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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Win Win Way Construction Holdings Ltd., you should at once hand this circular and the enclosed proxy form to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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Win Win Way Construction Holdings Ltd. 恆誠建築控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 994)

(1) CONNECTED TRANSACTION; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent financial adviser to the
Independent Board Committee and Independent Shareholders**



中國農信財務顧問有限公司
China AF Corporate Finance Limited

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the content requires otherwise. A letter from the Board is set out on pages 5 to 12 of this circular.

A letter from the Independent Board Committee is set out on pages 13 to 14 of this circular.

A letter from China AF containing its advice to the Independent Board Committee and Independent Shareholders is set out on pages 15 to 22 of this circular.

A notice convening the EGM to be held at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong at 11:00 a.m. on 29 December 2017 is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the meeting or any adjournment thereof, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof to the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment meeting if you so wish.

12 December 2017

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	13
Letter from China AF	15
Appendix I – General Information	I-1
Notice of the EGM	EGM-1

DEFINITIONS

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

“Announcements”	the Company’s announcements dated 15 November 2017, 28 November 2017, 5 December 2017 and 8 December 2017, which disclosed, among other things, (i) the entering into of the Supplemental PHC Piles Purchase Agreement; (ii) the entering into of the New PHC Piles Purchase Agreement; (iii) the entering into of the Paul Tong Framework Consultancy Agreement; and (iv) the terms and conditions of the transactions contemplated under the Purchase Agreements and the Paul Tong Framework Consultancy Agreement which constitute connected transactions and continuing connected transaction for the Company under the Listing Rules, respectively
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“China AF”	China AF Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the New PHC Piles Purchase Agreement
“Company”	Win Win Way Construction Holdings Ltd., a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 994)

DEFINITIONS

“Condover Assets”	Condover Assets Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, a controlling shareholder of the Company holding 75% of the total issued share capital of the Company, which is wholly-owned as to approximately 33.33% by Dr. Kan, approximately 33.33% by Mr. SM Lee and approximately 33.33% by Mr. Wong
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Kan”	Dr. Kan Hou Sek, Jim, a controlling shareholder of the Company and an executive Director who beneficially owns approximately 33.33% of issued share capital of Condover Assets which in turn holds 75% of the total issued share capital of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve the transactions contemplated under the New PHC Piles Purchase Agreement
“Existing PHC Piles Purchase Agreement”	the purchase agreement dated 1 March 2017 and the supplemental purchase agreement dated 24 June 2017 entered into between WWW Materials and GZYC in respect of the purchase of PHC Piles and steel cross shoes for the period from 27 March 2017 to the financial year ending 31 December 2017
“GZYC”	廣州羊城管樁有限公司, a company established in the PRC, a connected person of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in connection with the transactions contemplated under the New PHC Piles Purchase Agreement
“Independent Shareholders”	Shareholders other than Dr. Kan, Ms. Poon Man Yee, Mr. SM Lee and Mr. Wong and their respective associates
“Latest Practicable Date”	8 December 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing”	the listing of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. SM Lee”	Mr. Lee Sai Man, a controlling shareholder of the Company and an executive Director who beneficially owns approximately 33.33% of issued share capital of Condover Assets which in turn holds 75% of the total issued share capital of the Company
“Mr. Wong”	Mr. Wong Siu Kwai, a controlling shareholder of the Company and an executive Director who beneficially owns approximately 33.33% of issued share capital of Condover Assets which in turn holds 75% of the total issued share capital of the Company
“New PHC Piles Purchase Agreement”	the agreement dated 15 November 2017 entered into between WWW Materials and GZYC in respect of the purchase of PHC Piles and steel cross shoes for the financial year ending 31 December 2018, or as the context may require, the New PHC Piles Purchase Agreement as supplemented by the supplemental agreement dated 8 December 2017
“Paul Tong”	Paul Tong & Associates Consulting Engineers Limited, a company incorporated in Hong Kong with limited liability, a connected person of the Company

DEFINITIONS

“Paul Tong Framework Consultancy Agreement”	the agreement dated 15 November 2017 entered into between WWW Materials and Paul Tong in respect of the provision of PHC Piles Consultancy Services
“PHC Piles”	“YANGCHENG” precast prestressed concrete piles
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus dated 30 June 2017 issued by the Company in relation the Listing
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental PHC Piles Purchase Agreement”	the agreement dated 15 November 2017 entered into between WWW Materials and GZYC in extending the expiry date under the Existing PHC Piles Purchase Agreement
“WWW Materials”	Win Win Way Materials Supply Limited (恆誠物料有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

LETTER FROM THE BOARD



Win Win Way Construction Holdings Ltd.
恆誠建築控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 994)

Chairman and executive Director:

Mr. Lee Kai Lun

Executive Directors:

Dr. Kan Hou Sek, Jim

Mr. Lee Sai Man

Mr. Wong Siu Kwai

Mr. Kwong Po Lam

Independent non-executive Directors:

Mr. Fan Siu Kay

Mr. Leung William Wai Kai

Mr. Lo Chi Leung

Registered office:

Estera Trust (Cayman) Limited

Clifton House

75 Fort Street

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Head office and principal place
of business:*

Room 902-3, 9/F.

Nan Fung Commercial Centre

19 Lam Lok Street, Kowloon Bay

Kowloon, Hong Kong

12 December 2017

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcements in respect of, among other things, the New PHC Piles Purchase Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

On 15 November 2017 (after trading hours), in light of the anticipated demand from the Group's customers for the year ending 31 December 2018, WWW Materials and GZYC entered into the New PHC Piles Purchase Agreement (as supplemented by a supplemental agreement dated 8 December 2017), pursuant to which WWW Materials has conditionally agreed to make a one-off purchase of a total of 106,000 meters of PHC Piles of four different specifications and 3,600 units of steel cross shoes from GZYC.

