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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)

DISCLOSEABLE TRANSACTIONS ACQUISITION OF CERTAIN CONSTRUCTION COMPANIES

THE TRANSACTIONS

The respective Board of Build King and Wai Kee announces that on 23 July 2026, PrimeStone (a wholly-owned subsidiary of Build King) (as Investor) entered into the RFA with the Target Companies, the Vendors and the Provisional Liquidators (as sellers), pursuant to which PrimeStone has agreed to acquire approximately 100% interest in each of the Target Companies, subject to the fulfilment (to the extent not waived) of the conditions precedent, for an aggregate maximum consideration of HK\$100 million.

Upon Completion, each Target Company and the Investor or its nominee will only have retained its Licences and the “Paul Y.” trademarks, and are to have no other substantive or material assets and liabilities (to the extent not comprised under the Scheme, pursuant to indemnities given in favour of that Target Company), and that Target Company will become a subsidiary of Build King and be consolidated in its financial statements.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Subscriptions and Transfers (on an aggregated basis pursuant to Rule 14.22 of the Listing Rules) exceed 5% but less than 25% to both Build King (a listed subsidiary of Wai Kee) and Wai Kee, the Subscriptions and Transfers constitute a discloseable transaction of Build King and Wai Kee under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under the Listing Rules.

PrimeStone (a wholly-owned subsidiary of Build King) (as Investor) entered into the RFA with the Target Companies, the Vendors and the Provisional Liquidators (as sellers) on 23 July 2026, pursuant to which PrimeStone has agreed to acquire approximately 100% interest in each of the Target Companies, subject to the fulfilment (to the extent not waived) of the conditions precedent described below, for an aggregate maximum consideration of HK\$100 million.

The RFA

The date, parties and the principal terms of the RFA are summarised below:

Date

23 July 2026

Parties

The parties to the RFA are as follows:

- (1) PrimeStone (as the Investor), a wholly-owned subsidiary of Build King;
- (2) PYCC (as a Target Company);
- (3) PYGC (as a Target Company);
- (4) PYCE (as a Target Company);
- (5) PYEM (as a Target Company);

Each of the Target Companies is indirectly wholly-owned by Paul Y. Engineering Group Limited (In Liquidation) and is currently in provisional liquidation.

- (6) PY Builders (as the Vendor to the Existing Shares of PYEM);
- (7) PY Management (as the Vendors to the Existing Shares of PYCC, PYEM and PYGC);
- (8) Everboom (as the Vendor to the Existing Shares of PYGC);
- (9) PYC International (as the Vendor to the Existing Shares of PYCC);
- (10) Victory Box (as the Vendor to the Existing Shares of PYCE); and

Each of the Vendors is or (immediately prior to commencement of liquidation) was indirectly wholly-owned by Paul Y. Engineering Group Limited (In Liquidation) and PY Management is in liquidation.

(11) Provisional Liquidators: being Mr. So Man Chun and Mr. Jong Yat Kit of PricewaterhouseCoopers, as joint and several provisional liquidators of each Target Company.

To the best knowledge, information and belief of the Board of each of Build King and Wai Kee, having made all reasonable enquiries, the Target Companies, the Vendors, the Provisional Liquidators and their ultimate beneficial owners (where applicable) are third parties independent of Build King, Wai Kee, and each of their connected persons.

Subject

BK Group has agreed to acquire by way of subscription of new shares and purchase of the Existing Shares of each Target Company (representing approximately 99.9% and 0.1% respectively of the share capital of that Target Company after the issue of the Subscription), for an aggregate consideration of HK\$100 million subject to fulfilment (unless waived) of the conditions precedent each as described below.

Amongst the conditions precedent for Completion in respect of each Target Company, that Target Company is to implement a Restructuring through a Scheme involving its Scheme Creditors that requires the sanction of Hong Kong courts, the transfer of assets and rights of the Target Company (including Existing Projects but excluding their Licences and certain “Paul Y.” trademarks which are to be held by Target Companies or nominees of the Investor respectively) or their effective economic interest and management power to a Scheme Company and managed by Scheme Administrators (including the consideration payable for the new shares which are to be used for settlement of claims for Creditors that cannot be compromised by the Scheme (such as preferential creditors under law, Scheme and other Restructuring Costs) and for distribution to relevant Scheme Creditors in accordance with the terms of the relevant Scheme), against indemnities from the Scheme Company in favour of the Target Company and the Investor in relation to associated liabilities and obligations. At Completion of the first Target Company, there are to be transferred or assigned to nominee(s) of the Investor, two “Paul Y.” trademarks registered in the name of one fellow subsidiary and one “Paul Y.” trademark registered in the name of Paul Y. Engineering Group Limited (In Liquidation) of the Target Company at HK\$1 per trademark.

Upon Completion, each Target Company and the Investor or its nominee will only have retained its Licences and the “Paul Y.” trademarks, and are to have no other substantive or material assets and liabilities (to the extent not comprised under the

Scheme, pursuant to indemnities given in favour of that Target Company, which include indemnities given by the relevant joint venture partners of the Target Company undertaking the Existing Projects).

