF OUR OPINION

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

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

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in respect of the Business Services Agreements and the transactions contemplated thereunder (including the annual caps), we have considered the following principal factors and reasons:

1. Background of and reasons for the Business Services Agreements

The Company is an investment holding company and the Group is principally engaged in construction, sewage treatment, steam fuel, construction materials, quarrying, property development and investment, toll road, investment and asset management. The Company's 58.33% listed subsidiary, Build King, and its subsidiaries provide a full spectrum of construction services from building construction and civil engineering to foundation, electrical and mechanical, interior refurbishments and fitting out works in Hong Kong. A member of Build King Group is a specialist contractor for piling and foundation works and is experienced in completing foundation projects that involve complicated foundation and engineering designs. As stated in Build King's annual report 2024, Build King Group's construction operations recorded approximately 15% increase in its audited consolidated turnover for the year ended 31 December 2024 over the preceding year. In addition to its established civil engineering capabilities, Build King Group has been actively developing its building business over the years. Having established a track record of delivering quality and reliable building construction services, Build King Group has recorded over 42.9% growth in revenue from its Building Services over the three years ended 31 December 2024. Build King Group has been receiving increasing invitations to tender (both in numbers and contract value) from different developers.

Based on information published by NWD, it is an investment holding company and NWD Group is principally engaged in property development, property investment and investment in and/or operation of hotels and other strategic businesses. As stated in the Letter from the Board, as at 31 December 2024, NWD Group had a landbank with a total attributable gross floor area of approximately 7.23 million sq. ft. in Hong Kong available for immediate development and agricultural landbank with a total attributable land area of approximately 15.53 million sq. ft. pending land use conversion in the New Territories, most of which was located within the Northern Metropolis. NWD Group has stated that it is proactively developing a number of new projects, including one which will support the development of the Northern Metropolis and serve as a new development model for NWD Group's agricultural landbank of approximately 15 million sq. ft. in the Northern Metropolis.

Based on information published by CTFS, it is an investment holding company and the principal activities of its subsidiaries include the development of, investment in and/or operation of toll roads, insurance, logistics, construction and facilities management business. CTFS has stated in respect of its construction segment, it is engaged in the design and construction of building works within Hong Kong and design and construction of civil engineering works, with particular expertise in foundations and site investigation works, serving government, institutional clients and also commercial and residential projects in the private sector.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Business Services Agreements set out the framework for the provision of Services by the members of Build King Group to the members of NWD Group or (as the case may be) CTFS Group from time to time. The terms of the Business Services Agreements were arrived at after arm's length negotiations between the parties. Members of Build King Group will enter into separate agreement(s) with the members of NWD Group or (as the case may be) CTFS Group in respect of any project that involves the provision of Services that may be awarded to Build King Group following successful tender.

Given that the size of contracts for Services in the construction and building industry would generally exceed the de minimis thresholds under the Listing Rules and such contracts are generally awarded through public or private tender process for which the timetable applicable to all bidders cannot be dictated by Build King Group as a potential bidder and would not typically allow for bidder's shareholders' approval process, Build King has entered into the NWD Services Agreement with NWD and the CTFS Services Agreement with CTFS to facilitate the Company's compliance with the requirements of Chapter 14A of the Listing Rules while accommodating Build King Group's ordinary course of business activities.

Taking into account the above, in particular, (i) the nature of transactions (being the Services to be provided by Build King Group) as contemplated under the Business Services Agreements falls within the scope of the principal business of the Group, which is the provision of construction and civil engineering services; (ii) the Business Services Agreements allow the Group to enhance its revenue stream; and (iii) our analysis on the major terms of the Business Services Agreements (as stated below), we concur with the view of the management of the Company that the transactions contemplated under the Business Services Agreements fall within the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. The Business Services Agreements

The principal commercial terms of the Business Services Agreements are substantially similar, save as to the parties to each agreement and the scope of Services, as summarised below, together with additional explanation of those terms.

Date: 4 July 2025

Parties: In respect of the NWD Services Agreement:

(1) Build King; and

(2) NWD

In respect of the CTFS Services Agreement:

(1) Build King; and

(2) CTFS

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subject matter:

The NWD Services Agreement relates to the provision by the members of Build King Group of Building Services to the members of NWD Group, while the CTFS Services Agreement relates to the provision by the members of Build King Group of Foundation Services to the members of CTFS Group (other than Foundation Services under the Specifically Approved Projects).

Each Business Services Agreement requires that all agreements in relation to the provision of relevant Services by the members of Build King Group to the members of NWD Group or (as the case may be) CTFS Group are:

- (a) in writing and set out the terms and conditions on which the transactions contemplated are to be undertaken;
- (b) determined in the usual and ordinary course of business (as defined in the Listing Rules) of Build King Group and are on normal commercial terms;
- (c) negotiated on an arm's length basis and at prices and terms at the then prevailing market rates for the provision of the Services no less favourable to Build King Group than the prices and terms offered by Build King Group to independent third parties; and
- (d) in compliance with all applicable provisions of the Listing Rules and the relevant Business Services Agreement.