As the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement are entered into by the same parties within a 12-month period, the transactions contemplated under the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement are aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratio in respect of the transactions contemplated under the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement is more than 5% and the consideration under the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement is more than HK\$10,000,000, the transactions contemplated thereunder constitute connected transaction of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to (i) provide the Independent Shareholders further information in respect of the New PHC Piles Purchase Agreement; (ii) set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of China AF to the Independent Board Committee and the Independent Shareholders in respect of the New PHC Piles Purchase Agreement; and (iii) give the Independent Shareholders the notice of the EGM and other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE NEW PHC PILES PURCHASE AGREEMENT

The following sets out the principal terms of the New PHC Piles Purchase Agreement:

- Date: 15 November 2017 and 8 December 2017.
- Parties: (1) WWW Materials; and
(2) GZYC.
- Term: From 1 January 2018 or the effective date of the New PHC Piles Purchase Agreement (whichever is later) to 31 December 2018.
- Nature of Transactions: WWW Materials has conditionally agreed to make a purchase of a total of 106,000 meters of PHC Piles of four different specifications and 3,600 units of steel cross shoes from GZYC.
- Pricing basis: The aggregate purchase price of HK\$42,344,000 to be paid by the Group under the New PHC Piles Purchase Agreement comprises (i) the aggregate purchase price of HK\$39,644,000 for the 106,000 meters of PHC Piles of four different specifications; and (ii) the aggregate purchase price of HK\$2,700,000 for the 3,600 units of steel cross shoes.

As compared to the prices quoted under the Existing PHC Piles Purchase Agreement, the unit prices chargeable by GZYC for the 106,000 meters of PHC Piles under the New PHC Piles Purchase Agreement have been increased by approximately 4.5% to 5.9%, while the unit price chargeable by GZYC for the 3,600 units of steel cross shoes under the New PHC Piles Purchase Agreement has been increased by approximately 25.0%.

LETTER FROM THE BOARD

The increase in unit prices of PHC Piles and steel cross shoes, in particular steel cross shoes, is mainly attributable to the increase in the cost of raw materials, namely steel. According to the China Steel Price Index (the “CSPI”) published by the China Iron and Steel Association (中國鋼鐵工業協會) on 20 October 2017, the CSPI increased from 75.56 in September 2016 to 113.82 in September 2017, representing an increase of approximately 50.6%. Since steel is the major raw material used in producing steel cross shoes by GZYC while PHC Piles require less amount of steel in production. The extent of unit price increment for the PHC Piles is much less than that of the steel cross shoes.

The unit price of the PHC Piles and steel cross shoes in the New PHC Piles Purchase Agreement was determined through arm’s length negotiation between the parties with reference to the relevant prevailing market price of the PHC Piles and steel cross shoes offered by GZYC to the other customers of GZYC in the PRC, with a mark-up in the case of the PHC Piles ranging from 7.5% to 14.4% having considered (i) the modification required to be made to the PHC Piles, such as the density of the concrete to be used for production of the PHC Piles, in order to satisfy the requirements of the Group’s customers for use in Hong Kong; and (ii) the cost for exporting the PHC Piles for use in Hong Kong. The unit price of steel cross shoes offered by GZYC to WWW Materials under the New PHC Piles Purchase Agreement is similar to the unit price of steel cross shoes offered by GZYC to its other customers in the PRC.

Payment terms: A deposit in the sum of HK\$3 million is required to be paid by WWW Materials to GZYC within 10 days after WWW Materials makes its first delivery order in 2018. The deposit shall be applied towards the settlement of the purchase price for the last three shipments of PHC Piles and steel cross shoes.

Conditions precedent: The New PHC Piles Purchase Agreement is conditional upon (i) the Company obtaining Independent Shareholders’ approval at the EGM in accordance with the Listing Rules; (ii) all necessary consents, approval, authorisation, permit and waiver from the Stock Exchange for the entering into or the implementation or completion of the transactions contemplated under the New PHC Piles Purchase Agreement having been obtained; and (iii) WWW Materials entering into a legally-binding purchase agreement in respect of the sale of PHC Piles and steel cross shoes with its customer(s).

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW PHC PILES PURCHASE AGREEMENT

WWW Materials is the exclusive distributor of PHC Piles manufactured by GZYC for the Hong Kong region. The PHC Piles with milled slender architectural technique are a special type of piles (concrete piles as opposed to the typical steel piles used for foundation works) used for certain geological areas (i.e. different soil type) such as Tin Shui Wai and Yuen Long in Hong Kong to minimise vibration during foundation works (i.e. minimise any impact on soil and nearby buildings and structures). There are no suppliers of such PHC Piles in Hong Kong other than WWW Materials.

WWW Materials had previously entered into the procurement agreements, including the Existing PHC Piles Purchase Agreement, and purchased PHC Piles and matching steel cross shoes manufactured by GZYC. However, the customers' demand for such PHC Piles has not been constant as it depends on any development of the relevant geological areas and the Group's customers typically place the orders for PHC Piles in batches at different stages throughout the construction project.