Consideration, Payment Terms and Contribution to Expenses

Consideration

The aggregate consideration payable by BK Group for the Target Companies is HK\$100 million apportioned as to HK\$30 million, HK\$30 million, HK\$20 million and HK\$20 million for each of PYCC, PYCE, PYGC and PYEM respectively, according to the Allocation of 99.9:0.1 between each Scheme Company for the new shares to be issued by its corresponding Target Company and each Vendor for its selling of its Existing Shares in the corresponding Target Company. In addition, the consideration for the transfer of the “Paul Y.” trademarks are to be payable at Completion of the first Target Company.

In respect of each Target Company:

- (a) a deposit equal to 8% of the Consideration (or HK\$8 million in aggregate for all Target Companies) is payable to designated bank accounts to be set up and maintained by an escrow agent to hold funds for the benefit of the Target Companies or (post Completion) the relevant Scheme Company and the Vendor(s) according to the Allocation in three instalments as to 20% (or HK\$1.6 million) within 20 Business Days from the date of the execution of the RFA, 30% (or HK\$2.4 million) within 5 Business Days from the date of the Convening Order and the remaining balance (or HK\$4.0 million) payable within 5 Business Days from the date of the Sanction Order;
- (b) 82% of the Consideration (or HK\$82 million in aggregate for all Target Companies) is to be paid to the relevant Scheme Company and the Vendor(s) according to the Allocation at Completion;
- (c) 10% of the Consideration (being the Deferred Consideration or HK\$10 million in aggregate for all Target Companies) is to be deferred and be paid to the relevant Scheme Company and the Vendor(s) according to the Allocation as follows:
 - (i) PYCC: on the date being the 5th anniversary of the Completion Date
 - (ii) PYGC: on the date being the 1st anniversary of the Completion Date
 - (iii) PYCE: on the date being the 2nd anniversary of the Completion Date
 - (iv) PYEM: on the date being the 1st anniversary of the Completion Date

The payment dates of the Deferred Consideration have been agreed by the Investor after taking into account the status of ongoing projects held by each Target Company, their expected completion date and to allow a reasonable period of time for settlement of completion accounts, the expiry of defects liability period and assessment of claims (if any) by the Investor.

The Investor has the right to deduct from the Deferred Consideration any loss, liability, claim, costs and/or expenses incurred by the Investor and/or Target Company in relation to the Existing Projects, any breach of Target Company warranties or obligations, undisclosed accidents and/or any suspension of Licences, any undisclosed prosecution that may trigger suspension of Licences, and any fines or penalties imposed in relation to any offences committed or alleged to have been committed prior to Completion of that Target Company.

At Completion in respect of each Target Company, all interest accrued (from and including the date of payment to and excluding the date of refund) on the deposits paid is to be refunded to the Investor.

The deposits paid to each Scheme Company are refundable if the conditions precedent for completion in respect of the relevant Target Company are not met and Completion cannot take place. However, if Completion in respect of any Target Company does not take place because of the Investor (i) failing to pay or procure to pay any of the deposits or Upfront Restructuring Costs pursuant to the RFA; or (ii) being in material breach of the RFA, the deposits paid will not be refundable and BK Group is required under the RFA to pay a further amount of break costs equal to that Target Company's Allocation of HK\$5 million and the Upfront Restructuring Costs that are due and payable.

Contribution to expenses

In addition to the Consideration, BK Group has also agreed to contribute up to HK\$15 million towards Restructuring Costs to be allocated to the Target Companies, against receipt of evidence to its satisfaction that the relevant costs are properly incurred for the purposes of the Restructuring. The Upfront Restructuring Costs is payable according to the following milestones in four instalments as to 25% (or HK\$3.75 million) within 20 Business Days from the date of the execution of the RFA, 40% (or HK\$6 million) within 5 Business Days upon the grant of the Convening Order, 25% (or HK\$3.75 million) within 5 Business Days upon the grant of the Sanction Order, and the remaining balance (or HK\$1.5 million) within 5 Business Days upon Completion. Once paid in accordance with the relevant milestone, the contribution is not refundable.

Source of funds

The Consideration and the Upfront Restructuring Costs will be financed by BK Group's existing financial resources.

Basis for determining the Consideration

BK Group has agreed to the Consideration and its contribution to the Restructuring Costs after arms' length negotiations.

In determining the consideration and terms of payment for each Target Company, BK Group has taken into account:

- (i) the number and type of major Licences (including Group C status in major works category (buildings, roads and drainage, site formation, waterworks, etc.) with the Development Bureau, new works group 2 or other higher-tier registrations from the Housing Authority, and electrical and mechanical contractor registrations from the Development Bureau) held by each of the Target Companies, which are pre-requisites for tendering relevant sizeable public sector projects from the relevant Governmental Authorities, had they not been suspended due to prevailing circumstances;
- (ii) the industry knowledge of the senior team members of BK Group's construction operations, each having over 20 years' experience in the construction industry, of indicative prevailing market rates acquired from informal market intelligence since there is no publicly accessible price database for transactions of this nature, that each major Licence would practically require at least 3 to 5 years of acceptable track record to be qualified for application and further project track record that would improve chances of successful tender is generally worth more than approximately HK\$10 million each with negotiated discount for multiple major Licences held typically by an established contractor company in the industry;
- (iii) BK Group's own experience of acquiring its wholly-owned subsidiaries Build King Construction Limited and Integral E&M Contracting Limited which held 5 construction and 3 electrical & mechanical major Licences (whether or not probationary), respectively, with the Development Bureau with no substantive projects at the time of their acquisition from separate independent third parties in 2005 and 2021 respectively at a consideration of HK\$32.8 million (i.e. averaging HK\$6.6 million per major Licence) and HK\$15 million (i.e. averaging approximately HK\$5 million per major Licence) respectively. Such values being also the fair value of those construction licences (with indefinite useful lives) as at 31 December 2025 as set out in note 18(a) to the audited financial statements of BK Group, compared to the lower allocated consideration for 6, 4 and 4 major construction Licences and 5 major electrical and mechanical Licences held by PYCC, PYCE, PYGC and PYEM respectively, including certain major Licences not already held by BK Group and without taking into other Licences held by those entities;

- (iv) the benefits of having additional subsidiaries with similar Licences (which is common place amongst the larger construction company groups) to manage risks of suspension and related loss of ability to tender for works having regard to the revenue and profit contribution of BK Group's building division to which the Licences are relevant and the fact that the consideration can reasonably be expected to be recovered from a relatively small number of projects having regard to BK Group's own projects track record and projects net profit margin;
- (v) the terms of the RFA (including the conditions precedent for completion in respect of each Target Company) that are intended such that the Target Companies should have no material assets or liabilities other than its Licences;
- (vi) the unaudited net profits/losses (both before and after taxation) of the Target Company for the two financial years immediately preceding the RFA and their net asset value and are not, in the view of BK Group, material to the determination of the consideration for the transactions under the RFA; and
- (vii) the relatively lower risks associated with the Existing Projects (that are to be subject to post Completion powers of attorney, declarations of trust and/or indemnities expected to be provided by the Scheme Company) based on the experience of the management of Build King, and subject to ongoing due diligence.

The nominal consideration of the "Paul Y." trademarks has been determined on the basis that they are closely associated with the Paul Y. group construction operations and the fact that Paul Y. Engineering Group Limited is in liquidation and its operating subsidiaries (including the Target Companies) are in provisional liquidation. As "Paul Y." is an established brand within the Hong Kong construction industry, it appears to BK Group that it is in its interest to buy the trademarks at nominal value as part of the Transaction since brand recognition invariably takes years to build.

In relation to the contribution to Restructuring Costs, BK Group has taken into account the indicative professional costs of preparation of the documentation and Court applications for the Schemes as provided by the Target Companies which are necessary components of the transactions contemplated under the RFA and the fact that the Target Companies are in provisional liquidation (i.e. have limited available additional cash resources having regard to basic operating needs and the rights of their Creditors), and have determined that it would be appropriate to contribute towards such costs to facilitate those transactions with payment scheduling that reflects a fair sharing of costs and risks of the implementation of the Schemes.

Conditions Precedent and Completion

Completion of the Transactions in respect of each Target Company is subject to the fulfilment of the following conditions precedent:

- (1) the occurrence of the Scheme Effective Date for the relevant Scheme;
- (2) all necessary consents, approvals or authorisations from or notifications to in connection with the Schemes and the implementation of the Restructuring required to be obtained by that Target Company, including from or to the applicable Government Authorities, having been obtained on terms acceptable to the Investor (acting reasonably);
- (3) approval by the Investor's Board or shareholders (if required) including approval by the Board(s) of Build King and/or Wai Kee of the proposed investment in the relevant Target Company is obtained;
- (4) Licences of that Target Company being valid, subsisting, in full force and effect at Completion, and have not as at Completion been revoked, lapsed, terminated, withdrawn, or otherwise materially and adversely affected (save for any temporary suspension of the Licences of that Target Company imposed by or to be imposed by any Government Authority due to events that occurred and have been Disclosed provided that prior to Completion, the terms upon which the suspension shall cease being acceptable to the Investor in its sole discretion);
- (5) the Investor having received evidence to its reasonable satisfaction that each of the Government Authorities responsible for that Target Company's Licences having acknowledged, confirmed, approved, and/or authorised (as appropriate) that:
 - (a) the top management staff, technical director and staff, authorised signatories and other personnel proposed to be designated by the Investor to that Target Company are acceptable for the maintenance of the relevant Licences;
 - (b) the Subscription and Transfer, including the Investor, Build King and Wai Kee becoming the direct or indirect holding companies of that Target Company with effect from Completion will not in themselves adversely affect the continued validity of the Licences of that Target Company;
 - (c) the continued validity of or the lifting of suspension of the Licences of that Target Company up to (excluding) the first anniversary of Completion (or such shorter period as may be indicated by the Government Authorities and acceptable to the Investor in its sole discretion) is subject only to that Target

Company meeting specified financial requirements and implementing other rectification measures within the concessionary period specified or indicated by the Government Authorities and acceptable to the Investor (acting reasonably);

