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If you have sold or transferred all your shares in Best Linking Group Holdings Limited you should at once hand this circular, and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9882)

CONTINUING CONNECTED TRANSACTION IN RELATION TO THE PURCHASE FRAMEWORK AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



A letter from the Board is set out in pages 4 to 10 of this circular. A letter from the Independent Board Committee is set out in pages 11 to 12 of this circular. A letter from the Independent Financial Adviser is set out in pages 13 to 24 of this circular. A notice convening the Extraordinary General Meeting of the Company to be held at 59/F, The Center, 99 Queen's Road Central, Hong Kong on Tuesday, 10 December 2024 at 11:00 a.m. is set out in pages 29 to 30 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.blg.hk).

Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof if they so wish.

22 November 2024

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DEFINITIONS

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

“Announcements”	the announcements of the Company dated 1 November 2024 and 4 November 2024 in relation to, among others, the entering into the Purchase Framework Agreement and the proposed annual caps
“Articles of Association”	the articles of association of the Company as amended, supplement or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Best Linking”	Best Linking Limited, a company incorporated under the laws of Hong Kong and indirectly wholly-owned by the Company
“Board”	the board of Directors
“C Centrum”	C Centrum Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 14 September 2018 and wholly-owned by Mr. YP Chan
“close associate”	has the same meanings as ascribed to this term under the Listing Rules
“Company”	Best Linking Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 9882)
“connected person”	has the same meanings as ascribed to this term under the Listing Rules
“connected transaction(s)”	has the same meanings as ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the resolution for approving the Purchase Framework Agreement and the proposed annual caps by the Independent Shareholders at the EGM is passed
“EGM” or “Extraordinary General Meeting”	an extraordinary general meeting of the Company held to consider and if thought fit, approve the Purchase Framework Agreement and the adoption of the proposed annual caps
“Ever Genius”	Ever Genius (Asia) Limited (永捷(亞洲)有限公司)

DEFINITIONS

“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. Chan Wan Tsun Adrian Alan, Ms. Tsang Hau Lam and Ms. Tam Ho Ting, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the transactions contemplated under the Purchase Framework Agreement and the adoption of the proposed annual caps
“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed 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), which has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the transactions contemplated under the Purchase Framework Agreement and the adoption of the proposed annual caps
“Independent Shareholder(s)”	Shareholder(s) other than those required to abstain from voting by the Listing Rules at the EGM in respect of the resolution(s) relating to the Purchase Framework Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	Any person or company and its ultimate beneficial owners who, as far as the Directors are aware after having made all reasonable enquiries, are third parties and independent of the Company and its connected person(s)
“Latest Practicable Date”	20 November 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with GEM

DEFINITIONS

“Mr. LP Chan”	Mr. Chan Lung Pan, an executive Director, younger brother of Mr. YP Chan
“Mr. YP Chan”	Mr. Chan Yuk Pan, an executive Director and the controlling Shareholder of the Company, elder brother of Mr. LP Chan
“Mr. WT Chan”	Mr. Chan Wing Tin, father of Mr. YP Chan and Mr. LP Chan and director and ultimate beneficial owner of South Wing and Ever Genius
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules
“percentage ratio”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchase Framework Agreement”	the purchase framework agreement dated 1 November 2024 entered into between the Company, as the purchaser and South Wing, as the supplier, the details of which are set out in this circular and the Announcements
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.005 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“South Wing”	South Wing Machinery Company Limited (南榮機械有限公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning ascribed to it under the Listing Rules
“Substantial Shareholder”	has the same meanings as ascribed to this term under the Listing Rules
“%”	per cent.

LETTER FROM THE BOARD



BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9882)

Executive Directors:

Mr. Chan Yuk Pan

Mr. Chan Lung Pan

Independent non-executive Directors:

Mr. Chan Wan Tsun Adrian Alan

Ms. Tsang Hau Lam

Ms. Tam Ho Ting

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal Place of

Business in Hong Kong:

Unit No. 1119, 11th Floor

The Metropolis Tower

No. 10 Metropolis Drive

Kowloon

Hong Kong

22 November 2024

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE PURCHASE FRAMEWORK AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcements in relation to, among others, the entering into of the Purchase Framework Agreement and the proposed annual caps. The purpose of this circular is to provide Shareholders with the Notice of Extraordinary General Meeting and further information in relation to the resolution to be proposed at the Extraordinary General Meeting regarding the Purchase Framework Agreement and the proposed annual caps.

LETTER FROM THE BOARD

2. THE PURCHASE FRAMEWORK AGREEMENT

The principal terms of the Purchase Framework Agreement are as follows:

Date:	1 November 2024
Parties:	(1) Best Linking, as purchaser (2) South Wing, as supplier
Nature of transactions:	The Group will purchase heavy duty machineries from South Wing
Term:	From the Effective Date and ending on 31 December 2026
Time and method of payment:	Each separate purchase order shall be principally settled within 90 days from the date of each invoice
Pricing:	To be determined by reference to the prevailing market prices of the heavy duty machineries or substantially similar products, taking into account of the comparable order quantities and quality offered to the Group by other suppliers who are Independent Third Parties. If the above is not applicable, pricing will be determined by reference to the price of similar products previously supplied to a third party, and on no less favourable terms to the Group comparable to those offered by South Wing to Independent Third Parties; and on normal commercial terms comparable to those offered to Independent Third Parties in respect of the heavy duty machineries or substantially similar products with comparable order quantities and quality.
Conditions precedent:	The Purchase Framework Agreement is conditional upon obtaining the approval from the Independent Shareholders at the EGM.

Proposed Annual Caps

The Group has been sourcing heavy duty machineries from independent suppliers for resale to its customers for years, however, the Group has not previously purchased machineries from South Wing, which also happens to be a supplier of heavy duty machineries.