To satisfy the anticipated demand of the PHC Piles and steel cross shoes from the Group's customers for the year ending 31 December 2018, WWW Materials and GZYC agreed to enter into the New PHC Piles Purchase Agreement for the purchase of additional PHC Piles and steel cross shoes. The anticipated demand of the PHC Piles and steel cross shoes for the year ending 31 December 2018 is determined based on quotation requests received by the Group. From August 2017 and up to 15 November 2017, the Group received quotation requests from six customers, who are bidding for the same development project in Hong Kong; of which the largest quotation was for 95,778 meters of PHC Piles and 3,252 units of steel cross shoes, respectively. An additional of 10% buffer for each of PHC Piles and steel cross shoes is also taken into account in case of sudden changes in demand.

The Directors (excluding the independent non-executive Directors whose view is subject to the advice from China AF) consider it beneficial to the Group to conduct the connected transaction contemplated under the New PHC Piles Purchase Agreement given that they are in line with the Group's ordinary and usual course of business.

In light of the above, the Directors (excluding the independent non-executive Directors whose view is subject to the advice from China AF) consider that the New PHC Piles Purchase Agreement has been entered into/arrived at (a) in the ordinary and usual course of the business of the Company; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ABOUT THE PARTIES

The Group is a construction company principally providing foundation works and ancillary services, as well as general building works in Hong Kong. The Group also trades piles in Hong Kong, with WWW Materials being the exclusive distributor of PHC Piles manufactured by GZYC for the Hong Kong region.

GZYC is a manufacturer of “YANGCHENG” precast prestressed concrete piles in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this circular, GZYC is a 30%-controlled company held indirectly by Dr. Kan, Ms. Poon Man Yee (who is Dr. Kan’s spouse) on behalf of Dr. Kan, Mr. SM Lee and Mr. Wong, and is therefore an associate of Dr. Kan, Mr. SM Lee and Mr. Wong and a connected person of the Company under Chapter 14A of the Listing Rules.

As the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement are entered into by the same parties within a 12-month period, the transactions contemplated under the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement are aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratio in respect of the transactions contemplated under the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement is more than 5% and the consideration under the Existing PHC Piles Purchase Agreement (supplemented by the Supplemental PHC Piles Purchase Agreement) and the New PHC Piles Purchase Agreement is more than HK\$10,000,000, the transactions contemplated thereunder constitute connected transaction of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Each of Dr. Kan, Mr. SM Lee and Mr. Wong, being an executive Director, has abstained from voting on the resolution to approve the New PHC Piles Purchase Agreement and the transactions contemplated thereunder at the relevant meeting of the Board. Save as disclosed above, none of the Directors has any material interest in the New PHC Piles Purchase Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

EGM

The notice of EGM is set out on pages EGM-1 to EGM-3 of this circular. The EGM will be convened by the Company at 11:00 a.m. on 29 December 2017 at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong. At the EGM, an ordinary resolution will be proposed and, if thought fit, passed to approve the New PHC Piles Purchase Agreement, the transactions contemplated thereunder by poll.

Any Shareholder with a material interest in the New PHC Piles Purchase Agreement and the transactions contemplated thereunder, shall not vote on the resolution in relation to the New PHC Piles Purchase Agreement proposed at the EGM.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the Latest Practicable Date, save for Dr. Kan, Mr. SM Lee and Mr. Wong and their respective associates, no other Shareholder was required to abstain from voting on the resolution for approving the New PHC Piles Purchase Agreement and the transactions contemplated thereunder at the EGM.

As at the Latest Practicable Date, Condover Assets held 75% of the issued share capital of the Company. Condover Assets is wholly-owned as to approximately 33.33% by Dr. Kan, approximately 33.33% by Mr. SM Lee and approximately 33.33% by Mr. Wong. Therefore, each of Dr. Kan, Mr. SM Lee and Mr. Wong is deemed to be interested in 75% of the issued share capital of the Company.

A form of proxy for use at the EGM is also enclosed herewith. Whether or not you intend to attend the EGM, you are advised to read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and return the form of proxy to the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders at the EGM will be taken by poll and the announcement on the results of which will be published on the websites of the Company and of the Stock Exchange following the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 13 to 14 of this circular which contains its recommendation to the Independent Shareholders on the terms of the New PHC Piles Purchase Agreement and the transactions contemplated thereunder; and (ii) the letter of advice from China AF as set out on pages 15 to 22 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the New PHC Piles Purchase Agreement and the transactions contemplated thereunder together with the principal factors and reasons considered by it in concluding its advice.

Having considered the factors mentioned above, the Directors (including the independent non-executive Directors) are of the view that the terms of the New PHC Piles Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the New PHC Piles Purchase Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the appendix to this circular and the notice of the EGM.

Yours faithfully,
By order of the Board
Win Win Way Construction Holdings Ltd.
Lee Kai Lun
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Win Win Way Construction Holdings Ltd.

恆誠建築控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 994)

12 December 2017

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

We refer to the circular dated 12 December 2017 of the Company (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders as to whether, in our opinion, the terms of the New PHC Piles Purchase Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned. China AF has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New PHC Piles Purchase Agreement and the transactions contemplated thereunder.

We wish to draw your attention to the “Letter from the Board” set out on pages 5 to 12 of the Circular which contains, inter alia, information on the New PHC Piles Purchase Agreement and the transactions contemplated thereunder, as well as the letter from China AF set out on pages 15 to 22 of the Circular which contains its advice in respect of the terms of the New PHC Piles Purchase Agreement and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of China AF, we consider that (i) the terms of the New PHC Piles Purchase Agreement are on normal commercial terms or better, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole; and (ii) the transactions contemplated under the New PHC Piles Purchase Agreement will be carried out in the ordinary and usual course of business of the Company. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New PHC Piles Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

Independent Board Committee

Fan Siu Kay

Independent non-executive

Director

Leung William Wai Kai

Independent non-executive

Director

Lo Chi Leung

Independent non-executive

Director

LETTER FROM CHINA AF

The following is the text of a letter of advice from China AF Corporate Finance Limited to the Independent Board Committee and the Independent Shareholders, in connection with the connected transaction contemplated under the New PHC Piles Purchase Agreement, which has been prepared for the purpose of inclusion in this circular.



