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WAI KEE HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 610)



BUILD KING HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 00240)

**UPDATE ON
MAJOR TRANSACTION FOR WAI KEE AND BUILD KING
- ACQUISITIONS OF EQUITY INTERESTS IN TWO COMPANIES
DISCLOSEABLE TRANSACTION FOR WAI KEE AND
BUILD KING - POSSIBLE DISPOSAL OF EQUITY INTERESTS
IN TWO COMPANIES**

Reference is made to the joint announcement and the respective circulars of Wai Kee Holdings Limited and Build King Holdings Limited dated 28 April 2023 and 26 July 2023 (the “**Circulars**”), respectively, in relation to, among others, the acquisition of entire equity interests in the Target Groups pursuant to the Sale and Purchase Agreements. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circulars.

Following completion of the Acquisitions, the Build King Group has continued its review of title to the Sites and due diligence against the Target Groups being two of the conditions subsequent to the Acquisitions that may entitle the Purchaser to elect to terminate the Sale and Purchase Agreements. As disclosed in the Circulars, if the Sale and Purchase Agreements were terminated by the Purchaser other than for cause after the long stop date for the satisfaction of these two conditions subsequent (the “**Long Stop Date**”), the Vendors would be entitled to retain the First Payment (being 10% of the Agreed Property Value under the Sale and Purchase Agreements) paid by the Purchaser to the stakeholders. Also, after the submission of the LSPS Application, the Build King Group has been engaging with the Land Sharing Office of the Development Bureau with respect to the development plans in relation to the Sites under application.

Given the necessary continuation of the due diligence process, the parties to each Sale and Purchase Agreement have entered into a supplemental agreement on 2 February 2024 (the “**Supplemental Agreements**”), the effect of which is summarised as follows:

- (i) the Long Stop Date be extended to 30 April 2024 (being approximately 6 months longer than that originally contemplated under the relevant Sale and Purchase Agreement) such that the relevant Sale and Purchase Agreement will terminate automatically on that date if the conditions subsequent relating to title review and due diligence are not satisfied or waived by the Purchaser by then;
- (ii) subject to the delivery of specified foreign legal opinions, the Purchaser agreed to the early release to the Vendors A of an amount of HK\$4,145,415.84 (representing approximately 3.0% of the initial consideration under Agreement A or approximately 1.1% of the total initial Consideration under the Sale and Purchase Agreements) out of the First Payment paid by the Purchaser to stakeholders pursuant to Agreement A; and
- (iii) the parties to Agreement B agreed that the initial Consideration (subject to adjustments) payable under such agreement may be reduced by up to HK\$16,071,730 (being approximately 6.9% of the initial consideration under Agreement B or approximately 4.4% of total initial Consideration payable under the Sale and Purchase Agreements). Such downward adjustment will be made only if plot ratio and domestic gross floor area for residential use are not allocated in respect of certain specified land lots within Properties B (in relation to which title issues were identified during the due diligence process) in the approved LSPS Application.

Ancillary to this agreed downward adjustment, the Purchaser will be refunded HK\$1,607,173 (representing 10% of the maximum amount of such adjustment) from the First Payment paid under Agreement B and has agreed to increase the Second Payment by the same amount, with the final adjustment to be reflected in the final payment under that agreement.

The terms of the Supplemental Agreements have been agreed after arms-length negotiations between the parties. In agreeing those terms, Build King has taken into account (i) the status of the LSPS Application; (ii) the extension of the Long Stop Date provides further time and therefore greater flexibility to the Build King Group to decide whether or not to proceed with the Sale and Purchase Agreements; (iii) major title issues have been resolved under Agreement A and the early release amount is a fraction of the First Payment that the Vendors A could retain if Agreement A was terminated by the Purchaser without cause after the Long Stop Date; and (iv) the possible downward adjustment under Agreement B reflects the possible impact on plot ratio/gross floor area allocated to the Sites in the approved

development plans in view of, among others, certain title issues in the specified land lots within Properties B which have not yet been resolved but which should not affect the current development plans under application. Build King also considers that the consequential adjustments to payment schedule under Agreement B is beneficial to the Build King Group from a cash flow perspective.

Having taken into consideration the above factors, and the fact that due diligence is ongoing and the LSPS Application is being processed, (i) (a) the directors of Build King consider that the terms of the Supplemental Agreements are fair and reasonable and in the interests of Build King and its shareholders as whole; (b) the directors of Wai Kee consider that the terms of the Supplemental Agreements are fair and reasonable and in the interests of Wai Kee and its shareholders as whole; and (ii) the board of directors of each of Build King and Wai Kee consider that the terms of the Supplemental Agreements do not constitute a material change to the terms of the Sale and Purchase Agreements.

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

By Order of the Board
Build King Holdings Limited
Luk Chi Chung, Peter
Company Secretary

Hong Kong, 2 February 2024

As at the date of this joint announcement, the board of directors of Wai Kee comprises three executive directors, namely Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Miss Anriena Chiu Wai Yee, two non-executive directors, namely Mr. Brian Cheng Chi Ming and Mr. Ho Gilbert Chi Hang, and four independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau, Mr. Francis Wong Man Chung and Ms. Tsang Wing Yee.

As at the date of this joint announcement, the board of directors of Build King comprises five executive directors, namely Mr. Zen Wei Peu, Derek, Mr. Chang Kam Chuen, Desmond, Mr. Lui Yau Chun, Paul, Mr. Tsui Wai Tim and Mr. Luk Chi Chung, Peter, two non-executive directors, namely Mr. David Howard Gem and Mr. Chan Chi Hung, Anthony, and four independent non-executive directors, namely Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor, Mr. Lo Yiu Ching, Dantes and Ms. Ng Cheuk Hei, Shirley.