- (6) the Investor having received evidence to its satisfaction (acting reasonably) that the Restructuring has become fully unconditional (subject only to the satisfaction of the conditions precedent and release of the Restructuring Documents at Completion);
- (7) in respect of any assets of the Target Companies (excluding any trademarks and/or any Licences of that Target Company but including the rights and benefits under the Kai Tak Project) that cannot be transferred or not cost-effective to be transferred to the respective Scheme Company, such Target Company having entered into a declaration of trust, or any equivalent transactional documents, to hold interest of those assets on trust on behalf of the respective Scheme Company, subject to the assumption by such Scheme Companies of liabilities and/or obligations of its corresponding Target Company which are not compromised under the Scheme (including without limitation with respect to Existing Projects) pursuant to such indemnities and/or other arrangements to exclude any present or future liabilities, whether actual or contingent, which might relate to those assets, rights and/or benefits to the sole satisfaction of the Investor;
- (8) in respect of the Existing Projects (other than the Kai Tak Project) for which no document for novation or exclusion has been Disclosed, the novation of such projects, or the exclusion of that Target Company from such Existing Project on terms or arrangement to the Investor's satisfaction (acting reasonably);
- (9) the completion of due diligence to the satisfaction of the Investor (acting reasonably);
- (10) the release of the share charge granted on 20 September 2023 by Victory Box to Hip Seng Construction Company Limited in respect of the entire issued capital of PYCE ("**PYCE Share Charge**");
- (11) the Upfront Restructuring Costs having been settled in full up to the applicable milestone provided in the RFA prior to Completion; and
- (12) in respect of PYCC, Grandhall Secretarial Services Limited and Paul Y. Holdings (Nominees) Limited having agreed to transfer their respective Existing Shares in PYCC to the Investor at a nominal consideration.

Completion in respect of each Target Company is to take place on the fifth Business Day after the date on which the last of the conditions precedent is satisfied (other than the conditions precedent related to the PYCE Share Charge under item 10 which shall have to be satisfied immediately prior to Completion) or waived. All conditions precedent (other than item 11) can only be waived with the prior written consent of the Investor. If any condition precedent is not fulfilled in respect of any Target Company (and is not waived), Completion for that Target Company will not proceed.

Validity of Licences

Working Capital and Personnel

In relation to condition precedents (4) and (5) concerning the validity of Licences, based on the due diligence as at the date of this joint announcement, the minimum working capital of each Target Company for the highest category of Licences of the Development Bureau and the Housing Authority respectively is HK\$22.2 million. Such working capital will not in any event be deployed towards any Existing Projects based on the RFA.

While BK Group considers that it generally has a pool of appropriate personnel with requisite qualifications, experience and expertise to lead and/or supervise projects for which the Target Companies are qualified to undertake pursuant to their Licences, it can also make external hires and will not preclude those who are managing the Existing Projects if considered suitable as an employee. It should be noted that the Licences held by the Target Companies were issued by each relevant Government Authority based on the satisfaction of its requirements for each relevant type of construction works for which they might seek construction services, including requirements as to acceptable works track record in terms of type of work, size of project and safety record, amongst other things, over specified periods, amongst other things. Therefore, the lack of relevant Licences with one Government Authority is not indicative of BK Group's inability to perform the relevant works to appropriate standards, since the relevant members of BK Group have been licenced to undertake the same type of work licenced by another Government Authority or by private sector clients.

Revocation or Termination of Licences by the relevant Government Authorities

In the event that any Licence of the Target Company granted by a Government Authority is irrevocably revoked, lapsed, terminated or withdrawn by the relevant Government Authority prior to Completion, the Provisional Liquidators is obligated to notify the Investor in writing promptly. Thereafter, the parties shall negotiate in good faith for 30 days whether or not to proceed with any of the Transactions with respect to that Target Company in respect of any remaining Licences and any other

matters identified in the meantime (if and to extent that the parties shall agree the terms upon which any Transaction or part thereof is to proceed) and to enter into a supplemental or separate agreement in writing in relation to any changes to the terms of such Transactions accordingly.

In the event that a Renegotiation Period in respect of a Target Company commences, the Allocation of the deposits in respect of such Target Company that has not yet been paid shall cease to be payable.

In the event the Investor and the Provisional Liquidators fail to reach an agreement upon the expiry of the Renegotiation Period, the RFA will terminate automatically with respect to the relevant Target Company.

Termination

Investor's right to terminate

The Investor has the right to terminate the RFA in respect of a Target Company at any time before Completion if:

- (1) any of the conditions precedent is not fulfilled (or waived with the consent of the Investor in writing) on or before the Long Stop Date, with effect from the Long Stop Date;
- (2) any relevant Government Authority issues, promulgates or enforces any law, regulation, rule, policy, order or notice that prohibits the completion of the Transactions of that Target Company, or proposes any amendments or additional conditions to the terms of the RFA which constitute an alteration of the nature of the Transactions of that Target Company which the parties to the RFA do not accept or do not within 30 days or such other agreed period of time reach an agreement to amend or supplement the terms of the RFA to be in compliance, with effect from the expiry of such period;
- (3) that Target Company is in material breach of the RFA and fails to cure the breach to the satisfaction of the Investor within 10 Business Days (or another date as agreed between the Target Company and the Investor) after receiving a notice of breach in writing from the Investor, with effect from the expiry of such period;
- (4) the occurrence of any accident and/or other misconduct of that Target Company or in relation to any of its Existing Projects that has not been Disclosed which in the sole opinion of the Investor can reasonably be expected to have a material adverse impact on any of that Target Company's Licences (including without limitation, the renewal of any of them upon expiry or eligibility to participate in any tenders), with effect from the Long Stop Date;

- (5) the rejection, prior to Completion, of any renewal application of any Licence that has expired or is due to expire at any time prior to Completion and/or any delay in application for renewal in the ordinary course of business, with effect from the Long Stop Date.