Payment Terms:

The payment terms are not provided under each Business Services Agreement and will be determined on a case-by-case basis and set out in the relevant agreements as contemplated under that Business Services Agreement as explained under "Pricing Policy and Internal Control" below.

Term:

An initial term of three years starting from 1 January 2025 (subject to the approval of the relevant Business Services Agreement granted by resolution of the Independent Shareholders at the SGM), unless terminated earlier in accordance with the terms and conditions thereunder. The commencement date is set to coincide with the beginning of the financial year of the Group to facilitate compliance. The Group has not provided and will not prior to obtaining Independent Shareholders' approval at the SGM provide any Building Services or Foundation Services other than pursuant to the Specifically Approved Projects or otherwise in circumstances permitted under the Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subject to re-compliance with the requirements of the applicable Listing Rules and other applicable laws and regulations at the relevant time or, alternatively, any waivers obtained from the strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, each Business Services Agreement is automatically renewed for a successive period of three (3) years thereafter (or such other period permitted under the Listing Rules) unless a party under that Business Services Agreement gives a 30 days' prior written notice to the other party to terminate that Business Services Agreement.

Notwithstanding the above, the NWD Services Agreement may be terminated at any time by the written agreement of Build King and NWD, and the CTFS Services Agreement may be terminated at any time by the written agreement of Build King and CTFS.

Pricing Policy and Internal Control

As stated in the Letter from the Board, tender invitations in the construction and building industry generally include specifications of the works that are subject to tender, the period within which the works are required to be performed, payment milestones and generally applicable terms of contract. A tender submission will typically set out the prices at which such works are to be delivered and such breakdown as may be required under the terms of the tender invitation and (where applicable) proposed payment milestones. Generally speaking, main/sub-contractor activities would, depending on the requirements of the employer, be charged at a fixed sum with or without a variable element while consultancy or project management activities are charged as a percentage of the project cost. Payment milestones for construction projects are generally correlated to the amount of work done and actual payments are typically based on surveyor or authorised person's certifications on the work completed during the relevant payment period in accordance with the terms of the awarded contract.

General pricing policy

In pricing each tender, regardless of the nature of services required and of whether the transaction is to be entered into with connected persons of the Company or Build King or independent third parties, Build King Group will estimate:

- (a) the potential costs of the construction works ("**project costs**") to which the services relate, which is the aggregate of the direct costs, including labour and professional staff cost, plant and machinery cost, building materials cost and sub-contractor fees (where applicable), estimated by reference to considerations such as the nature of the project (including the location and size of project, and whether it is main contractor or sub-contractor services that are being required), complexity, method and program to be used for the relevant construction works, the possible technical issues that may need to be addressed, the timing for delivery of services and late delivery penalty structure, the pricing structure which would typically be specified in each tender invitation document (including lump sum or variable pricing/price adjustment structures), performance bond requirements, etc. (the "**Specification Considerations**"), the availability of the resources to Build King Group, including the staff/labour, specialist contractors, machinery resources and project cashflow (the "**Resources Considerations**"); and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (b) a potential margin within the range of what Build King Group would in its experience in the industry charge for similar projects of similar specifications for independent third party employers.

Where Build King Group is to provide main contractor or sub-contractor services, the tender price will represent the whole of the potential project costs. The tender price may be a fixed sum or be based on a variable charging formula or a combination of both, depending on the terms of the tender invitation. The tendering team will prepare a cost estimate of the tender according to the requirements of the tender documents and assess cash flow from the project based on milestones specified in the tender and/or to be proposed by Build King Group in the tender based on the works that are subject to the tender. The tendering team may conduct tender progress meetings throughout the estimating process as and when required.

After having the potential project costs and the proposed tender price estimated, a management meeting will be held at which the cost estimation and other related documents are presented to senior management of Build King Group. None of the senior management involved (which will include one or more executive director(s) of Build King depending on the nature and size of the project) is an associate or staff of NWD Group or CTFS Group and accordingly has no conflict of interest. Senior management will review the potential project costs estimate, any potential margin and the proposed tender price, and determine in discussion with the tendering team whether or not the tender price (including the pricing structure) should be modified having regard to various factors including the specification of the project, the potential risks associated with the project (for example, projects requiring Build King Group to bear suppliers and sub-contractor costs are generally regarded as higher risk than those which do not), the general business environment and the perceived competitiveness of the tender price. In determining the profit margin of potential projects, the senior management will consider factors including, but not limited to, the existing workload and the capacity of Build King Group, perceived future price trends of various components of the project costs, the competitiveness of the tender price, the reliability and reputation of the potential clients and the strategic importance of the project under tender to the future growth of Build King Group. Generally, Build King Group's gross profit margin in its tenders for construction services would be consistent within its gross profit margin range. For the year ended 31 December 2024, Build King Group's building services division recorded 4% gross margin. The Foundation Services team had 8 outstanding projects to date in the same year for external (non Build King Group) clients, excluding any maintenance services contracts, of which 75% (i.e. 6 projects) that have tender value each exceeding HK\$100 million had tender gross margins ranging from 5% to 8%. The remaining two projects of tender value aggregating approximately HK\$23 million (i.e. not significantly larger than the 6 outstanding projects referred to above) commanded higher than 10% tender gross margins and are considered outliers for Foundation Services contracts.