LETTER FROM THE BOARD

The proposed annual caps for the Purchase Framework Agreement are as follows:

Financial year/period	Annual caps
From the Effective Date to 31 December 2024	HK\$20,000,000
From 1 January 2025 to 31 December 2025	HK\$32,000,000
From 1 January 2026 to 31 December 2026	HK\$35,000,000

The proposed annual caps have been determined with reference to:

- (i) the expected value of new machineries to be purchased by the Group from South Wing for the period from the Effective Date up to and including 31 December 2026 taking into account, amongst others, indicative orders of not less than HK\$15 million for brand new excavators received from a recurring customer of the Group with the expected delivery date no later than 31st December 2024, and the expected demand of new machineries including new excavators and new generators from the Group's customers which are construction contractors based in Hong Kong for 2025 and 2026;
- (ii) the expected market conditions for the period from the Effective Date up to and including 31 December 2026, including supportive initiatives and policies of the Hong Kong Government to carry out substantive infrastructural projects to attract tourism and to equip Hong Kong to host important international events, music festivals, sports events etc, leading to the expansion of the Hong Kong International Airport, the development and construction of sports park, Northern Metropolis and other massive construction projects. The Hong Kong Government's plan to carry out substantial construction and infrastructural projects has generated an expected growth for new construction, leading to the requirements of industrial machineries and parts; and
- (iii) the historical quantity and value of new excavators and generators purchased by the Group from other suppliers. For instance, the Group recorded not less than 150% increase in the sales of new excavators and new generators in 2023 and not less than 50% increase in 2024 taking into account of the sales in the first half of 2024 as well as the indicative orders of HK\$15 million from the recurring customers. With the upward trend in the demand for new machineries in 2023 and the potential upward trend in 2024, the orders placed by customers of the Group for new machineries in 2024 as well as the requests for quote by customers for 2025, the 10% increment of the proposed annual cap for the year ending 31 December 2026 from the 2025 annual cap is already a conservative figure.

The Directors, having reviewed the breakdown of the historical sales of new and used excavators, generators and other machineries, the customer type of the Group, the profile of South Wing and the general prospects of construction industry in Hong Kong, consider that the abovementioned proposed annual caps are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

Reasons for and Benefits of entering into the Purchase Framework Agreement.

The Group has been expanding its business scope, products range and clientele since its listing on GEM of the Stock Exchange in 2019 and has achieved business growth and expanded sources of income which led to the successfully transferred of listing from GEM to the Main Board of the Stock Exchange on 29 September 2023. The products offered by the Group have expanded from slewing rings to other mechanical parts such as sprocket, idlers, track chain and track shoes and to heavy duty machineries such as excavator, pile driver and wheel loader. Given South Wing has over 25 years of experience with vast and established connections in the sales of heavy duty machineries and as a distributor of brand new construction machineries from Sumitomo, IHI, Nippon Sharyo and Kubota for resale in the South-East Asia region, including in particular Hong Kong, Japan, South Korea and Singapore, the Group intends to purchase brand new excavators and generators from South Wing. The Directors consider that the Purchase Framework Agreement will facilitate the Group to acquire a range of products for resale to the Group's customers, thus implementing the business development plan of broadening the range of products offered by the Group and diversifying the suppliers network.

The Directors (including the independent non-executive Directors) are of the view that the Purchase Framework Agreement has been entered into in the ordinary and usual course of business of the Group and upon normal commercial terms or better to the Group, and the terms of the Purchase Framework Agreement and the annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Internal Control Measures

To ensure the terms of the individual purchase order pursuant to the Purchase Framework Agreement are on normal commercial terms and fair and reasonable to the Company and the Shareholders and are no less favourable to the Group than to Independent Third Parties, the Group will obtain quotation from not less than two Independent Third Party suppliers for the purchase of machineries with comparable quantities, quality and conditions as to those proposed to be purchased from South Wing, and the prices to be payable by the Group to South Wing under the Purchase Framework Agreement shall be no less favourable to the Group than those offered by the Independent Third Party suppliers.

The management of the Company will review the terms of the transactions on a regular basis to ensure that they are on normal commercial terms or better and the finance department will closely monitor the transactions under the Purchase Framework Agreement to ensure that the aggregated transactions amount will not exceed the annual caps.

The auditors of the Company and the independent non-executive Directors will conduct annual review on the transactions entered into under the Purchase Framework Agreement in accordance with the Listing Rules.

LETTER FROM THE BOARD

Information on the Parties

The Group

The Group is a leading premium slewing rings manufacturer in the PRC. It is also a comprehensive products provider for mechanical parts and components and machineries. The mechanical parts and components which the Group manufactures and sources include sprocket, track shoes, rollers, which are commonly sought by its customers alongside the slewing rings that the Group manufactures and sources for its customers. In addition, the Group also sources heavy duty machineries such as excavators, pile drivers, wheel loaders and trucks for its customers.

Best Linking is an indirect wholly-owned subsidiary of the Company and its principal business is the manufacturing of slewing rings, and the sourcing of mechanical parts and components as well as machineries for resale to the Group's customers.

On 1 November 2024, Best Linking also entered into a sales framework agreement with South Wing whereby the Group will sell mechanical parts and components to South Wing as well as a tenancy agreement with Ever Genius, an indirectly wholly-owned company of Mr. WT Chan, whereby the Group will lease certain landed properties from Ever Genius for warehouse purpose.

South Wing

South Wing is a company incorporated in Hong Kong with limited liability and is principally engaged in the business of import and export of construction machineries, mainly brand new excavators from Japan and generators as well as mechanical parts and components. South Wing is indirectly wholly-owned by Mr. WT Chan, the father of Mr. YP Chan and Mr. LP Chan.