Additionally, if the Scheme Effective Date has not occurred for any Scheme by the Long Stop Date, the Investor may terminate the RFA in its entirety.

Target Company's right to terminate

A Target Company has the right to terminate the RFA with respect to its relevant Subscription at any time before Completion if:

- (1) any relevant Government Authority issues, promulgates or enforces any law, regulation, rule, policy, order or notice that prohibits the completion of the Transactions of that Target Company, or proposes any amendments or additional conditions to the terms of the RFA which constitute an alteration of the nature of the Transactions of that Target Company which the parties to the RFA do not accept or do not within 30 days or such other agreed period of time reach an agreement to amend or supplement the terms of the RFA to be in compliance, with effect from the expiry of such period;
- (2) the Investor fails to make or procure to make any payment of the deposits or the Upfront Restructuring Costs, and fails to cure such breach to the satisfaction of the Target Company or the Provisional Liquidators within 10 Business Days after receiving a notice of breach in writing from the Target Companies or the Provisional Liquidators;
- (3) the Investor is in material breach of the RFA and fails to cure the breach to the satisfaction of the Target Company and Provisional Liquidators within 10 Business Days after receiving a notice of breach in writing from the Target Companies or the Provisional Liquidators.

Each of the Investor and any Target Company also has the right to terminate the RFA if Completion in respect of any Target Company does not take place on the Completion Date due to the Investor or Target Company's failure to comply with its completion obligations or breach of any of its warranties.

Unless otherwise terminated in accordance with the RFA, the RFA may be terminated upon mutual written consent of all of the Investor, the Target Companies and the Vendors.

The RFA shall terminate automatically with respect to the relevant Target Company:

- (1) immediately after the Long Stop Date if Completion has not taken place by that date with respect to such Target Company; or
- (2) upon the expiry of the Renegotiation Period.

Upon termination, the rights and obligations of the Investor and that Target Company and its Vendor(s) is to cease immediately, except that any right for the refund of monies or to break costs is to continue in full force in relation to that Target Company's Subscription and Transfer. For the avoidance of doubt, upon payment of the break costs (if applicable), the Investor will not have any further obligation to pay any deposit or Upfront Restructuring Costs that was due and unpaid as at the date of termination, and all rights of that Target Company or its Scheme Company will forthwith cease and determine.

INFORMATION ON THE TARGET COMPANIES AND FINANCIAL EFFECTS OF THE TRANSACTIONS

The Target Companies comprised PYCC, PYGC, PYCE and PYEM. The Target Companies held a variety of construction Licences (some under suspension which is to be uplifted as a condition precedent to Completion), including Group C licences for buildings, roads & drainage, site formation and water works (for PYCC and PYGC); Group CP licence for port works, landslip prevention works (for PYCC and PYCE) and Group II Licence for land piling works (for PYCC and PYCE), electrical and mechanical works (for PYEM) with the Development Bureau; licences for general building contractor works, foundation works and site formation works with the Buildings Department and NW2 and NW1 building (new works) licences with the Housing Authority (for PYCC, PYCE and PYGC). The Investor has been informed that the rectification period for the Housing Authority licences may have expired. Should those licences be revoked, lapsed, terminated or withdrawn in respect of any Target Company, the Renegotiation Period will commence.

Based on information provided by the Provisional Liquidators and the Target Companies, the Target Companies, namely PYCC and PYCE, had as at the date of the RFA, an aggregate of 15 ongoing projects undertaken through joint ventures which are expected to be completed between October 2026 and March 2034, while PYGC and PYEM do not have any live projects. Amongst them, 11 projects have either been novated to third parties or the joint venture partner has taken over operations of the project or the Target Company has been excluded under the terms of the relevant joint venture (whereby the relevant joint venture partner has excluded the relevant Target Company from management of the joint venture and profit-sharing), 3 projects that are due to be completed towards the end of 2026 or 2027 are expected to be subject to novation/ exclusion/ appropriate indemnities as contemplated under

condition precedent (8) to Completion and/or Scheme and 1 project (being the Kai Tak Project) remains operational under a joint venture to which a Target Company is party, the economic benefits and rights to which are to be transferred to the relevant Scheme Company. All of these ongoing projects (including their related liabilities) are to be subject to transfers and indemnities as part of the pre-Completion restructuring condition precedent.