For tenders for Services to be rendered to NWD Group or CTFS Group

For tenders for Services to be rendered to NWD Group or CTFS Group contemplated under the relevant Business Services Agreement, senior management of Build King Group will also review the potential project costs estimate and the tender price to ensure that they are (i) arrived at through procedures consistent with that of tenders for contracts with other independent third parties; and (ii) on terms no less favourable to Build King Group than those that would have been offered at the time by Build King Group to other independent third parties on comparable circumstances.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Definitive contracts for the relevant Services will be entered into between the relevant members of Build King Group and those of NWD Group or (as the case may be) CTFS Group in respect of tenders awarded to Build King Group based on a form of contract provided by NWD Group or (as the case may be) CTFS Group, and incorporating terms of the successful tenders.

The tendering and commercial teams will review all contracts in relation to the provision of Services by the members of Build King Group to the members of NWD Group or (as the case may be) CTFS Group under the relevant Business Services Agreement to ensure that the terms comply with the tender and all applicable provisions of the relevant Business Services Agreement.

The finance department of the Group (including Build King Group) will keep track of the actual monthly continuing connected transactions under the relevant Business Services Agreement, including the size and revenue from potential new projects that for which tender is to be submitted, to monitor the aggregate value of Services being or to be provided to NWD Group or (as the case may be) CTFS Group to ensure the applicable annual caps are not exceeded as the works already awarded or any works to be subject to any new tender that fall under that Business Services Agreement are being or to be performed. In general, Build King Group will recognise revenue from agreements for Services, for which works are performed in stages during the duration of a project, using the output method measured by reference to the value of work performed during the year. If at any time, Build King Group estimates (based on projects in fact being undertaken or to be tendered for, the progress of performance of, and work schedule for, each relevant project and the value of work that has been or can therefore be expected to be recognised) that the relevant annual cap would be exceeded, or where one or more projects' duration will extend beyond the term of the relevant Business Services Agreement, the Company will take steps as appropriate to ensure compliance with the requirements under the then applicable Listing Rules.

Independent non-executive Directors will conduct an annual review of the transactions (including the pricing mechanism, methods and procedures established by Build King Group) under each of the Business Services Agreements with reference to conclusion on review of such continuing connected transactions and internal control procedures drawn by the Company, and the confirmation letter to be issued by the Company's independent auditor regarding continuing connected transactions.

Our work done

As set out in the Letter from the Board, for the three years ended 31 December 2024, Build King Group did not provide Building Services to NWD Group. Build King Group had not provided Foundation Services to CTFS Group in the two years ended 31 December 2023. It has been awarded the three Specifically Approved Projects which involve the provision of Foundation Services for contract sums of approximately HK\$610.1 million (to be delivered over a period of 2 years) and HK\$9.8 million (to be delivered over a period of 3 months under continuous working condition after commencement of works), respectively, in 2024 and HK\$11.2 million (to be delivered over a period of 3 months under continuous working condition after commencement of works) in 2025, in each case subject to re-measurement and variations under the terms of the relevant contract. As such, our assessment of the fairness and reasonableness of the pricing policy adopted by the Group focused on (i) the only tender submitted by the Group to, and is in advanced stage of contract negotiations with, NWD Group (the **"NWD Submitted Tender"**) during 2024 and in the first three months of 2025, and (ii) the Specifically Approved Project with highest contract value, being the Titan Sub-Contract.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The NWD Submitted Tender

In evaluating the Group's pricing methodology, we reviewed and analysed the internal cost estimation sheets and tender summary prepared in respect of the NWD Submitted Tender. Our review indicated that modular integrated construction (MiC) modules constituted the major cost component for this tender. These MiC modules would be sourced from an independent third-party supplier. Upon reviewing the independent supplier's quotation, we noted that the price quoted by the supplier was equivalent to the amount reflected in the NWD Submitted Tender. Accordingly, we consider that the costs components of the NWD Submitted Tender are fair and reasonable.

In addition, to compare the profit margin and payment terms applied to the NWD Submitted Tender with those in transactions entered into with independent third parties, we have reviewed all tenders that met our selection criteria, being 20 in total, submitted by the Group to independent third parties over the past three years for projects involving (i) building services with a contract value exceeding HK\$1 million, and (ii) residential development. The selection criteria were adopted to ensure that the sample projects matched the characteristics of the NWD Submitted Tender, thereby providing a meaningful and fair comparison for due diligence purposes. As we have reviewed all tenders that met these criteria, we consider the sample to be sufficient and representative for due diligence purposes. Our review indicated that the profit margins and payment terms adopted in the NWD Submitted Tender were no less favourable to the Group than those applied to tenders submitted to independent third parties.

As stated in the Letter from the Board, tender invitations in the construction and building industry generally specify payment milestones, which are correlated to the amount of work completed and are certified by an authorised person or surveyor before payment is made. In line with established market practice, the payment terms for each contract awarded under the Business Services Agreements are determined on a case-by-case basis, taking into account project-specific requirements and industry norms. We understand from the management of the Group that the payment terms for each contract are subject to review and approval by senior management of the Group, who assess the proposed terms based on the project's specifications, cash flow projections, and prevailing market standards. Accordingly, we consider that it is fair and reasonable and generally consistent with prevailing market standards to not provide for fixed payment terms under each Business Services Agreement, but rather to determine them on a case-by-case basis.