Listing Rules Implications

As at the date of this circular, South Wing is indirectly wholly-owned by Mr. WT Chan, the father of Mr. YP Chan and Mr. LP Chan, both executive Directors of the Company. As the Company is owned as to 75% by C Centrum, which is wholly-owned by Mr. YP Chan, Mr. YP Chan is also a Substantial Shareholder of the Company. Accordingly, South Wing is a connected person of the Company and the transactions contemplated under the Purchase Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the proposed annual caps exceed HK\$10,000,000 and the relevant highest applicable percentage ratio exceeds 5% but is less than 25%, the transactions contemplated under the Purchase Framework Agreement and the annual caps are subject to the announcement, reporting, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As Mr. YP Chan and Mr. LP Chan are the Directors of the Company and South Wing is a connected person and wholly-owned by Mr. WT Chan, Mr. YP Chan and Mr. LP Chan had abstained from voting on the resolutions at the meeting of the Board for approving the Purchase Framework Agreement.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the fairness and reasonableness of the transactions contemplated under the Purchase Framework Agreement and the adoption of the proposed annual caps, after taking into account the recommendations of the Independent Financial Adviser. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

3. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out in pages 29 to 30 of this circular.

The Extraordinary General Meeting will be convened and held at 59/F, The Center, 99 Queen's Road Central, Hong Kong on Tuesday, 10 December 2024 at 11:00 a.m. for the Independent Shareholders to consider and, if thought fit, approve the Purchase Framework Agreement, the adoption of the proposed annual caps and the transactions contemplated thereunder. Mr. YP Chan, who, through C Centrum, indirectly held 600,000,000 Shares (representing 75% of the issued share capital of the Company) as at the Latest Practicable Date, and his associate(s), will abstain from voting on the resolution approving the Purchase Framework Agreement and the adoption of the proposed annual caps at the Extraordinary General Meeting.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save and except Mr. YP Chan and his associates and C Centrum, no other Shareholder has a material interest in the Purchase Framework Agreement, therefore, no other Shareholder will be required to abstain from voting at the EGM.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Extraordinary General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.blg.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East

LETTER FROM THE BOARD

Financial Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting (i.e. (Sunday, 8 December 2024 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting or any adjournment thereof if you so wish and in such event, your form of proxy shall be deemed to be revoked.

4. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 5 December 2024, to Tuesday, 10 December 2024, both dates inclusive, (the “**Book Close Period**”) for the purpose of determining shareholders’ entitlement to attend and vote at the EGM. During the Book Close Period, no transfer of shares will be registered. Shareholders whose names appear on the register of the Shareholders of the Company on Tuesday, 10 December 2024 will be entitled to attend and vote at the EGM.

In order to be entitled to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 4 December 2024.

5. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Purchase Framework Agreement, the proposed annual caps and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the Extraordinary General Meeting.

6. ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out in pages 11 to 12 of this circular, containing its recommendation in respect of the transactions contemplated under the Purchase Framework Agreement and the adoption of the proposed annual caps; (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out in pages 13 to 24 of this circular, containing its recommendation in respect of the transactions contemplated under the Purchase Framework Agreement and the adoption of the proposed annual caps; and (iii) the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Best Linking Group Holdings Limited
Chan Yuk Pan
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is a full text of the letter from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9882)

22 November 2024

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE PURCHASE FRAMEWORK AGREEMENT**

We refer to the circular dated 22 November 2024 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used herein, unless the context otherwise requires.

We, being the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Purchase Framework Agreement, the proposed annual caps and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, 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 as to how the Independent Shareholders should vote on the proposed resolution to approve the Purchase Framework Agreement and the transactions contemplated thereunder at the EGM. Lego Corporate Finance Limited, the Independent Financial Adviser, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to (i) the “Letter from the Independent Financial Adviser” as set out in pages 13 to 24 of the Circular; and (ii) the “Letter from the Board” as set out in pages 4 to 10 of the Circular. Your attention is also drawn to the additional information set out in the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the Purchase Framework Agreement, the proposed annual caps and the transactions contemplated thereunder and the situation of the Group, and the factors and reasons considered by the Independent Financial Adviser and its opinion, we are of the view that the Purchase Framework Agreement, the proposed annual caps and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution proposed to approve the Purchase Framework Agreement, the proposed annual caps and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For an on behalf of
Independent Board Committee

Mr. Chan Wan Tsun
Adrian Alan
Independent non-executive
Director

Ms. Tsang Hau Lam
Independent non-executive
Director

Ms. Tam Ho Ting
Independent non-executive
Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which have been prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Purchase Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.



22 November 2024

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs or Madams,

CONTINUING CONNECTED TRANSACTION IN RELATION TO THE PURCHASE FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Purchase Framework Agreement, the underlying proposed annual caps (the “**Proposed Annual Cap(s)**”) and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 22 November 2024 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 1 November 2024 (the “**Announcement**”) and the announcement of the Company dated 4 November 2024. On 1 November 2024, Best Linking, as the purchaser, and South Wing, as the supplier, entered into the Purchase Framework Agreement, pursuant to which the Group agreed to purchase, and South Wing agreed to sell heavy duty machineries for a term commencing from the Effective Date to 31 December 2026.

