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BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

DISCLOSEABLE AND CONNECTED TRANSACTION

On 11 October 2013, Leader Construction (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement for the purchase of the Sale Shares by Leader Construction from Talent Ground. Completion took place immediately after the signing of the Sale and Purchase Agreement, whereupon Champ Foundation became a wholly-owned subsidiary of the Company.

As at the date of this announcement, Talent Ground is a 49% shareholder of Champ Foundation and Leader Construction owns the remaining 51% of Champ Foundation. Accordingly, Talent Ground is a substantial shareholder of a subsidiary of the Company and therefore a connected person of the Company under the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) of the value of Champ Foundation are less than 5% for the latest financial year and the consideration ratio is less than 10%, the transactions under the Sale and Purchase Agreement are exempted from the reporting and independent shareholders' approval requirements of Chapter 14A of the Listing Rules pursuant to Rule 14A.31(9). However, as the consideration ratio exceeds 5% but is less than 25%, the Sale and Purchase Agreement is subject to the announcement requirements under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 11 October 2013, Leader Construction (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement for the purchase of the Sale Shares by Leader Construction from Talent Ground. Completion took place immediately after the signing of the Sale and Purchase Agreement, whereupon Champ Foundation became a wholly-owned subsidiary of the Company. The principal terms of the Sale and Purchase Agreement are set out below:

Date: 11 October 2013

Purchaser: Leader Construction

Vendor: Talent Ground

Assets being sold: Sale Shares representing 49% of the total issued share capital of Champ Foundation

Consideration: HK\$11,760,000, payable in cash on Completion

The terms of the Sale and Purchase Agreement were arrived at after arm's length negotiations between the parties. The Board believes that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The consideration was determined by reference to the net asset value of Champ Foundation and potential synergetic effect on existing construction business. No independent valuation has been performed on Champ Foundation.

The unaudited net asset value of Champ Foundation as at 31 August 2013 was HK\$23,700,000. The audited net profits (losses) before and after taxation and extraordinary items attributable to owners of Champ Foundation for the financial years ended 31 December 2011 and 31 December 2012 were as follows:

	Financial year ended 31 December 2011 HK\$	Financial year ended 31 December 2012 HK\$
Net profits (losses) before taxation and extraordinary items attributable to owners of Champ Foundation	4,040,000	(293,000)
Net profits (losses) after taxation and extraordinary items attributable to owners of Champ Foundation	3,370,000	(244,000)

REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE AGREEMENT

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

Leader Construction is a wholly-owned subsidiary of the Company and is an investment holding company. Champ Foundation is engaged in the business of foundation construction in Hong Kong.

The Board considers that the acquisition of the Sale Shares will enable the Group to consolidate 100% control over Champ Foundation and would facilitate further development of foundation business.

COMPLIANCE WITH LISTING RULES

As at the date of this announcement, Talent Ground is a 49% shareholder of Champ Foundation and Leader Construction owns the remaining 51% of Champ Foundation. Accordingly, Talent Ground is a substantial shareholder of a subsidiary of the Company and therefore a connected person of the Company under the Listing Rules. Based on enquiry and information available from Talent Ground, Talent Ground is an investment holding company and is wholly-owned by Mr. Pui Sze Wah.

As the applicable percentage ratios (as defined in the Listing Rules) of the value of Champ Foundation are less than 5% for the latest financial year and the consideration ratio is less than 10%, the transactions under the Sale and Purchase Agreement are exempted from the reporting and independent shareholders' approval requirements of Chapter 14A of the Listing Rules pursuant to Rule 14A.31(9). However, as the consideration ratio exceeds 5% but is less than 25%, the Sale and Purchase Agreement is subject to the announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set forth opposite them:

“Board”	the board of Directors
“Champ Foundation”	Champ Foundation Limited, a limited liability company incorporated in Hong Kong and owned as to 51% by Leader Construction and 49% by Talent Ground as at the date of this announcement
“Company”	Build King Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 240)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Sale and Purchase Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Leader Construction”	Leader Construction Company Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement between Leader Construction and Talent Ground for the sale and purchase of the Sale Shares dated 11 October 2013
“Sale Shares”	the 9,800,000 ordinary shares of HK\$1.00 each in the share capital of Champ Foundation
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Talent Ground”	Talent Ground Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned company of Mr. Pui Sze Wah

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

Hong Kong, 11 October 2013

As at the date hereof, the Board comprises two executive Directors, namely Mr. Zen Wei Peu, Derek and Mr. Chang Kam Chuen, Desmond, three non-executive Directors, namely Mr. David Howard Gem, Dr. Cheng Chi Pang, Leslie and Mr. Chan Chi Hung, Anthony, and three independent non-executive Directors, namely Dr. Chow Ming Kuen, Joseph, Mr. Ng Chi Ming, James and Mr. Ho Tai Wai, David.