The Titan Sub-Contract

We have obtained and reviewed the calculation of the contract sum of the Titan Sub-Contract (approximately HK\$610.1 million), which is based on the aggregate of estimated price components for each category of the sub-contract works, including structural steel walings and strutting, excavation and disposal, craneage and related items, temporary steel platforms, and staff and labour costs. Any variations would be charged on the same pricing policy as the initial contract sum, or on a fair value basis if different in nature. We consider these variation clauses to be standard and on normal commercial terms, and that the contract sum, after variations, would remain fair and reasonable.

In determining the contract sum, the Group prepared detailed cost estimates for each work category, considering quantities, manpower, and equipment, and applied an appropriate profit margin. For benchmarking, we reviewed all projects that met our selection criteria, being two in total, with

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

independent third parties using the following selection criteria: (i) projects involving the Group in Foundation Services of a similar nature and with a contract value exceeding HK\$100 million, (ii) projects where the Hong Kong Government was the ultimate employer, and (iii) projects that occurred within the past three years, to match the circumstances of the Titan Sub-Contract. The selection criteria were adopted to ensure that the sample projects matched the characteristics of the Titan Sub-Contract, thereby providing a meaningful and fair comparison for due diligence purposes. As we have reviewed all available projects meeting these criteria, we consider the sample to be sufficient and representative for due diligence purposes. Upon reviewing the tender summary sheets for these projects, we noted that the unit prices, profit margins and payment terms in the Titan Sub-Contract were no less favourable to the Group than those in these independent transactions.

Overall

Based on our review as described above, and as disclosed in the Letter from the Board, we understand that the Group adopts a consistent pricing methodology (including procedures for possible modification to tender price) across all tender submissions, whether to connected persons or independent third-party clients. The pricing of each tender is determined by first estimating the project costs (e.g. labour and professional staff cost, plant and machinery cost, building materials cost), Specification Considerations and Resources Considerations; and then applying a potential margin within the range of what Build King Group would in its experience in the industry charge for similar projects of similar specifications for independent third party employers. We also note that any possible modification to the tender price is reviewed by senior management, who are individuals without conflicts of interest. We further understand from management that the same pricing policies and internal procedures apply to tenders submitted to NWD Group and CTFS Group as to those submitted to independent third parties.

Based on the above, we are satisfied that the pricing policy and payment terms adopted by the Group ensure that the service fees offered by Build King Group to NWD Group and CTFS Group are no less favourable than those offered to independent third parties.

Our view

Having considered the above, we are of the view that the terms of the Business Services Agreements are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

3. The Annual Caps

The Company proposes to seek approval from the Independent Shareholders for the annual caps under the Business Services Agreements for each financial year as follows:

	Financial year ending 31 December		
	2025	2026	2027
	Annual cap (HK\$ million)		
For the NWD Services Agreement	124	877	2,810
For the CTFS Services Agreement	108	163	150

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Annual caps for Building Services under the NWD Services Agreement

Build King Group did not provide Building Services to NWD Group during the three years ended 31 December 2024. However, a joint venture employer which is an associate (but not a subsidiary) of NWD appointed Build King Group as main contractor for a residential development at NKIL 6591, Kai Tak Area 4B, Site 4, Kai Tak, Kowloon in 2023 for a contract sum of approximately HK\$2.4 billion, subject to variations in accordance with the terms of the relevant contract. Build King Group recognised revenue of approximately HK\$1.5 billion for the year ended 31 December 2024. That project is scheduled to be completed by August 2025.

The Company considers the award of that project to Build King Group forms a reasonable basis for expecting that Build King Group stands a fair chance of being invited or having the opportunity to tender for or participate in future NWD Group development projects.

As set out in the Letter from the Board, the annual caps for the NWD Services Agreement, are determined by Build King having taken into account factors set out below:

- (i) the estimated value of one residential building project of NWD Group (for works estimated to span substantially from the fourth quarter of 2026 for approximately 3 years) for which Build King Group has submitted tender and is in advanced stage of contract negotiations (i.e. the NWD Submitted Tender). Build King has assumed that this tender will be successful for the purposes of Listing Rules compliance (although there is no certainty as at the Latest Practicable Date that the relevant project will in fact be awarded to Build King Group);
- (ii) two potential residential development projects of NWD Group that Build King Group is aware of through media reports and/or invitation by NWD Group during the term of the NWD Services Agreement. Based on information available on these potential projects and assuming the relevant tender is successful, it is estimated that the works will commence between the fourth quarter of 2025 and the first quarter of 2027 for a period of approximately 2 years and therefore a significant part of the relevant contract value will be recognised in 2026 and 2027. Build King has applied a 50% discount of the aggregate contract revenue of these possible projects on the basis of a 50% probability in success or failure in its tenders. The Company considers this to be an objective probability for the purposes of determining the annual caps given that each tender is discrete and is awarded independent from other tenders and historical tender success rates with independent customers;
- (iii) to determine the potential size of each project, the relevant Specification Considerations and Resources Considerations, the prevailing market conditions, such as labour and construction material costs and perceived trends, building industry condition and trends, which may impact the estimation of Build King Group on pricing and a 10% buffer for upward adjustments due to variation orders (which are commonplace in the construction industry) under the relevant projects;
- (iv) a 20% growth buffer in view of the 42.9% growth in revenue from its Building Services over the three years ended 31 December 2024 (i.e. 14.3% growth on average per year) to cater for future business growth, inflation and any unforeseen changes in market conditions which can lead to an increase in the revenue from the provision of Building Services to NWD Group; and