As at the Latest Practicable Date, South Wing was indirectly wholly-owned by Mr. WT Chan, father of Mr. YP Chan and Mr. LP Chan, both were executive Directors of the Company. As the Company is owned as to 75% by C Centrum, which is wholly-owned by Mr. YP Chan, Mr. YP Chan is also a Substantial Shareholder of the Company. Accordingly, South Wing is a connected person of the Company and the transactions contemplated under the Purchase Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the Proposed Annual Caps exceed HK\$10,000,000 and the relevant highest applicable percentage ratio exceeds 5% but is less than 25%, the transactions contemplated under the Purchase Framework Agreement and the adoption of the Proposed Annual Caps are subject to the announcement, reporting, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee, comprising all three of the independent non-executive Directors, has been formed to advise the Independent Shareholders on whether or not the Purchase Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the Company or South Wing or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years, save for the engagement in connection with the Purchase Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder, there was no engagement between the Group and Lego Corporate Finance Limited. As at the Latest Practicable Date, apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements existed whereby we had received or would receive any fees or benefits from the Company or South Wing. Accordingly, we are qualified to give independent advice in respect of the Purchase Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the "**Management**"); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular were true at the time they were made and have continued to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truthfulness, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

information or representations provided to us by the Directors and the Management were true, accurate, complete and not misleading in all material respects at the time they were made and have continued to be so until the date of the Circular.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or South Wing or any of their respective associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have taken into consideration the following principal factors and reasons:

1. Information on the parties involved

The Group

The Group is a leading premium slewing rings manufacturer in the PRC. It is also a comprehensive products provider for mechanical parts and components and machineries. The mechanical parts and components which the Group manufactures and sources include sprocket, track shoes, rollers, which are commonly sought by its customers alongside the slewing rings that the Group manufactures and sources for its customers. In addition, the Group also sources minerals and heavy duty machineries such as excavators, pile drivers, wheel loaders and trucks for its customers.

Best Linking is an indirect wholly-owned subsidiary of the Company and its principal business is the manufacturing of slewing rings, and the sourcing of mechanical parts and components as well as machineries for resales to the Group's customers.

South Wing

As disclosed in the Letter from the Board, South Wing is a company incorporated in Hong Kong with limited liability and is principally engaged in the business of import and export of construction machineries, mainly brand new excavators from Japan and generators, as well as mechanical parts and components. South Wing is indirectly wholly-owned by Mr. WT Chan, father of Mr. YP Chan and Mr. LP Chan.

2. Reasons for and benefits of entering into the Purchase Framework Agreement and the transactions contemplated thereunder

The Group has been sourcing heavy duty machineries for its customers since 2020. As disclosed in the listing document of the Company dated 22 September 2023 for the transfer of listing of the Shares to the Main Board of the Stock Exchange and the annual report of the Company for the financial year ended 31 December 2023, the Group sources brand new and

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used Japanese brands excavators as well as other heavy duty machineries, such as pile drivers, trucks and wheel loaders, for its customers for construction and/or mining purposes on an ad-hoc basis upon receiving their requests. The Group's sourcing of machineries is driven by the demand of customers and is not considered as a general trading business. Such business had consistently contributed over 20% of the corresponding total annual revenue of the Group each financial year since the year ended 31 December 2020.

Based on the official website of South Wing (<http://www.swm.com.hk>), South Wing has an establishment history of more than 40 years and its existing product offerings primarily include, among others, brand new excavators of the brand of "Sumitomo" (the "**Sumitomo Brand**"), a Japanese heavy duty machinery brand, as well as other brand new generators of another brand. As advised by the Management, South Wing has been authorised as the official agent for brand new excavators of the Sumitomo Brand in Hong Kong since 2014. On the other hand, excavators represent a primary type of machineries having been requested by the Group's customers from time to time and specifically, we noted that such type of machineries of the Sumitomo Brand, regardless of the condition of being brand new or used, had significantly contributed over 60% and over 40% of the respective corresponding total annual revenues of the Group from sourcing machineries for the year ended 31 December 2022 and the year ended 31 December 2023. While the Group has been primarily relying upon its established business relationships with the affiliates of the Sumitomo Brand and a long established second-hand heavy equipment wholesaler for sourcing used excavators of the Sumitomo Brand for its customers, it has been challenging for the Group to identify reliable sources of brand new excavators, regardless of any brands, due to the relatively small number of suppliers available in the market. As further advised by the Management, prior to the entering into of the Purchase Framework Agreement, the Group primarily sourced brand new excavators (including those of the Sumitomo Brand) from the unofficial sellers in Hong Kong, who usually sell brand new excavators at a relatively higher price and may not have a stable and sufficient supply of the complete range of brand new excavators of different models as compared to those offered by the official agents.

Accordingly, leveraging on South Wing's capacity as the official agent for brand new excavators of the Sumitomo Brand in Hong Kong, the entering into of the Purchase Framework Agreement and the adoption of the Proposed Annual Caps would allow the Group to diversify its suppliers network by securing a stable and reliable source of supply of brand new machineries, primarily excavators of the Sumitomo Brand, for carrying out its ordinary and usual course of business. Considering the above, we are of the view that the entering into of the Purchase Framework Agreement and the transactions contemplated thereunder are in the interests of the Group and the Shareholders as a whole.

3. Principal terms of the Purchase Framework Agreement

On 1 November 2024, Best Linking entered into the Purchase Framework Agreement with South Wing in relation to the purchase of heavy duty machineries from South Wing for a term commencing from the Effective Date and ending on 31 December 2026. It is stated in the Letter from the Board that the Group has not previously conducted any transactions in relation to the purchase of machineries from South Wing.

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As disclosed in the Letter from the Board, the pricing to be charged to the Group by South Wing shall be determined with reference to the prevailing market prices of the heavy duty machineries or substantially similar products, taking into account of the comparable order quantities and quality offered to the Group by other suppliers who are Independent Third Parties. In the event that the above is not applicable, pricing will be determined with reference to the price of similar products previously supplied to a third party, and on no less favourable terms to the Group comparable to those offered by South Wing to the Independent Third Parties, and on normal commercial terms comparable to those offered to the Independent Third Parties in respect of heavy duty machineries or substantially similar products with comparable order quantities and quality.