China AF Corporate Finance Limited
Units 2303-2306, 23/F.,
Great Eagle Centre
23 Harbour Road
Wanchai
H.K.
中國農信財務顧問有限公司
香港灣仔港灣道23號鷹君中心
23樓2303-2306室

12 December 2017

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE NEW PHC PILES PURCHASE AGREEMENT

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the connected transaction contemplated under the New PHC Piles Purchase Agreement (the “**Connected Transaction**”). Details of, among other things, the Connected Transaction are set out in the letter from the Board (the “**Board’s Letter**”) contained in the circular of the Company to the Shareholders dated 12 December 2017 (the “**Circular**”), of which this letter forms part. We, China AF Corporate Finance Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether: (i) the Connected Transaction is in the ordinary and usual course of business of the Group; (ii) the terms of the New PHC Piles Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the entering into of the New PHC Piles Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM CHINA AF

Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

GZYC, the supplier of PHC Piles and steel cross shoes to WWW Materials under the New PHC Piles Purchase Agreement, is a 30%-controlled company held indirectly by Dr. Kan, Ms. Poon Man Yee (who is Dr. Kan's spouse) on behalf of Dr. Kan, Mr. SM Lee and Mr. Wong, and is therefore an associate of Dr. Kan, Mr. SM Lee and Mr. Wong and a connected person of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Connected Transaction is more than 5% and the consideration under the New PHC Piles Purchase Agreement is more than HK\$10,000,000, the New PHC Piles Purchase Agreement and the Connected Transaction contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Fan Siu Kay, Mr. Leung William Wai Kai and Mr. Lo Chi Leung, has been established for the purpose to consider and to make recommendation to the Independent Shareholders on whether (i) the Connected Transaction is in the ordinary and usual course of business of the Group; (ii) the terms of the New PHC Piles Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the entering into of the New PHC Piles Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

In formulating our opinion, we have reviewed, among other things, (i) prospectus of the Company dated 30 June 2017 (the "**Prospectus**"); and (ii) the announcement of the Company dated 15 November 2017 in relation to the Connected Transaction (the "**Announcement**"). We have further relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group (the "**Management**") and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the EGM. The Company also confirmed that no material facts have been omitted from the information and facts supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been withheld, nor to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

LETTER FROM CHINA AF

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation on the Connected Transaction, we have taken into account the following principal factors and reasons:

1. Background of and reasons for the Connected Transaction

The Company was incorporated in the Cayman Islands with limited liability and the Shares are listed on the main board of the Stock Exchange. The Group is a construction company and principally engaged in the provision of foundation works, ancillary services and general building works in Hong Kong. The Group also trades piles in Hong Kong, with WWW Materials being the exclusive distributor of PHC Piles manufactured by GZYC for the Hong Kong Region.

WWW Materials, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, is principally engaged in trading of piles.

GZYC, as the supplier under the New PHC Piles Purchase Agreement, is a company established in the PRC and the manufacturer of PHC Piles and steel cross shoes.

WWW Materials is the exclusive distributor of PHC Piles manufactured by GZYC for the Hong Kong region. The PHC Piles with milled slender architectural technique are a special type of piles (concrete piles as opposed to the typical steel piles used for foundation works) used for certain geological areas (i.e. different soil type) such as Tin Shui Wai and Yuen Long in Hong Kong to minimise vibration during foundation works (i.e. minimise any impact on soil and nearby buildings and structures). As advised by the Management, there are no suppliers of such PHC Piles in Hong Kong other than WWW Materials.

To satisfy the anticipated demand of the PHC Piles and steel cross shoes from the Group's customers for the year ending 31 December 2018 based on quotation requests made by such customers as at the date of the Announcement, WWW Materials and GZYC agreed to enter into the New PHC Piles Purchase Agreement for the purchase of an additional of 106,000 meters of PHC Piles of four different specifications (the "**Additional PHC Piles**") and 3,600 units of steel cross shoes (the "**Additional Steel Cross Shoes**") for the year ending 31 December 2018.

LETTER FROM CHINA AF

In light of the above and having considered that, in particular, (i) the principal business of WWW Materials is the trading of piles; (ii) WWW Materials is the exclusive distributor of PHC Piles manufactured by GZYC for the Hong Kong region and constructors or developers which required PHC Piles manufactured by GZYC for constructions in Hong Kong would have to purchase from WWW Materials; (iii) the quantities of the Additional PHC Piles and Additional Steel Cross Shoes required under the New PHC Piles Purchase Agreement are determined based on back-to-back quotation requests made by the Group's customers as at the Latest Practicable Date; and (iv) the entering into of the New PHC Piles Purchase Agreement allows the Group to ensure the supply of the necessary PHC Piles and steel cross shoes to customers for a period of time (rather than making one-off purchases each time upon customers' requests which might pose uncertainty on supply in a timely manner), which provides flexibility to the Group and enables the Group to respond to orders from customers in a more timely manner, we therefore consider that the New PHC Piles Purchase Agreement was entered into in the usual and ordinary course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

2. Basis of determination of the prices and quantities under the new phc piles purchase agreement

The aggregate purchase price of HK\$42,344,000 to be paid by the Group under the New PHC Piles Purchase Agreement comprises (i) the aggregate purchase price of HK\$39,644,000 for the Additional PHC Piles; and (ii) the aggregate purchase price of HK\$2,700,000 for the Additional Steel Cross Shoes.