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- (v) where the tender terms of a project are not yet available, Build King Group has assumed for the purpose of calculating the annual caps that the estimated contract revenue of a project is evenly spread over its expected duration. Otherwise, the estimated revenue for each year is based on the indicative work schedule under discussion.

Annual caps for Foundation Services under the CTFS Services Agreement

Build King Group has not provided Foundation Services to CTFS Group in the two years ended 31 December 2023. It has been awarded the three Specifically Approved Projects which involve the provision of Foundation Services for contract sums of approximately HK\$610.1 million (to be delivered over a period of 2 years) and HK\$9.8 million (to be delivered over a period of 3 months under continuous working condition after commencement of works), respectively, in 2024 and HK\$11.2 million (to be delivered over a period of 3 months under continuous working condition after commencement of works) in 2025, in each case subject to re-measurement and variations under the terms of that relevant contract. Build King Group recognised for the year ended 31 December 2024 revenue of approximately HK\$1.7 million in respect of the first two projects (before inter-companies elimination) which were awarded only in the last quarter of 2024.

Given the smooth collaboration with the members of CTFS Group in relation to the Specifically Approved Projects and Build King Group's specialist Foundation Services capabilities, the Company considers it likely that Build King Group will receive more invitations to tender for or participate in providing Foundation Services for CTFS Group projects.

In relation to the annual caps for the CTFS Services Agreement, Build King took into account the factors below:

- (i) the estimated value of one project for the delivery of Foundation Services to CTFS Group (to be performed within approximately 3 months period under continuous working condition from commencement of work) for which Build King Group has been invited to submit a tender. Build King has assumed that this tender will be successful for the purposes of Listing Rules compliance (although there is no certainty as at the Latest Practicable Date that the relevant project will in fact be awarded to Build King Group);
- (ii) two potential projects similar in nature to the project under negotiation that may require Foundation Services that Build King Group is aware of through media reports and/or invitation by CTFS Group during the term of the CTFS Services Agreement. Based on information available on these potential projects and assuming the relevant tender is successful, it is estimated that the works will be required to be delivered typically within approximately 3 months period under continuous working condition from commencement of work in 2026. Build King has also applied a 50% discount of the aggregate contract revenue of these possible projects on the basis of a 50% probability in success or failure in its tenders;
- (iii) to determine the potential size of each project, the relevant Specification Considerations and Resources Considerations, the prevailing market conditions, such as labour and construction material costs and perceived trends, building industry condition and trends, which may impact the estimation of Build King Group on pricing and a 10% buffer for upward adjustments due to variation orders (which are commonplace in the construction industry) under the relevant projects;

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- (iv) a buffer of HK\$75 million, HK\$150 million and HK\$150 million for 2025, 2026 and 2027, which is calculated by applying 50% probability to the Titan Sub-Contract (i.e. the Specifically Approved Project with the highest contract value) and pro-rated it over two years (being the period over which the Titan Sub-contract works are to be performed) to arrive at an annual amount of HK\$150 million for 2026 and 2027 and HK\$75 million for half year in respect of 2025. For the year ended 31 December 2024, Build King Group had on hand two Foundation Services projects for independent third parties that were comparable or larger in size compared with the Titan Sub-Contract which demonstrates the market recognised capabilities of Build King Group in providing Foundation Services and the potential for securing additional contracts from CTFS Group. Accordingly, Build King Group considers it is fair and reasonable to provide for a buffer on the basis described above to cater for future business growth, inflation and any unforeseen changes in market conditions which would lead to an increase in revenue from the provision of Foundation Services to CTFS Group and allow for any shift in the year in which revenue is to be recognised for shorter delivery projects given that the commencement date of the delivery of Foundation Services can be delayed due to the progress of the construction project over which Build King Group has no control; and
- (v) where the tender terms of a project are not yet available, Build King Group has assumed for the purpose of calculating the annual caps that the estimated contract revenue of a project is evenly spread over its expected duration. Otherwise, the estimated revenue for each year is based on the indicative work schedule under discussion.

Our work done

In assessing the fairness and reasonableness of the proposed annual caps for each of the Business Services Agreements, we have obtained the underlying calculation of the annual caps for each Business Services Agreements and performed the work as described below.

- (i) Work done on the annual caps for the NWD Services Agreement

We noted that the annual caps for the NWD Services Agreement were determined primarily based on: (i) the estimated contract value of the NWD Submitted Tender for which Build King Group is in advanced stage of contract negotiations; (ii) a 50% probability-weighted estimate of other known potential projects; (iii) a 10% variation order (“VO”) buffer for each of the three financial years ending 31 December 2027; and (iv) an additional 20% buffer to cater for future business growth, inflation and any unforeseen changes in market conditions.