Further, reference is made to the relevant internal control measures to be implemented by the Group. Among others, in determining the pricing under the Purchase Framework Agreement, the Group will obtain quotations from not less than two Independent Third Party suppliers for the purchase of machineries with comparable quantities, quality and conditions as to those proposed to be purchased from South Wing, and the prices to be payable by the Group to South Wing under the Purchase Framework Agreement shall be no less favourable to the Group than those offered by the Independent Third Party suppliers. In addition, other internal control measures shall be implemented by the Group in order to govern the conduct of the transactions under the Purchase Framework Agreement, including regular reviews and monitoring of the transactions by the Management and the finance department of the Company, as well as the annual review of the transactions by the auditors of the Company and the independent non-executive Directors. For further details on the internal control measures, please refer to the sub-section headed “2. THE PURCHASE FRAMEWORK AGREEMENT — Internal Control Measures” of the Letter from the Board.

In assessing the fairness and reasonableness of the pricing terms of the Purchase Framework Agreement, considering that no previous transactions have been conducted by the Group with South Wing in relation to the purchase of machineries, we have primarily reviewed the internal policy and procedure manual currently adopted by the Group. Among others, it is stated in the manual that quotations should be obtained by the Group from two to three suppliers for comparison in selecting the suppliers. We have, in this regard, randomly selected and reviewed purchase orders (the “**Sample Purchase Orders**”) placed by the Group with Independent Third Party suppliers in relation to the purchase of machineries for the period from 1 January 2024 up to and including 30 September 2024 (the “**Review Period**”), the underlying aggregate transaction amount of which has accounted for more than 50% of the total transaction amount for the purchase of machineries by the Group during the Review Period, as well as the respective corresponding quotations obtained by the Group. Based on our review, the pricing offered by the selected suppliers were the most favourable to the Group among all corresponding quotations obtained.

In addition, as disclosed in the Letter from the Board, each separate purchase order under the Purchase Framework Agreement shall be principally settled by the Group within 90 days from the date of each invoice. For our due diligence purpose, we have made reference to the Sample Purchase Orders and noted that the credit period of 90 days to be granted to the Group under the Purchase Framework Agreement is no less favourable to the Group than that offered by the Independent Third Party suppliers.

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Accordingly, taking into account (i) the mechanism for the determination of the pricing to be charged to the Group by South Wing under the Purchase Framework Agreement is comparable to the pricing previously charged to the Group by Independent Third Party suppliers for the purchase of machineries during the Review Period on the basis that references shall be made to quotations from different independent suppliers; (ii) in particular, the pricing to be charged to the Group by South Wing under the Purchase Framework Agreement shall be no less favourable to the Group than those offered by not less than two Independent Third Party suppliers in respect of the purchase of machineries with comparable quantities, quality and conditions, or in the event that the above is not applicable, shall be no less favourable to the Group than those offered by South Wing to the Independent Third Parties in respect of machineries or substantially similar products with comparable order quantities and quality; (iii) the credit period to be granted to the Group under the Purchase Framework Agreement is no less favourable to the Group than that previously offered by the Independent Third Party suppliers; and (iv) the internal control measures to be implemented by the Group to govern the conduct of the transactions under the Purchase Framework Agreement, we are of the view that the terms of the Purchase Framework Agreement are fair and reasonable and on normal commercial terms.

4. The Proposed Annual Caps

The Proposed Annual Caps for the period from the Effective Date up to and including 31 December 2024 (the “**2024 Relevant Period**”), the year ending 31 December 2025 and the year ending 31 December 2026 (collectively, the “**Relevant Period**”) amount to HK\$20,000,000, HK\$32,000,000 and HK\$35,000,000, respectively.

In assessing the fairness and reasonableness of the determination of the Proposed Annual Caps, we have discussed with the Management and understand that the Proposed Annual Caps were primarily determined with reference to the estimated transaction amounts of the purchase of machineries to be conducted under the Purchase Framework Agreement during the Relevant Period, which shall primarily include new excavators of the Sumitomo Brand and new generators of another brand (collectively, the “**Machineries**”), and are in turn closely associated with the estimated transaction amounts to be generated by the Group from its sourcing of the Machineries for its customers (the “**Sourcing of Machineries Transaction Amount(s)**”) during the Relevant Period.

With reference to the Letter from the Board, in estimating the Sourcing of Machineries Transaction Amounts for the Relevant Period, the Management has primarily taken into account (i) the indicative orders (the “**Indicative Order(s)**”) received by the Group from a repeating independent customer as at the date of the Announcement in respect of the earliest available purchase of new excavators of the Sumitomo Brand, which are expected to be executed as soon as possible upon the Purchase Framework Agreement becoming effective and within 2024; (ii) the expected demand for the Machineries from the Group’s customers throughout the two years ending 31 December 2026; (iii) the expected market conditions for the Relevant Period including but not limited to certain governmental initiatives and policies; and (iv) the historical quantity and value of new excavators and new generators purchased by the Group from other suppliers.

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(i) The Proposed Annual Cap for the 2024 Relevant Period

In assessing the fairness and reasonableness of the determination of the Proposed Annual Cap for the 2024 Relevant Period, we have enquired with the Management regarding the details of the Indicative Orders, and learnt that the underlying customer is a construction contractor responsible for an industrial landfill construction project in Hong Kong which is expected to commence in 2025. Further, as a specific requirement underlying the construction project, the excavators to be used by the authorised contractor must be brand new rather than those used excavators that had been primarily sourced by the Group from the existing suppliers and sold to the customers at their previous requests, and the underlying customer has specifically requested for new excavators of the Sumitomo Brand under the Indicative Orders. As at the Latest Practicable Date, the negotiations between the Group and the relevant customer regarding the Indicative Orders had been substantially finalised, whereby the parties thereto had reached mutual agreement on the material terms and the Indicative Orders were anticipated to be duly executed after the Purchase Framework Agreement becoming effective and within 2024.