As disclosed in the section headed "The New PHC Piles Purchase Agreement" in the Board's Letter, the unit prices of the Additional PHC Piles and Additional Steel Cross Shoes under the New PHC Piles Purchase Agreement were determined by the parties thereto through arm's length negotiations with reference to the prevailing market price of the PHC Piles and steel cross shoes offered by GZYC to the other customers of GZYC in the PRC, with a mark-up in the case of the Additional PHC Piles ranging from 7.5% to 14.4% having considered (i) the modification required to be made to the Additional PHC Piles, such as the density of the concrete to be used for production of the Additional PHC Piles, in order to satisfy the requirements of the Group's customers for use in Hong Kong; and (ii) the cost for exporting the PHC Piles for use in Hong Kong from the PRC. The unit price of the Additional Steel Cross Shoes offered by GZYC to WWW Materials under the New PHC Piles Purchase Agreement is similar to the unit price of steel cross shoes offered by GZYC to its other customers in the PRC.

LETTER FROM CHINA AF

Based on the information provided by the Management, we noted that the unit prices of the Additional PHC Piles of relevant specifications are approximately 4.5% to 5.9% higher than that of the Existing PHC Piles Purchase Agreement. The Management explained that the differences are due to the increase in the cost of raw materials of PHC Piles. The unit price of the Additional Steel Cross Shoes is approximately 25.0% higher than that of the Existing PHC Piles Purchase Agreement because of the same reason, as advised by the Management.

To assess the fairness and reasonableness of the above, we have considered and reviewed the followings:



Source: China Iron and Steel Association (中國鋼鐵協會)

- (i) As advised by the Management, the unit prices were determined between WWW Materials and GZYC after considering the increase of steel price, being the raw material of PHC Piles and steel cross shoes, over the last twelve months, we have reviewed the China Steel Price Index (the “CSPI”) published by China Iron and Steel Association (中國鋼鐵協會) on 21 November 2017 and noted that the CSPI increased from 75.56 in September 2016 to 115.96 in October 2017, representing an increase of approximately 53.47%. The Management advised that steel is the major raw material used in producing steel cross shoes by GZYC while the PHC Piles require less amount of steel in production. Hence, the extent of price increment for the Additional PHC Piles (i.e. 4.5% to 5.9%) is much less than that for the Additional Steel Cross Shoes (i.e. 25.0%) as compared to the relevant unit prices quoted under the Existing PHC Piles Purchase Agreement.

LETTER FROM CHINA AF

- (ii) We have reviewed the fee quotations provided by GZYC to its other customers in the PRC regarding the same types of PHC Piles and steel cross shoes, and have enquired with the Management regarding the abovementioned 7.5% to 14.4% mark-up on the unit prices of PHC Piles offered by GZYC to the Group. As advised by the Management, the manufacturing requirement of the PHC Piles under the Hong Kong industrial standard is different from that under the PRC industrial standard. We have reviewed both the Hong Kong and PRC industrial standard and observed that the Hong Kong industrial standard requires specific sources of materials for manufacturing the PHC Piles, whereas the PRC industrial standard has no such specific requirement. We concur with the Management that such specific requirement under the Hong Kong industrial standard will impose an additional cost in manufacturing the PHC Piles for use in Hong Kong. Furthermore, the Management confirmed that while GZYC is responsible for delivering the Group's orders to the Guangzhou Huangpu Port, Guangzhou, Guangdong province in the PRC under the New PHC Piles Purchase Agreement, other customers of GZYC in the PRC would pick up their orders at their own costs. Taking into account of the above, we consider that the unit prices of the Additional PHC Piles and Additional Steel Cross Shoes under the New PHC Piles Purchase Agreement are justifiable.

We have also attempted to analyse the profit margin of the Additional PHC Piles and the Additional Steel Cross Shoes implied under the New PHC Piles Purchase Agreement. However, noting (i) as disclosed in the Prospectus, WWW Materials is the exclusive distributor of the PHC Piles manufactured by GZYC for the Hong Kong region; and (ii) the Management also advised that there are no, and we are not aware of any, suppliers of such PHC Piles in Hong Kong other than WWW Materials, we consider a comparable analysis with market standard in this regard is not feasible. Nonetheless, we have enquired with the Management and are given to understand that the Group adopts a cost-plus pricing model to determine the selling price of the PHC Piles and the steel cross shoes. We have also reviewed both the Group's relevant quotations to its customers and the unit prices of the Additional PHC Piles and the Additional Steel Cross Shoes set out in the New PHC Piles Purchase Agreement, and noted that the price differences ensure a profit for the Group. We are of the view that such pricing model ensures that the Group could make a profit from the transactions involving the PHC Piles and the steel cross shoes with a profit margin acceptable to its Management.

LETTER FROM CHINA AF

Taking into account of the aforesaid, we are of the view that the unit prices of the Additional PHC Piles and the Additional Steel Cross Shoes under the New PHC Piles Purchase Agreement are fair and reasonable.