As set out in the section headed “2. The Business Services Agreements” above, based on our review, we consider that terms of the NWD Submitted Tender were fair and reasonable. Furthermore, we have also obtained and reviewed (i) the tender summary schedule which includes the total tender sums, estimated project durations, and revenue recognition assumptions for the NWD Submitted Tender and the other potential projects included in the estimation of the proposed annual caps for the NWD Services Agreement; (ii) a summary of variation orders issued for the Group’s completed projects, and noted that the additional 10% adjustment in the proposed annual caps was made to account for VO comparable with the VO percentages of the Group’s past completed projects which ranged from around 4% to 9%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We also noted that an additional 20% buffer was applied to cover unidentified future tenders, inflation, and other market uncertainties. In this regard, we noted that Build King Group has recorded over 42.9% growth in revenue from its building services over the three years ended 31 December 2024, reflecting the Group's increasing recognition and competitiveness in the building construction sector. Having established a track record of delivering quality and reliable services, Build King Group has been receiving a growing number of tender invitations from various developers, both in terms of quantity and contract size. As such, we consider the inclusion of a 20% buffer in the annual caps projection to be reasonable and justifiable.

(ii) Work done on the annual caps for the CTFS Services Agreement

We noted that the annual caps under the CTFS Services Agreement mainly represented the amount derived by applying a 50% probability to the Titan Sub-Contract (being one of the Specifically Approved Projects which Build King Group secured in 2024) and pro-rated the amount over two years (being the period over which the Titan Sub-contract works are to be performed). We recognise that the Titan Sub-Contract is materially larger in value than other transactions with CTFS Group. However, given that construction contracts for foundation services are not commoditised and can vary significantly in size, and that the timing and availability of projects are often outside the Group's control, we consider it appropriate and prudent to use a probability-weighted buffer based on this approved large-scale project as a basis for setting the annual caps. Considering Build King Group's proven ability to secure the Titan Sub-Contract and its strong working relationship with CTFS Group, we consider it is reasonable for the Company to assume a 50% probability that Build King Group will secure future projects of similar scale from CTFS Group when determining the annual caps for the CTFS Services Agreement. This approach is further supported by evidence that Build King Group has previously secured independent third-party projects of comparable size, which demonstrates both its market capabilities and the potential to win similar contracts from CTFS Group.

Our View

Based on the above, we are of the view that the basis for determining the annual caps under the Business Services Agreements are fair and reasonable and we concur with the Directors' view that it is fair and reasonable and in the interests of both the Company and the Shareholders.

4. Requirements by the Listing Rules regarding the continuing connected transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the transactions contemplated under the Business Services Agreements are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the transactions contemplated under the Business Services Agreements and confirm in the annual report and accounts that they have been entered into:
- in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole.
- (b) each year the auditors of the Company must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the transactions contemplated under the Business Services Agreements:
- has not been approved by the Board;
 - were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involved the provision of goods or services by the Group;
 - were not entered into, in all material respects, in accordance with the terms of the relevant agreement(s) under the Business Services Agreements; and
 - have exceeded the annual caps.
- (c) the Company must allow, and ensure that the relevant counter parties to the Business Services Agreements allow, the Company's auditors sufficient access to their records for the purpose of reporting on the transactions contemplated under the Business Services Agreements; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if the independent non-executive Directors and/or the auditors of the Company cannot confirm the matters set out in paragraphs (a) and/or (b) above, respectively. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

In light of the review and reporting requirements attached to the transaction contemplated thereunder the Business Services Agreements, in particular, (i) the restriction of transaction value by way of the annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the transaction contemplated thereunder the Business Services Agreements 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 transaction contemplated thereunder the Business Services Agreements and safeguard the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the Business Services Agreements and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms thereof as well as the proposed annual caps are fair and reasonable so far as the Company and the 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 resolutions in respect of the Business Services Agreements, the transactions contemplated thereunder and the proposed annual caps to be proposed at the SGM.

Yours faithfully,
For and on behalf of
Ballas Capital Limited
Heidi Cheng **Cathy Leung**
Managing Director *Director*

Ms. Heidi Cheng is a responsible officer of Type 6 (advising on corporate finance) regulated activities and has over 25 years of experience in advising corporate finance transactions. Ms. Cathy Leung is a responsible officer of Type 6 (advising on corporate finance) regulated activities and has over 10 years of experience in advising corporate finance transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

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

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

(A) The Company

Interest in Shares

Name of Director	Capacity/ Nature of interest	Number of Shares held		Percentage of the issued ordinary share capital (%)
		Long position	Short position	
		<i>(note 1)</i>		
Zen Wei Peu, Derek	Personal	255,880,078	—	32.26
		<i>(note 2)</i>		
	Securities Interest	39,615,000	—	4.99
Wong Che Ming, Steve	Personal	900,000	—	0.11

Notes:

- Long position in the Shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
- Mr. Zen Wei Peu, Derek is a party to an agreement (another party to which is Mr. Zen Wei Pao, William, a substantial shareholder of the Company, who has a personal interest in 245,296,843 Shares) that is subject to section 317(1)(b) of the SFO. Each party to the agreement is thereby deemed to be interested in Shares held by the other. Accordingly, for the purpose of section 317(1)(b) of the SFO, Mr. Zen Wei Peu, Derek is deemed to be interested in a total of 501,176,921 Shares, representing 63.19% of Shares in issue of the Company, as at the Latest Practicable Date.