For our due diligence purpose, we have reviewed the signed official request letter provided by the relevant customer to the Group setting out its intention to acquire new excavators of the Sumitomo Brand under the Indicative Orders and other details such as the underlying model and quantity of machineries, delivery location and period, as well as the nature of the relevant construction project. We have further reviewed the relevant draft purchase orders to be placed by the relevant customer with the Group and the corresponding draft purchase orders to be placed by Best Linking with South Wing regarding the Indicative Orders, as well as a purchase order schedule of the Group which summarises details of each Indicative Order including but not limited to the name of the customer, the designated product and model, the involved quantity and price of the product as well as the planned delivery date. It is noted that the expected aggregate transaction amount to be generated in respect of the provision of the Machineries under the Indicative Orders is anticipated to account for not less than 75% of the Proposed Annual Cap in the amount of HK\$20,000,000 for the 2024 Relevant Period.

Considering that the expected aggregate transaction amount to be generated by the Group under the Indicative Orders is anticipated to account for a substantial portion of not less than 75% of the Proposed Annual Cap for the 2024 Relevant Period, we are of the view that the determination of the Proposed Annual Cap for the 2024 Relevant Period is fair and reasonable.

(ii) The Proposed Annual Caps for the two years ending 31 December 2026

The Proposed Annual Caps for the two years ending 31 December 2026 amount to HK\$32,000,000 and HK\$35,000,000, respectively, representing a year-on-year increase of approximately 9.4%.

In assessing the fairness and reasonableness of the determinations of the Proposed Annual Caps for the two years ending 31 December 2026, we have primarily taken into account (a) the Indicative Orders expected to be executed during the 2024 Relevant Period; and (b) the expected increase in demand for the Machineries from the Group's

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customers throughout the two years ending 31 December 2026, which was in turn anticipated primarily with reference to (1) the recent performance of the Group's sourcing of new excavators and new generators, being the primary categories of machineries to be purchased by the Group from South Wing under the Purchase Framework Agreement; and (2) the general prospect of the construction industry in Hong Kong, which is considered to be positively related to the demand for the Machineries by the Company's customers who are construction contractors based in Hong Kong, while references have also been made to (3) the enquiries received from the Group's customers on the Machineries from time to time.

(a) The Indicative Orders

It is worth noting that, for illustrative purpose and assuming that the 2024 Relevant Period would be of approximately one month, the expected aggregate transaction amount to be generated by the Group under the Indicative Orders is expected to represent not less than 75% of the Proposed Annual Cap for the 2024 Relevant Period, implying an estimated amount of not less than HK\$15,000,000 to be generated by the Group for approximately one month. On such basis, the hypothetical annualised transaction amount to be generated by the Group for sourcing the Machineries for its customers for 2024 on a full-year basis (the "**2024 Hypothetical Annualised Transaction Amount**") would amount to not less than HK\$180,000,000.

Accordingly, the Proposed Annual Cap for each of the year ending 31 December 2025 and the year ending 31 December 2026 represents a discount to the 2024 Hypothetical Annualised Transaction Amount.

(b) The expected increase in demand for the Machineries from the Group's customers throughout the two years ending 31 December 2026

(1) Recent performance of the Group's sourcing of new excavators and new generators for its customers

The recent performance of the Group's sourcing of new excavators and new generators for its customers has been generally solid. For our due diligence purpose, we have reviewed the breakdown of the Group's revenue from sourcing machineries by categories for each of 2022, 2023 and the first half of 2024. It is noted that the annual revenue of the Group from sourcing new excavators has been, or is expected to be, solely accounted for by the corresponding annual revenue of the Group from sourcing new excavators of the Sumitomo Brand for each of 2022, 2023 and 2024 (on a hypothetical basis after considering the figures for the first half of 2024 and the Indicative Orders). Further, the total annual revenue of the Group from sourcing both new excavators and new generators has exhibited a significant year-on-year increase of not less than 150% in 2023, and is expected to exhibit a year-on-year increase of not less than 50% in 2024 (on a hypothetical basis after considering

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the figures for the first half of 2024 and the Indicative Orders) and reach a level representing over 90% of the Proposed Annual Cap for the 2024 Relevant Period.

(2) The general prospect of the construction industry in Hong Kong

As advised by the Management, considering that those customers who are construction contractors based in Hong Kong, including the customer underlying the Indicative Orders, have been the primary customers demanded for brand new excavators and brand new generators from the Group in recent years, it is the Company's plan to primarily focus on exploring the market for sourcing the aforesaid machineries in Hong Kong during the two years ending 31 December 2026 after securing the reliable source of supply from South Wing, being the official agent of the new excavators of the Sumitomo Brand in Hong Kong, while the Group may also consider exploring the business opportunities in other places shall such suitable opportunities arise. We have, in this regard, reviewed the breakdown of the Group's revenue from sourcing brand new excavators and brand new generators for its customers by geographical locations for the year ended 31 December 2023 and the six months ended 30 June 2024. It is noted that Hong Kong has contributed, or is expected to contribute, over 70% of the annual revenue of the Group from sourcing brand new excavators and brand new generators for its customers for the year ended 31 December 2023 and the year ending 31 December 2024 (on a hypothetical basis after considering the figures for the first half of 2024 and the Indicative Orders), respectively. Accordingly, in assessing the expected increase in demand for the Machineries from the Group's customers throughout the two years ending 31 December 2026, we have primarily focused on the general prospect of the construction industry in Hong Kong, which is considered to be significantly and positively related to the demand for the Machineries by the Company's customers.