In addition, as advised by the Management, the purchase quantities of the Additional PHC Piles and the Additional Steel Cross Shoes for the year ending 31 December 2018 are determined based on back-to-back quotation requests from customers. From August 2017 and up to the date of the Announcement, the Group had received quotation requests from six customers, who are bidding for the same development project in Hong Kong; of which the largest quotation was for 95,778 meters of PHC Piles and 3,252 units of steel cross shoes. Furthermore, the Management advised that it is their common practice to include an additional of 10% buffer in case of sudden changes in demand, which is therefore equivalent to approximately 106,000 meters of PHC Piles and 3,600 units of steel cross shoes accordingly. We have reviewed the relevant quotation requests and consider that (i) as the quantities of the Additional PHC Piles and Additional Steel Cross Shoes are based on back-to-back quotations from the Group's customers, they are determined on a fair and reasonable basis; and (ii) the relevant 10% buffer is fair and reasonable.

According to the above, we are of the view that the purchase quantities of the Additional PHC Piles and Additional Steel Cross Shoes under the New PHC Piles Purchase Agreement are fair and reasonable.

Furthermore, the New PHC Piles Purchase Agreement will become effective after (i) the Company obtained the Independent Shareholders' approval in respect of the Connected Transaction; (ii) the Company obtained all necessary consent, approval, authorization permit and waiver from the Stock Exchange for the entering into or the implementation or completion of the transactions contemplated under the New PHC Piles Purchase Agreement; and (iii) WWW Materials entered into a legally-binding purchase agreement in respect of the sale of PHC Piles and steel cross shoes with its customer(s). Such arrangement ensures that WWW Materials is not contractually bound to fulfill its obligations under the New PHC Piles Purchase Agreement in the event that WWW Materials does not enter into any legally-binding purchase agreement with its customer(s) within the contract period. Therefore, we are of the view that the terms of the New PHC Piles Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM CHINA AF

3. The deposit to be paid under the new phc piles purchase agreement

Pursuant to the New PHC Piles Purchase Agreement, a deposit of HK\$3 million is required to be paid by WWW Materials to GZYC within 10 days after WWW Materials makes its first delivery order in year 2018. The deposit shall be applied towards the settlement of the purchase price for the last three shipments of PHC Piles and steel cross shoes.

We noted that the term and amount of deposit under the New PHC Piles Purchase Agreement was in line with that under the Existing PHC Pile Purchase Agreement. Therefore, we are of the view that the terms under the New PHC Piles Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into account the above principal factors, we are of the view that (i) the entering into of the New PHC Piles Purchase Agreement 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; and (ii) the terms of the New PHC Piles Purchase Agreement are on normal commercial terms, and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves advise, the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Connected Transaction.

Yours faithfully,
For and on behalf of
China AF Corporate Finance Limited
Kevin Chan
Director

Mr. Kevin Chan is a person licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of China AF Corporate Finance Limited and has over 19 years of experience in corporate finance industry.

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

1) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

(a) Long positions in the Shares

Name of Director	Number or attributable number of Shares held	Nature of interests	Approximate percentage or attributable percentage of shareholding
Dr. Kan (<i>Note 1</i>)	384,000,000	Interest in a controlled corporation	75%
Mr. SM Lee (<i>Note 2</i>)	384,000,000	Interest in a controlled corporation	75%
Mr. Wong (<i>Note 3</i>)	384,000,000	Interest in a controlled corporation	75%

Notes:

- 384,000,000 Shares are beneficially owned by Condover Assets. Dr. Kan beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Dr. Kan is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.

2. 384,000,000 Shares are beneficially owned by Condover Assets. Mr. SM Lee beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Mr. Lee is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
3. 384,000,000 Shares are beneficially owned by Condover Assets. Mr. Wong beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Mr. Wong is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.

(b) Long position in the ordinary shares of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity/nature of interest	Total interests	Approximate percentage
Dr. Kan	Condover Assets	Beneficial owner	384,000,000 <i>(Note 1)</i>	75%
Mr. SM Lee	Condover Assets	Beneficial owner	384,000,000 <i>(Note 2)</i>	75%
Mr. Wong	Condover Assets	Beneficial owner	384,000,000 <i>(Note 3)</i>	75%

Notes:

1. 384,000,000 Shares are beneficially owned by Condover Assets. Dr. Kan beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Dr. Kan is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
2. 384,000,000 Shares are beneficially owned by Condover Assets. Mr. SM Lee beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Mr. Lee is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
3. 384,000,000 Shares are beneficially owned by Condover Assets. Mr. Wong beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Mr. Wong is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.

Save as disclosed above, so far as the Directors were aware, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

2) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as was known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in the Shares

Name of Shareholder	Number or attributable number of Shares held	Nature of interests	Approximate percentage or attributable percentage of shareholding
Condover Assets	384,000,000	Beneficial interests	75%
Dr. Kan <i>(Note 1)</i>	384,000,000	Interest in a controlled corporation	75%
Mr. SM Lee <i>(Note 2)</i>	384,000,000	Interest in a controlled corporation	75%
Mr. Wong <i>(Note 3)</i>	384,000,000	Interest in a controlled corporation	75%
Ms. Poon Man Yee <i>(Note 4)</i>	384,000,000	Interest of spouse	75%
Ms. Sheba Kishinchand Daswani <i>(Note 5)</i>	384,000,000	Interest of spouse	75%
Ms. Ho Lai Kuen <i>(Note 6)</i>	384,000,000	Interest of spouse	75%

Notes:

1. 384,000,000 Shares are beneficially owned by Condover Assets. Dr. Kan beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Dr. Kan is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
2. 384,000,000 Shares are beneficially owned by Condover Assets. Mr. SM Lee beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Mr. Lee is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
3. 384,000,000 Shares are beneficially owned by Condover Assets. Mr. Wong beneficially owns approximately 33.33% of issued share capital of Condover Assets. Therefore, Mr. Wong is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
4. Ms. Poon Man Yee is the spouse of Dr. Kan. Accordingly Ms. Poon Man Yee is deemed, or taken to be, interested in all the Shares in which Dr. Kan is interested for the purpose of the SFO.
5. Ms. Sheba Kishinchand Daswani is the spouse of Mr. SM Lee. Accordingly Ms. Sheba Kishinchand Daswani is deemed, or taken to be, interested in all the Shares in which Mr. SM Lee is interested for the purpose of the SFO.
6. Ms. Ho Lai Kuen is the spouse of Mr. Wong. Accordingly Ms. Ho Lai Kuen is deemed, or taken to be, interested in all the Shares in which Mr. Wong is interested for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3 DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into, a service contract with any member of the Group which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

4 COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or may compete with the business of the Group.

5 INTEREST OF DIRECTORS IN ASSETS OF THE GROUP OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

Since 31 December 2016, the date to which the latest published accountants' report of the Group have been made up, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at such date and which was significant in relation to the business of the Group.

6 MATERIAL CONTRACTS

The following contract(s) (not being contract(s) in the ordinary course of business) have been entered into by the members of the Group within the two years preceding the date of this circular and are or may be material:

- (a) the deed of assignment of debts entered into between WWW Materials, Win Win Way Construction Co., Limited ("**WWW Construction**"), Win Win Way Holdings Limited ("**WWW Holdings**") and Dr. Kan on 30 June 2016, pursuant to which WWW Materials assigned to WWW Construction all its rights, title and benefits in respect of the debts in the amounts of HK\$9,630,933 and HK\$200,000 advanced to WWW Holdings and Dr. Kan respectively with effect on 28 June 2016 as part of the reorganisation for the Listing;
- (b) the deed of novation entered between WWW Holdings, Mr. Wong, WWW Construction and Smart City Engineering Limited ("**Smart City Engineering**") on 30 June 2016 pursuant to which, as part of the reorganisation for the Listing, WWW Construction assumed all of Smart City Engineering's obligations and liabilities to repay to WWW Holdings and Mr. Wong the debts in the amounts of HK\$8,163,753 and HK\$4,599,932, respectively with effect on 28 June 2016;

- (c) the deed of assignment of debt entered between Dr. Kan, WWW Construction and Win Win Way Construction Co. (Saipan), Inc. (“**WWW Construction (Saipan)**”) on 30 June 2016 pursuant to which, as part of the reorganisation for the Listing, WWW Construction (Saipan) assigned to WWW Construction all its rights, title and benefits in respect of the debt in the amount of HK\$333,641 advanced to Dr. Kan with effect on 28 June 2016;
- (d) the deed of novation entered between Mr. Wong, WWW Holdings and WWW Construction on 30 June 2016 pursuant to which, as part of the reorganisation for the Listing, WWW Holdings assumed all of WWW Construction’s obligations and liabilities to repay to Mr. Wong the debt in the amount of HK\$5,346,364 with effect on 28 June 2016;
- (e) the deed of assignment of debts entered into between WWW Construction, WWW Holdings, Dr. Kan and Mr. SM Lee on 30 June 2016, pursuant to which WWW Construction assigned to WWW Holdings all its rights, title and benefits in respect of the debts in the amounts of HK\$54,014,659 and HK\$6,223,736 advanced to Dr. Kan and Mr. SM Lee respectively with effect on 28 June 2016 as part of the reorganisation for the Listing;
- (f) the sale and purchase agreement between SKW Global Holdings Limited (“**SKW Global**”), KLW Holdings Limited (“**KLW Holdings**”) and Condover Assets dated 4 August 2016 pursuant to which Condover Assets acquired an aggregate of 20,000 Shares, being 10,000 Shares from each of SKW Global and KLW Holdings in consideration of an aggregate of 20,000 shares in the share capital of Condover Assets, of which 10,000 shares were issued to each of Mr. Wong and Dr. Kan at the direction of SKW Global and KLW Holdings respectively;
- (g) the sale and purchase agreement between Win Win Way Investment Limited (“**WWW Investment**”) and Win Win Way Investment Holdings Limited (“**WWW Investment Holdings**”) dated 30 December 2016 pursuant to which WWW Investment Holdings acquired the entire issued share capital of each of Smart City Engineering Holdings Limited (“**Smart City Engineering Holdings**”), Win Win Way Construction Holdings Co., Limited (“**WWW Construction Holdings**”) and Win Win Way Materials Holdings Limited (“**WWW Materials Holdings**”) held by WWW Investment at the consideration of US\$30,000, which is equivalent to the nominal value of the shares held by WWW Investment in each of Smart City Engineering Holdings, WWW Construction Holdings and WWW Materials Holdings as at the date of the transfer;

- (h) the sale and purchase agreement between Dr. Kan, Mr. SM Lee, Mr. Wong and the Company dated 23 June 2017 pursuant to which the Company acquired the entire issued share capital of WWW Investment Holdings held by Dr. Kan, Mr. SM Lee and Mr. Wong in consideration of a total of 23,400,000 Shares issued to Condover Assets at the direction of Dr. Kan, Mr. SM Lee and Mr. Wong;
- (i) the deed of non-competition dated 23 June 2017 and given by Condover Assets, and Dr. Kan, Mr. SM Lee and Mr. Wong (the “**Controlling Shareholders**”) in favour of the Company pursuant to which the Controlling Shareholders agreed not to, among other things, engage or participate in any business which is in competition with the Group’s business;
- (j) the deed of indemnity dated 23 June 2017 entered into between the Controlling Shareholders and the Company, pursuant to which the Controlling Shareholders have given certain tax and other indemnities in favour of the Company; and
- (k) the underwriting agreement dated 29 June 2017 relating to the offer by the Company of 12,800,000 new Shares to the public in Hong Kong for subscription entered into by, among others, the Company and KGI Capital Asia Limited, Great Roc Capital Securities Limited and VMS Securities Limited.