(B) Associated corporations*Interest in shares*

Name of Director	Name of company	Capacity/ Nature of interest	Number of shares held		Percentage of the issued ordinary share capital (%)
			Long position (note 1)	Short position	
Zen Wei Peu, Derek	Build King Holdings Limited	Personal	119,775,228	—	9.64
	Road King Infrastructure Limited	Personal	24,649,000 (note 2)	—	3.29
	Wai Kee (Zens) Construction & Transportation Company Limited (note 3)	Personal	2,000,000	—	10.00
	Wai Luen Stone Products Limited	Personal	30,000	—	37.50
Chiu Wai Yee, Anriena	Build King Holdings Limited	Personal	1,116,000	—	0.09
	Road King Infrastructure Limited	Personal	205,000	—	0.03
Wong Che Ming, Steve	Build King Holdings Limited	Personal	407,448	—	0.03

Notes:

1. Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Included in the balance, 1,000,000 Road King shares are held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
3. 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.

Interest in debentures

Name of Director	Name of company (note 1)	Capacity/ Nature of interest	Type of debenture	Principal amount held (note 2)
Zen Wei Peu, Derek	RKI Overseas Finance 2017 (A) Limited	Personal	US\$300 million 7% senior guaranteed perpetual capital securities	US\$800,000 (note 3)
	RKP Overseas Finance 2016 (A) Limited	Personal	US\$300 million 7.95% senior guaranteed perpetual capital securities	US\$4,050,000
	RKPF Overseas 2019 (E) Limited	Personal	US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities	US\$46,450,000 (note 4)
	RKPF Overseas 2019 (A) Limited	Personal	US\$480 million 6.7% guaranteed senior notes	US\$2,495,446 (note 5)
	RKPF Overseas 2019 (A) Limited	Personal	US\$300 million 5.9% guaranteed senior notes	US\$1,767,242 (note 6)
	RKPF Overseas 2019 (A) Limited	Personal	US\$416 million 6% guaranteed senior notes	US\$9,094,656 (note 7)
Wong Che Ming, Steve	RKPF Overseas 2019 (A) Limited	Personal	US\$480 million 6.7% guaranteed senior notes	US\$356,492
Wong Man Chung, Francis	RKPF Overseas 2019 (A) Limited	Personal	US\$480 million 6.7% guaranteed senior notes	US\$1,925,059

Notes:

1. Wholly owned subsidiaries of Road King.
2. Long position.
3. A principal amount of US\$400,000 of US\$300 million 7% senior guaranteed perpetual capital securities was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
4. A principal amount of US\$1,300,000 of US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek. A principal amount of US\$2,150,000 of US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities was held by Prepared Club Company Limited, which is wholly-owned by Mr. Zen Wei Peu, Derek.
5. A principal amount of US\$2,495,446 of US\$480 million 6.7% guaranteed senior notes was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
6. A principal amount of US\$883,621 of US\$300 million 5.9% guaranteed senior notes was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
7. A principal amount of US\$1,765,953 of US\$416 million 6% guaranteed senior notes was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.

(II) Substantial Shareholders' Interests in the Company

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

Name of Shareholder	Capacity/Nature of interest	Number of Shares held		Percentage of the issued ordinary share capital (%)
		Long position (note 1)	Short position	
Zen Wei Pao, William	Personal	245,296,843 (note 2)	—	30.93
Cheng Yu Tung Family (Holdings) Limited (note 3)	Corporate	91,134,000	—	11.49
Cheng Yu Tung Family (Holdings II) Limited (note 4)	Corporate	91,134,000	—	11.49
Chow Tai Fook Capital Limited (note 5)	Corporate	91,134,000	—	11.49
Chow Tai Fook (Holding) Limited (note 6)	Corporate	91,134,000	—	11.49
Chow Tai Fook Enterprises Limited (note 7)	Corporate	91,134,000	—	11.49
Century Acquisition Limited (note 8)	Corporate	91,134,000	—	11.49
CTF Services Limited (note 9)	Corporate	91,134,000	—	11.49
CTFS Management Limited (note 10)	Corporate	91,134,000	—	11.49
CTF Financial Holdings Limited (note 11)	Corporate	91,134,000	—	11.49
Vast Earn Group Limited (note 12)	Beneficial owner	91,134,000	—	11.49

Notes:

1. Long position in the Shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Mr. Zen Wei Pao, William is a party to an agreement (another party to which is Mr. Zen Wei Peu, Derek, an executive Director, who has a personal interest in 255,880,078 Shares) that is subject to section 317(1)(b) of the SFO. Each party to the agreement is thereby deemed to be interested in Shares held by the other. Accordingly, for the purpose of section 317(1)(b) of the SFO, Mr. Zen Wei Pao, William is deemed to be interested in a total of 501,176,921 Shares, representing 63.19% of Shares in issue of the Company, as at the Latest Practicable Date.
3. 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.
4. 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.