According to the quarterly reports published by the Census and Statistics Department of the Hong Kong government (<https://www.censtatd.gov.hk/>) on the gross domestic product information on 19 March 2024 and 20 September 2024, respectively, as opposed to the period-on-period percentage decrease recognised in the corresponding quarter of 2023, the value of production of the Hong Kong construction industry underwent a period-on-period percentage increase of 9.2% in the first quarter of 2024, which has then further increased to 17.2% in the second quarter of 2024, being the selected economic activity with the most vigorous growth during the review period.

Furthermore, supportive initiatives and policies have been implemented by the Hong Kong government in order to promote the development of the construction industry in the future. According to the Budget 2024–25 released by the Financial Secretary of Hong Kong on 28 February 2024, the expected government expenditure allocated for infrastructure development during the financial year 2024/25 amounted to approximately HK\$105.9 billion,

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representing a significant increase of approximately 19.4% as compared to that for the previous financial year. With reference to the report named “Building for the future” published in May 2024 by Brand Hong Kong (<http://www.brandhk.gov.hk>), a government programme launched in 2001 designed to promote Hong Kong as a top international city, Hong Kong invests heavily in infrastructure and other capital works in order to boost its connectivity; whereby the annual capital works expenditure of Hong Kong is expected to exceed HK\$100 billion and the annual total construction output of Hong Kong is expected to reach approximately HK\$300 billion in the coming years. As further mentioned in the 2024 Policy Address released on 16 October 2024 by the Chief Executive of Hong Kong, a large number of development projects have been or will be introduced in Hong Kong. Such development projects involve a wide range of aspects including, among others, expansion of the airport, development of sports parks, the development of the Northern Metropolis, housing, land production, urban redevelopment and expansion of transport infrastructure etc., and are currently at different stages of development, signaling the ongoing opportunities for the Hong Kong construction market in the near to medium-term future.

In light of the foregoing, we are of the view that the prospect of the construction industry in Hong Kong would be generally positive in the near future, which shall in turn impose positive impacts on the expected demand for the Machineries from the Group’s customers during the two years ending 31 December 2026.

(3) Requests received from the Group’s customers on the Machineries from time to time

As advised by the Management, the Group has received enquiries from customers, both formally and informally, from time to time in respect of the Machineries. We have, in this regard, reviewed the relevant enquiry received from the Group’s customer requesting for quotations for several models of new excavators of the Sumitomo Brand and the new generators. In addition, for reference purpose only, we were given to understand that the Group has recently received enquiries from a customer regarding the needs of new excavators of the Sumitomo Brand for a quantity expected to be similar as the Indicative Orders for its potential construction project (the “**Potential Project**”). We have conducted research on the background of the Potential Project from which we understand that the Potential Project is a development project in Hong Kong relating to creation of a third core business district by constructing artificial islands within the expanded Harbour Metropolis. It is brought up in the 2023 Policy Address that the Potential Project would provide 1000 hectares of land, creating a new central district which connects the Hong Kong island, Lantau Island, the airport, New Territories West and even Qianhai of Shenzhen. As stated in the 2024 Policy Address, among others, the statutory

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environmental impact assessment process for the reclamation works under the Potential Project shall be commenced by the end of 2024 with an aim to complete the relevant approval procedures in 2025.

Due to the challenges previously encountered by the Group to identify reliable and stable sources of supply of brand new excavators, as mentioned in the sub-section above headed “2. Reasons for and benefits of entering into the Purchase Framework Agreement and the transactions contemplated thereunder” of this letter, the Group had been primarily focusing on sourcing used machineries for its customers in the past. Yet, the Management advised that by securing the reliable and stable source of new excavators and new generators from South Wing via the Purchase Framework Agreement, the Group will proactively put in more resources and efforts in exploring the business opportunities with customers who primarily target new machineries for a relatively larger quantity and longer term, thus driving the demand for the Machineries.

Considering (i) the generally solid performance of the Group’s sourcing of new excavators and new generators for its customers, particularly, the significant year-on-year growths in revenue from sourcing such machineries for both 2023 and 2024 (after taking into account the figures for the first half of 2024 and the Indicative Orders); (ii) the generally positive prospect of the construction industry in Hong Kong as supported by, among others, supporting government initiatives and policies and a diversified range of development projects introduced and to be introduced in Hong Kong, which shall potentially drive the expected demand for the Machineries from the Group’s customers; and (iii) the requests received from the Group’s customers on the Machineries from time to time relating to potential projects including, among others, governmental development project of relatively large scale, as well as the increasing efforts to be made by the Group in exploring business opportunities with customers targeting new machineries for relatively large quantity and long term, we are of the view that it is fair and reasonable to anticipate an increasing demand for the Machineries from the Group’s customers during the Relevant Period for the two years ending 31 December 2026.

On the other hand, for the purpose of our analysis, we have further enquired with the Management regarding the reasons for adopting a relatively prudent basis for determining the Proposed Annual Caps for the two years ending 31 December 2026 as compared to the 2024 Hypothetical Annualised Transaction Amount. We learnt that in determining the Proposed Annual Caps for the two years ending 31 December 2026, the Management has considered the potential mixed impacts of several factors including, among others, the fact that the Indicative Orders represent the first batch of orders expected to be received by the Group from its customers for the purchase of brand new machineries of relatively large scale in terms of transaction amount due to the difficulties previously encountered by the Group to identify reliable and stable sources of such machineries. Accordingly, a relatively conservative estimation

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has been adopted for the two years ending 31 December 2026 in order to enable the Group to gradually develop the business of sourcing the Machineries for its customers for a relatively large quantity and long term after securing South Wing as the reliable and stable supplier. In fact, we noticed that the expected aggregate transaction amount to be generated by the Group under the Indicative Orders is expected to significantly exceed the transaction amount of each of the batches of orders received by the Group from customers for sourcing comparable brand new machineries for each of the year ended 31 December 2022, the year ending 31 December 2023 and the first half of 2024, which amounted to not more than HK\$10,000,000 each.