The net profit/loss (before and after taxation) of each of the Target Companies for the two years ended 31 March 2025 and 2026, based on each of their respective unaudited financial statements prepared in accordance with Hong Kong Financial Reporting Standards, were as follows:

	For the year ended	
	31 March	
	2025	2026
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
PYCC		
Net profit/(loss) before taxation	(670,264)	(282,428)
Net profit/(loss) after taxation	(667,376)	(283,931)
PYGC		
Net profit/(loss) before taxation	(664,149)	(2,595)
Net profit/(loss) after taxation	(664,149)	(2,595)
PYCE		
Net profit/(loss) before taxation	189,982	(698)
Net profit/(loss) after taxation	189,982	(698)
PYEM		
Net profit/(loss) before taxation	(42,497)	(2,879)
Net profit/(loss) after taxation	(42,497)	(2,879)

The unaudited net asset value of each of the Target Companies as at 31 March 2026, based on their respective unaudited financial statements, amounted to approximately: (i) HK\$862,050,000 for PYCC; (ii) HK\$90,854,000 for PYGC; (iii) HK\$517,655,000 for PYCE; and (iv) HK\$43,398,000 for PYEM. The unaudited balance sheets of the Target Companies have not recorded any value to their Licences.

Following Completion in respect of any Target Company, that Target Company will become a subsidiary of Build King (except that (i) 45 ordinary shares in PYEM out of 60 million ordinary shares in issue; and (ii) 49,999,998 non-voting preferred shares in PYCC out of 50 million non-voting preferred shares and 1.56 billion

ordinary shares in issue, in each case, immediately upon Completion being held by two third party shareholders which have been liquidated and are therefore held *bona vacantia*) and will in any event be consolidated in Build King's consolidated financial statements.

The RFA provides for the Provisional Liquidators, in their capacity as the Scheme Administrators (if so appointed) to have those shares held *bona vacantia* to be transferred to the Investor at the cost of the relevant Scheme Company. The preferred shares of PYCC carry no voting rights and give their holders fixed non-cumulative dividends at the rate of 5% per annum for any financial year in respect of which net profits available for dividend (as certified by auditors of PYCC) exceed HK\$100 billion and entitlement upon winding up the return of capital paid up on the non-voting shares (of nominal value HK\$1) out of surplus assets after HK\$10 billion has been paid to ordinary shareholders.

INFORMATION ON THE PARTIES AND REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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

Build King is an investment holding company and its group companies are principally engaged in the undertaking of construction projects in Hong Kong and the PRC and are also engaged in environmental and waste management and marine engineering. PrimeStone, a wholly-owned subsidiary of Build King, is principally engaged in investment holding. BK Group currently holds, amongst others, Group C licences for buildings, port works, roads and drainage, site formation and water works, specialist Licences for structural steelwork, land piling works (Group II), landslip prevention works (Group II on probation), electrical installation (Group III), air-conditioning installation (Group II on probation), and fire service installation (Group II) with the Development Bureau; and licences for general building contractor works, foundation works, site formation works and ventilation works with the Buildings Department.

The Target Companies comprised PYCC, PYGC, PYCE and PYEM, all of which are incorporated in Hong Kong and are principally engaged in construction works.

The Vendors comprised PYC International, Victory Box, Everboom, PY Builders and PY Management, all of which are incorporated in the British Virgin Islands (save for PY Builders and PY Management which were incorporated in Hong Kong) and are principally engaged in investment holding.

Completion in respect of any Target Company can strengthen BK Group's strategic and operational growth by enabling BK Group to acquire that Target Company that could expand BK Group's capacity to tender for a greater range of projects (following re-capitalisation of each relevant Target Company and the normalisation of their licenced operations) and to manage project related risks and operational efficiencies at a reasonable cost of acquisition. In addition to those Licences held by Target Companies which are not currently held by a member of BK Group, subject to the relevant Completion taking place, having extra entity/entities in BK Group that holds the same type of Licence can provide more flexibility (i) in managing the risk of suspension of ability to tender for new projects that can happen due to, for example, unforeseen accidents despite the stringent health and safety measures implemented by BK Group at its project sites or (ii) (based on the relevant combination of Licences held) in having each relevant entity in BK Group tender for construction works on a solo basis, whether or not sub-contracted to others, or in joint venture with fellow subsidiaries or external parties.

In light of the above, the directors of Build King are of the view that the RFA are on normal commercial terms, the transactions contemplated thereunder are fair and reasonable, and are in the interests of Build King and its shareholders as a whole.