7 LITIGATION

The Group initiated legal proceedings in December 2015 and filed a statement of claims in January 2016 against a subcontractor and its director for their breach of sub-contracting agreement in relation to a project (the “**Project**”) and claimed an amount of approximately \$9,914,000, representing the Group’s direct payments to other subcontractors in relation to the Project which were made on behalf of the subcontractor. In May 2016, the subcontractor filed a defence and made passing reference to a counterclaim of approximately \$41,328,000. However, no counterclaim is formulated and presented in defence by the subcontractor. Based on the opinion of the Group’s legal adviser, the Directors are of the view that the claim from the subcontractor is invalid with little prospect of success and accordingly no provision has been made in the financial statements. In August 2017, based on the advice from the Group’s legal adviser, the Group has taken out two summonses for stay or refixing the trial date or to discontinue the legal proceedings in order to consolidate the claim of \$9,914,000 against the subcontractor with the determination of final account of the Project between the Group and the subcontractor. The summonses were scheduled to be heard in September 2017. After the hearing, the Judge granted leave to discontinue the action.

Regarding the aforesaid Project, there was a delay in its completion by the Group. The architect appointed by the customer indicated that the customer was entitled to deduct a sum of approximately \$21,125,000 for liquidated damages (“**LD Claim**”), in addition to the liquidated damages of approximately \$1,950,000 already deducted by the customer. The Group has engaged an external contract consultant to assess the exposure of the potential LD Claim. Based on the opinion of the contract consultant, the Directors consider that the likelihood of the Group being liable to such LD Claim is highly unlikely and hence no provision has been made.

Save as mentioned above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8 MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, the date to which the latest published accountants’ report of the Company were made up.

9 EXPERTS AND CONSENTS

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
China AF Corporate Finance Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, China AF had given and had not withdrawn its written consent to the issue of this circular with the inclusion of and reference to its name and statements in the form and context in which it appears.

As at the Latest Practicable Date, China AF was not beneficially interested in the shares in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, China AF did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Group or are proposed to be acquired or disposed of by or leased to the Group since 31 December 2016, being the date up to which the latest published accountants' report of the Company were made up.

The letters, recommendation and/or reports given by China AF are given as at of the date of this circular for incorporation herein.

10 MISCELLANEOUS

- (a) The registered office the Company is located at Estera Trust (Cayman) Limited, Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the head office and principal place of business in Hong Kong is at Room 902-3, 9/F., Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
- (c) The company secretary of the Company is Mr. Cheng Wai Hei ("**Mr. Cheng**"). Mr. Cheng holds a Master of Business Administration from The Hong Kong Polytechnic University. He is a fellow member of the Association of Charter Certified Accountants and an associate of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.
- (d) The English text of this circular shall prevail over the Chinese text.

11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at Room 902-3, 9/F., Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong during normal business hours (except for Saturdays and public holidays) from the date of this circular up to and including the date of EGM:

- (a) the memorandum of association of the Company and the by-laws of the Company;
- (b) the letter from the Board to the Shareholders, the text of which is set out on pages 5 to 12 of this circular;

- (c) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 13 to 14 of this circular;
- (d) the letter of advice from China AF to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 15 to 22 of this circular;
- (e) the written consent from China AF referred to in the section headed “9. Expert and Consents” in this appendix;
- (f) the Prospectus containing the accountants’ report of the Company for the three financial years ended 31 December 2016;
- (g) the New PHC Piles Purchase Agreement;
- (h) the material contracts as referred to in the paragraph headed “6. Material Contracts” in this appendix; and
- (i) this circular.

NOTICE OF THE EGM



Win Win Way Construction Holdings Ltd.

恆誠建築控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 994)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Win Win Way Construction Holdings Ltd. (the “Company”) will be held on 29 December 2017, at 11:00 a.m. at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong, to consider and, if thought fit, approve with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT:**

the agreement dated 15 November 2017 (as supplemented by the supplemental agreement dated 8 December 2017) entered into between Win Win Way Materials Supply Limited (“**WWW Materials**”) and 廣州羊城管樁有限公司 (“**GZYC**”) in respect of the purchase of PHC Piles and steel cross shoes for the financial year ending 31 December 2018 (the “**New PHC Piles Purchase Agreement**”), details of which are described in the circular of the Company dated 12 December 2017 (the “**Circular**”) and a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification, and the terms and conditions thereof and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;” and

NOTICE OF THE EGM

2. “**THAT:**

any one director of the Company or any other person authorised by the directors of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company, and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the New PHC Piles Purchase Agreement and the transactions contemplated thereunder.”

By order of the Board
Win Win Way Construction Holdings Ltd.
Lee Kai Lun
Chairman

Hong Kong, 12 December 2017

Registered office:

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head office and principal place of business:

Room 902-3, 9/F.
Nan Fung Commercial Centre
19 Lam Lok Street, Kowloon Bay
Kowloon, Hong Kong

NOTICE OF THE EGM

Notes:

1. 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 proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company.
2. Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting, 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. Several executors or administrators of a deceased member of the Company in whose name any share stands shall, for the purposes of the bye-laws of the Company, be deemed joint holders thereof.
3. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Hong Kong branch share registrar of the Company, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. 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.