Accordingly, considering the mixed impacts of the factor above as well as other factors as previously analysed, including (i) the 2024 Hypothetical Annualised Transaction Amount is relatively significant and the Proposed Annual Cap for each of the two years ending 31 December 2026 represents a discount to the aforesaid; and (ii) the expected increase in demand for the Machineries from the Group's customers during the two years ending 31 December 2026, we are of the view that the determinations of the Proposed Annual Caps for the two years ending 31 December 2026, which are relatively prudent as compared to the 2024 Hypothetical Annualised Transaction Amount and are expected to exhibit a year-on-year increase of approximately 9.4% throughout the two years ending 31 December 2026, are fair and reasonable.

In light of the foregoing, we are of the view that the determinations of the Proposed Annual Caps for the Relevant Period are fair and reasonable.

RECOMMENDATIONS

Having considered the principal factors and reasons as discussed above, we are of the view that the Purchase Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder will be conducted in the ordinary and usual course of business of the Group, and the terms of the Purchase Framework Agreement and the Proposed Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Purchase Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Joshua Liu
Managing Director

Mr. Joshua Liu is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in the securities and investment banking industries.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, include 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. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Company since 31 December 2023, being the date to which the latest published audited financial statements of the Company have been made up.

3. DISCLOSURE OF INTERESTS

(a) Director and chief executive

As at the Latest Practicable Date, the interests and short positions of each of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register maintained by the Company under Section 352 of the SFO, or 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 and short positions in which they were taken or deemed to have under such provisions of the SFO) and the Model Code, are set out as follows:

Name of Director	Capacity and nature of interest	Number of Shares ^(note 1)	Percentage of issued Shares (%)
Mr. YP Chan ^(note 2)	Interest in controlled corporation	600,000,000 (L)	75%

Notes:

- (1) The letter “L” denotes a long position in the Shares.
- (2) Mr. YP Chan legally and beneficially owns the entire issued shares of C Centrum and is its sole director. Accordingly, Mr. YP Chan is deemed to be interested in all the Shares held by C Centrum by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares or the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

(b) Substantial shareholder and other persons

As at the Latest Practicable Date, the following person (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares or debentures of the Company which fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder(s)	Capacity and nature of interest	Number of Shares ^(note 1)	Percentage of issued Shares (%)
C Centrum ^(note 2)	Beneficial owner	600,000,000 (L)	75%
Ms. Leung Tak Yee ^(note 3)	Interest of spouse	600,000,000 (L)	75%

Notes:

- (1) The letter “L” denotes a long position in the Shares.
- (2) The entire issued shares of C Centrum is wholly-owned by Mr. YP Chan. Accordingly, Mr. YP Chan is deemed to be interested in all the Shares held by C Centrum by virtue of the SFO.
- (3) Ms. Leung Tak Yee is the spouse of Mr. YP Chan and is deemed to be interested in all the underlying Shares that Mr. YP Chan is interested in through C Centrum by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person, other than the Directors or chief executive of the Company had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

4. MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Group were made up.

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors was materially interested in any contracts or arrangements subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions contained in and referred to in this circular:

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

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter of advice to the Independent Board Committee and the Independent Shareholders, and references to its name and/or its advice in the form and context in which they appear.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any interest or shareholding, direct or indirect, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interests in any assets which had been acquired, disposed of by, or leased to, or which were proposed to be acquired, disposed of by, or leased to, any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

The letter and recommendations from the Independent Financial Adviser are set out in pages 13 to 24 of this circular and are given for incorporation in this circular.

7. DIRECTORS' SERVICE CONTRACTS

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

8. GENERAL

The Company's share registrar in Hong Kong is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

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

9. DOCUMENTS ON DISPLAY

Copies of the following documents are on display and are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.blg.hk) for a period of 14 days from the date of this circular:

- (a) the Purchase Framework Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out in pages 11 to 12 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out in pages 13 to 24 of this circular; and
- (d) the written consent of the Independent Financial Adviser referred to in the paragraph headed "Expert and Consent" in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9882)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Best Linking Group Holdings Limited (the “**Company**”) will be held at 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 10 December 2024 at 11:00 a.m., the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 22 November 2024:

ORDINARY RESOLUTION

1. “**THAT:**

- (i) the Purchase Framework Agreement dated 1 November 2024 entered into between Best Linking and South Wing be and is hereby approved, confirmed and ratified; and
- (ii) the proposed annual caps for the Purchase Framework Agreement in the amounts of HK\$20,000,000, HK\$32,000,000 and HK\$35,000,000 for the years ending 31 December 2024, 2025 and 2026, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (iii) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the Purchase Framework Agreement.”

Yours faithfully,
For and on behalf of the Board
Best Linking Group Holdings Limited
Chan Yuk Pan
Chairman

Hong Kong, 22 November 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Head Office and Principal Place of Business in Hong Kong:

Unit No. 1119, 11th Floor
The Metropolis Tower
No. 10 Metropolis Drive
Kowloon
Hong Kong

Notes:

1. The resolution at the Extraordinary General Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one proxy or if he holds two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Thursday, 5 December 2024 to Tuesday, 10 December 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 4 December 2024.
5. Whether or not you intend to attend the Extraordinary General Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.
6. If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal or “extreme conditions caused by a super typhoon” announced by the government of Hong Kong is in force at 9:00 a.m. on the date of the Extraordinary General Meeting, the Extraordinary General Meeting will be postponed. An announcement will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.blg.hk) regarding details of the rescheduled meeting. The Extraordinary General Meeting will be held as scheduled when typhoon signal no. 3 or below or an amber or a red rainstorm warning signal is in force. Shareholders should make their own decisions as to whether they would attend the Extraordinary General Meeting under bad weather conditions bearing in mind their own situation.