Based on the foregoing, the directors of Wai Kee are also of the view that the RFA are on normal commercial terms, the transactions contemplated thereunder are fair and reasonable, and are in the interests of Wai Kee and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Subscriptions and Transfers (on an aggregated basis pursuant to Rule 14.22 of the Listing Rules) exceed 5% but less than 25% to both Build King (a listed subsidiary of Wai Kee) and Wai Kee, the Subscriptions and Transfers constitute a discloseable transaction of Build King and Wai Kee under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Allocation”	as between each Scheme Company and Vendor(s) in relation to a Target Company, the allocation of 99.9:0.1 regarding the amount of Consideration payable (rounded to the nearest integral HK\$)
“BK Group”	Build King and its subsidiaries from time to time
“Board”	the board of directors
“Build King”	Build King Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00240)
“Business Day(s)”	a day on which banks in Hong Kong are open for normal banking business (other than a Saturday, a Sunday or public holidays)
“Claim(s)”	in respect of a Target Company, any debt, liability or obligation of that Target Company, whether known or unknown, whether present or future, whether certain or contingent, whether liquidated or unliquidated and which includes without limitation a debt or liability to pay money or money’s worth, any liability under any statute or enactment, any liability for breach of trust, any liability in contract, tort or bailment and any liability arising out of an obligation to make restitution which would be admissible to proof in a compulsory winding-up of that Target Company under the Companies Ordinance
“Companies Ordinance”	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended from time to time
“Completion”	in respect of a Target Company, the completion of the Transaction in respect of that Target Company in accordance with the terms of the RFA and “Completion Date” is the date on which such completion takes place

“Consideration”	in respect of each Scheme Company or Vendor (as the case may be), the consideration based on the Allocation payable to it in relation to the new shares to be issued by its corresponding Target Company or the Existing Shares in the corresponding Target Company sold by it as set out in the RFA
“Convening Order”	in relation to the Scheme of a Target Company, the order of the Court directing that a meeting of the Creditors of that Target Company be convened for the purpose of considering and, if thought fit, approving (with or without modification or condition approved and imposed by the Court) the Schemes under Section 670 of the Companies Ordinance
“Court”	the High Court of Hong Kong
“Creditor(s)”	in relation to a Target Company, any person to whom or which that Target Company owes a Claim
“Deferred Consideration”	10% of the aggregate consideration payable to each of the Target Companies after Completion according to the terms of the RFA
“Disclosed”	in relation to a Target Company, such information fully and fairly disclosed in writing in a list of disclosed items on or before the date of the RFA by or on behalf of that Target Company and signed by the Provisional Liquidators and the Investor for identification purposes
“Everboom”	Everboom International Limited, a company incorporated in the British Virgin Islands with limited liability and the shareholder of approximately 99.999999% of the Existing Shares of PYGC

“Excluded Creditor(s)”	in relation to a Target Company (i) its preferential creditors to the extent of their preferential claims; (ii) its Secured Creditors to the extent of their secured portion as Disclosed (to the extent known to the Provisional Liquidators as at the date of the RFA); and (iii) any of its Creditors specifically designated by the Provisional Liquidators (and agreed by the Investor in writing) to be excluded from the Schemes
“Existing Project(s)”	in relation to a Target Company, each existing construction project of that Target Company Disclosed, whose rights and obligations have been or are to be transferred or novated to the relevant Scheme Company, or if such transfer or novation is not practicable, to be managed by the Scheme Administrators pursuant to a power of attorney, declaration of trust or similar arrangement to the satisfaction of the Investor in relation to liabilities and/or obligations of that Target Company
“Existing Shares”	the existing shares in each Target Company held by the relevant Vendor(s) as of the date of the RFA
“Government Authority(ies)”	any national, provincial, municipal or local government, administrative or regulatory body or department, court or judicial bodies, tribunal, arbitrator or anybody that exercises the function of a regulator whether in Hong Kong or elsewhere, including without limitation the Development Bureau, Buildings Department and Housing Authority of Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Kai Tak Project”	Kai Tak district cooling systems (DCS) project, awarded by the Government of Hong Kong, Electrical and Mechanical Services Department to Paul Y. - Qianhai Joint Venture, which is an unincorporated joint venture between PYCC, PYE General Contractors (Macau) Limited and 深圳市前海能源科技發展有限公司
“Licence(s)”	Licences, permit or bidding and contractor status and other material accreditations or certifications (including ISO certifications) of a Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2027, or such other date as the Investor may agree with the relevant Target Company, Vendor(s) and the Provisional Liquidators in writing
“PRC”	the People’s Republic of China, and for the purpose of this joint announcement only, does not include Hong Kong, Macao Special Administrative Region and Taiwan
“PrimeStone” or “Investor”	PrimeStone Capital Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Build King
“Provisional Liquidators” or “Scheme Administrators”	Mr. So Man Chun and Mr. Jong Yat Kit of PricewaterhouseCoopers
“PY Builders”	Paul Y. Builders Group Limited, a company incorporated in Hong Kong with limited liability and the shareholder of approximately 99.9999% of the Existing Shares of PYEM
“PYCC”	Paul Y. Construction Company, Limited (Provisional Liquidators appointed), a company incorporated in Hong Kong with limited liability
“PYCE”	Paul Y. Construction & Engineering Co. Limited (Provisional Liquidators appointed), a company incorporated in Hong Kong with limited liability

