BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 240)

INTERIM RESULTS
FOR SIX MONTHS ENDED 30 JUNE 2007

FINANCIAL PERFORMANCE HIGHLIGHTS

Percentage of increase in equity* per share**	16%
Equity	HK$177 million
Equity per share	HK$0.19
Group turnover and share of turnover of jointly controlled entities	HK$590 million
Profit attributable to equity holders of the parent	HK$25 million

* *equity refers to equity attributable to equity holders of the parent*

** *including the ordinary shares and convertible and non-redeemable preference shares*

RESULTS

The board of directors (the "Board") of Build King Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2007 together with the comparative figures for the last corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2007

		Six months ended 30 June	
		2007	2006
		(Unaudited)	(Unaudited)
	NOTES	***HK$'000***	*HK$'000*
Revenue	*3*	**421,036**	281,008
Cost of sales		**(406,470)**	(266,509)
Gross profit		**14,566**	14,499
Other income	*5*	**646**	10,694
Investment income	*6*	**46,429**	23,661
Administrative expenses		**(30,233)**	(29,425)
Finance costs	*7*	**(5,634)**	(2,734)
Share of results of jointly controlled entities		**6,957**	12,591
Share of results of associates		**–**	215
Profit before tax	*8*	**32,731**	29,501
Income tax expense	*9*	**(7,564)**	(3,612)
Profit for the period		**25,167**	25,889
Attributable to:			
Equity holders of the parent		**24,603**	24,805
Minority interests		**564**	1,084
		25,167	25,889
Dividends:			
To the holders of 2% convertible and non-redeemable preference shares		**138**	150
		HK cents	*HK cents*
Earnings per share	*10*		
– Basic		**3.1**	3.2
– Diluted		**2.7**	2.7

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2007

	NOTES	30 June 2007 (Unaudited) HK$'000	31 December 2006 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	*11*	**51,370**	51,307
Intangible assets		**32,858**	32,858
Goodwill		**30,554**	30,554
Interests in jointly controlled entities		**61,142**	62,676
Available-for-sale investments		**–**	3,127
		175,924	180,522
Current assets			
Amounts due from customers for contract work		**58,102**	57,695
Available-for-sale investments		**3,127**	–
Finance lease receivables		**338**	660
Debtors, deposits and prepayments	*12*	**279,038**	223,908
Amounts due from fellow subsidiaries		**1,442**	–
Amounts due from associates		**105**	1,699
Amounts due from jointly controlled entities		**31,933**	14,129
Held-for-trading investments		**119,837**	94,247
Tax recoverable		**984**	15,700
Pledged bank deposits		**10,430**	6,692
Bank balances and cash		**37,013**	59,365
		542,349	474,095
Current liabilities			
Amounts due to customers for contract work		**22,921**	1,094
Creditors and accrued charges	*13*	**201,005**	209,651
Amount due to an intermediate holding company		**9,680**	3,644
Amounts due to fellow subsidiaries		**–**	1,763
Amount due to an associate		**9,086**	7,908
Amounts due to jointly controlled entities		**4,367**	29,350
Amounts due to minority shareholders		**2,794**	2,794
Tax liabilities		**15,944**	8,636
Ordinary share dividend payable to an intermediate holding company		**22,000**	22,000
Convertible and non-redeemable preference share dividend payable to immediate holding company		**938**	800
Bank loans – due within one year		**149,601**	106,602
Bank overdrafts, secured		**4,461**	–
		442,797	394,242
Net current assets		**99,552**	79,853
Total assets less current liabilities		**275,476**	260,375

	NOTES	30 June 2007 (Unaudited) HK$'000	31 December 2006 (Audited) HK$'000
Capital and reserves			
Ordinary share capital		**82,141**	78,141
Convertible and non-redeemable preference share capital		**11,000**	15,000
Reserves		**84,190**	59,725
Equity attributable to equity holders of the parent		**177,331**	152,866
Minority interests		**9,855**	9,291
Total equity		**187,186**	162,157
Non-current liabilities			
Deferred tax liabilities		**5,750**	5,750
Obligations in excess of interests in associates		**22,044**	22,044
Amount due to an associate		**10,517**	11,689
Amount due to a jointly controlled entity		**4,067**	4,067
Bank loans – due after one year		**45,912**	54,668
		88,290	98,218
		275,476	260,375

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. Principal accounting policies

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

In the current interim period, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2007.