5. 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.
6. 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.
7. Chow Tai Fook Enterprises Limited is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely Century Acquisition Limited.
8. Century Acquisition Limited is deemed to be interested in the Shares through its interests in its subsidiary, namely CTF Services Limited.
9. CTF Services Limited is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely CTFS Management Limited.
10. CTFS Management Limited (formerly known as NWS Service Management Limited, which was incorporated in the Cayman Islands) is deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely CTF Financial Holdings Limited.
11. CTF Financial Holdings Limited (formerly known as NWS Service Management Limited, which was 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.
12. Vast Earn Group Limited is a wholly owned subsidiary of CTF Financial Holdings Limited.

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.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

4. DIRECTORS' SERVICE CONTRACTS

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

5. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS

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 2024, 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 for the contracts with Build King and Road King (of which Mr. Zen Wei Peu, Derek is a shareholder) as disclosed below, none of the Directors was materially interested in any contract or arrangement which is subsisting as at the Latest Practicable Date and significant in relation to the business of the Group.

- (a) the Investment Agreement dated 6 October 2022 entered into between Shine Precious Limited (“**Shine Precious**”, an indirect wholly-owned subsidiary of Road King), Wise Start Global Limited (“**Wise Start**”, an indirect wholly-owned subsidiary of Build King), Road King and Build King in relation to the formation of a “joint venture” between Shine Precious and Wise Start for an urban renewal project involving the site located at Yantian District, Shenzhen, the PRC and for which Build King Group paid a total consideration of HK\$800,015,700 to Road King Group, the details of which were set out in the joint announcements of Build King and the Company dated 6 October 2022 and the circular of the Company dated 23 December 2022;
- (b) the Extension Agreement dated 23 November 2022 entered into between Shine Precious and Wise Start in relation to the extension of the long stop date of the Investment Agreement from 23 December 2022 to 31 January 2023, the details of which were set out in the joint announcements of Build King and the Company dated 23 November 2022 and the circular of the Company dated 23 December 2022;
- (c) the framework agreement dated 30 November 2022 entered into between Build King and the Company in respect of the purchase by Build King, and sale by the Company, of concrete (the details of which are set out in the circular of Build King dated 6 December 2022); and
- (d) the supplemental agreement dated 25 April 2023 entered into between Kaden-Titan JV (a joint venture wholly-owned by Build King) and Faith Oriental Investment Limited (a wholly-owned subsidiary of the Company) in respect of the extension of duration of, and expansion of scope of, subcontract works (the details of which are set out in the circular of Build King dated 3 May 2023).

6. MATERIAL ADVERSE CHANGES

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 2024, 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
Ballas Capital Limited	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of its letter as set out in this circular and references to its name in the form and context in which they appear. The letter of the Independent Financial Adviser contained in this circular was issued on the date of this circular and was made by the Independent Financial Adviser for incorporation in this circular.

As at the Latest Practicable Date, the above expert did not have any:

- (i) direct or indirect interest in any assets which have been, since 31 December 2024 (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; and
- (ii) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. MISCELLANEOUS

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

9. DOCUMENTS ON DISPLAY

Copies of the Business Services Agreements will be on display on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.waikee.com) for a period of 14 days from the date of this circular.

**WAI KEE HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Special General Meeting of Wai Kee Holdings Limited (the “**Company**”) will be held at Unit 1103, 11th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 July 2025 at 10:00 a.m. (and at any adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

(1) “**THAT**

- (a) the provision of services by Build King Holdings Limited (“**Build King**”), a subsidiary of Wai Kee Holdings Limited (the “**Company**”), under the terms of the business services agreement (the “**NWD Services Agreement**”) dated 4 July 2025 between Build King and New World Development Company Limited and the proposed annual caps for the transactions contemplated under the NWD Services Agreement disclosed in the circular to shareholders of the Company dated 10 July 2025, be and are hereby approved; and
- (b) 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 NWD Services Agreement and otherwise in connection with the implementation of the transactions contemplated thereunder including without limitation to any amendment, supplement or waivers of terms thereof.”

(2) “**THAT**

- (a) the provision of services by Build King under the terms of the business services agreement (the “**CTFS Services Agreement**”) dated 4 July 2025 between Build King and CTF Services Limited and the proposed annual caps for the transactions contemplated under the CTFS Services Agreement disclosed in the circular to shareholders of the Company dated 10 July 2025, be and are hereby approved; and

- (b) 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 CTFS Services Agreement and otherwise in connection with the implementation of the transactions contemplated thereunder including without limitation to any amendment, supplement or waivers of terms thereof.”

By Order of the Board
Wai Kee Holdings Limited
Chiu Wai Yee, Anriena
Company Secretary

Hong Kong, 10 July 2025

Notes:

1. For determining the entitlement to attend and vote at the SGM to be held on Monday, 28 July 2025, the register of members of the Company will be closed from Thursday, 24 July 2025 to Monday, 28 July 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 23 July 2025.
2. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
4. The instrument appointing a proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be delivered to the office of Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong in or by way of note to or in any document accompanying the notice convening the meeting not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.
5. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In the case of joint holders of any share, if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.