“PYC International”	Paul Y. Construction International Limited, a company incorporated in the British Virgin Islands with limited liability and the shareholder of approximately 96.89% of the Existing Shares of PYCC
“PYEM”	Paul Y. (E&M) Contractors Limited (Provisional Liquidators appointed), a company incorporated in Hong Kong with limited liability
“PYGC”	Paul Y. General Contractors Limited (Provisional Liquidators appointed), a company incorporated in Hong Kong with limited liability
“PY Management”	Paul Y. Management Limited (In Liquidation), a company incorporated in Hong Kong and the shareholder of approximately 0.00000006%, 0.000001% and 0.000002% of the Existing Shares of PYCC, PYEM and PYGC respectively
“Renegotiation Period”	means the renegotiation period to negotiate in good faith the consideration payable upon revocation or termination of any Licence by the relevant Government Authority prior to Completion stated in the section headed “The RFA — Validity of Licences — Revocation or Termination of Licences by the relevant Government Authorities” in this joint announcement
“Restructuring”	in relation to any Target Company, the restructuring of that Target Company’s indebtedness through its Scheme
“Restructuring Costs”	in relation to any Target Company, the costs, charges, expenses and disbursements incurred on behalf of that Target Company by the Provisional Liquidators and its advisers in connection with its Restructuring
“Restructuring Documents”	in relation to the Restructuring of a Target Company, the documents to be entered into by that Target Company and other parties to implement that Restructuring (in such form and substance to the satisfaction of the Investor)

“RFA”	the restructuring framework agreement dated 23 July 2026 entered into amongst the Investor, the Target Companies, the Vendors and the Provisional Liquidators
“Sanction Order”	in relation to any Target Company the order of the Court sanctioning the Scheme of that Target Company (with or without modification) under section 673 of the Companies Ordinance
“Scheme(s)”	in respect of each Target Company, the scheme of arrangement proposed to be effected between the Target Company and its Scheme Creditors (including the RFA) pursuant to sections 670, 673 and 674 of the Companies Ordinance, subject to, any modification, addition or conditions approved or imposed by the Court and agreed in writing by the Investor
“Scheme Company(ies)”	the scheme company to be established for the Scheme of each of PYCC, PYGC, PYCE and PYEM
“Scheme Creditors”	in relation to a Target Company, its Creditors holding the Scheme Debts (but not including the Excluded Creditors)
“Scheme Debt(s)”	in relation to a Target Company, those Claims to be listed in the relevant scheme documents of its Scheme, which includes Claims of its Unsecured Creditors but excludes any Claim that belong to the Excluded Creditors
“Scheme Effective Date”	in relation to the Scheme of a Target Company, the date on which office copies of the Sanction Order are registered with the Registrar of Companies in Hong Kong
“Secured Creditors”	in relation to each Target Company, those of its Scheme Creditors holding security or collateral over the Scheme Debts
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription(s)”	in relation to each Target Company, the subscription by the Investor or its nominee of the Target Shares of that Target Company
“Target Company(ies)”	each of PYCC, PYCE, PYGC and PYEM
“Target Shares”	in relation to each Target Company, the new shares to be issued and allotted by it to the Investor or its nominee pursuant to the RFA, following which the Investor or its nominee will hold 99.9% of the enlarged issued share capital of each Target Company as enlarged by such issue
“Transaction(s)”	in relation to each Target Company, the transactions contemplated by the RFA, including (among others) the implementation of its Scheme, its Restructuring, the Subscription and the Transfer
“Transfer(s)”	in relation to each Target Company, the transfer by the Vendor(s) of the Existing Shares of that Target Company held by such Vendor(s) to the Investor or its nominee
“Unsecured Creditors”	in relation to each Target Company, those of its Scheme Creditors holding unsecured claims of its Scheme Debts, including (among others) (i) any of its unsecured bank lenders, trade creditors, subcontractors, suppliers and lessors (to whom rent is due and owing), (ii) its creditors holding any unsecured contingent or future claims against such Target Company, (iii) its Secured Creditors (in respect only of the unsecured portion of their Claims, being the value of their secured Claim less the agreed estimated value of the relevant collateral), and (iv) those creditors holding any guaranteed Claims against it, but excluding the Excluded Creditors

“Upfront Restructuring Costs”	the costs of the Restructuring to be paid or caused to be paid by the Investor by way of contribution towards the Restructuring Costs in the amounts prescribed for and in accordance with the milestones stated in the section headed “The RFA — Consideration, Payment Terms and Contribution to Expenses” in this joint announcement
“Vendor(s)”	each of PY Builders, PY Management, Everboom, PYC International and Victory Box
“Victory Box”	Victory Box Limited, a company incorporated in the British Virgin Islands with limited liability and the sole shareholder of PYCE
“Wai Kee”	Wai Kee Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 610)
“%”	per cent

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

By Order of the Board
Build King Holdings Limited
Chan Chi Ming
Company Secretary

Hong Kong, 23 July 2026

As at the date of this joint announcement, the Board of Wai Kee comprises three executive directors, namely Mr. Derek Zen Wei Peu, Miss Anriena Chiu Wai Yee and Mr. Hayley Zen Chung Hei, and three independent non-executive directors, namely 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 Build King comprises four executive directors, namely Mr. Zen Wei Peu, Derek, Mr. Lui Yau Chun, Paul, Mr. Tsui Wai Tim and Mr. Chan Chi Ming, three non-executive directors, namely Mr. David Howard Gem, Mr. Chan Chi Hung, Anthony and Mr. Chang Kam Chuen, Desmond, 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.