HKAS1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[2]
HK(IFRIC) – Int 8	Scope of HKFRS 2[3]
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives[4]
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment[5]

[1] *Effective for annual periods beginning on or after 1 January 2007*
[2] *Effective for annual periods beginning on or after 1 March 2006*
[3] *Effective for annual periods beginning on or after 1 May 2006*
[4] *Effective for annual periods beginning on or after 1 June 2006*
[5] *Effective for annual periods beginning on or after 1 November 2006*

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC) – Int 12	Service Concession Arrangements[3]

1 *Effective for annual periods beginning on or after 1 January 2009*
2 *Effective for annual periods beginning on or after 1 March 2007*
3 *Effective for annual periods beginning on or after 1 January 2008*

HK(IFRIC) – Int 12 sets out general principles on recognising and measuring the obligations and related rights under service concession arrangements. The Group will apply this interpretation from 1 January 2008. The directors of the Company is still not yet in the position to reasonably estimate the impact that may arise on the Group's results and financial position from adoption of this interpretation. The directors of the Company anticipate that the application of the remaining standards or interpretation will have no material impact on the results and the financial position of the Group.

3. Revenue

Revenue represents the revenue on construction contracts recognised during the period.

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Group revenue	**421,036**	281,008
Share of revenue of jointly controlled entities		
Hong Kong	**107,792**	156,363
Taiwan	**–**	1,745
Other regions in the People's Republic of China (the "PRC")	**61,228**	–
	590,056	439,116

4. Segmental information

(a) Business segments

The Group is mainly engaged in civil engineering work. Accordingly no business segment analysis of financial information is provided.

(b) ***Geographical segments***

The Group's civil construction business is principally located in Hong Kong, Taiwan, the PRC and the Middle East. The Group reports its segment information based on the geographical location of its customers and the segment information about these geographical markets is presented below:

	Hong Kong	**Taiwan**	**The PRC**	**Middle East**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Six months ended 30 June 2007					
Results					
Segment group revenue	**391,286**	**4,913**	**18,644**	**6,193**	**421,036**
Segment results	**(5,415)**	**(512)**	**(3,895)**	**(3,920)**	**(13,742)**
Unallocated net corporate expenses					**(1,279)**
Investment income					**46,429**
Share of results of jointly controlled entities	**8,636**	**–**	**(1,679)**	**–**	**6,957**
Finance costs					**(5,634)**
Profit before tax					**32,731**
Income tax expense					**(7,564)**
Profit for the period					**25,167**

	Hong Kong	Taiwan	The PRC	Middle East	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2006					
Results					
Segment group revenue	216,691	–	57,055	7,262	281,008
Segment results	157	(527)	(434)	(2,063)	(2,867)
Unallocated net corporate expenses					(1,365)
Investment income					23,661
Share of results of jointly controlled entities	11,804	209	578	–	12,591
Share of results of associates	215	–	–	–	215
Finance costs					(2,734)
Profit before tax					29,501
Income tax expense					(3,612)
Profit for the period					25,889

There are no inter-segment sales for both periods.

5. Other income

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Other income includes:		
Gain on disposal of property, plant and equipment	**192**	8,544
Write back of allowance for bad and doubtful debts	**133**	1,700
Interest on bank deposits	**89**	54
Interest on finance lease receivables	**25**	70

6. Investment income

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Dividends from held-for-trading investments	**1,032**	992
Increase in fair value of held-for-trading investments	**45,397**	22,669
	46,429	23,661

7. Finance costs

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**5,563**	3,121
Imputed interest expense on non-current interest-free amount due to an associate	**–**	176
Interest bearing amount due to an associate	**71**	79
	5,634	3,376
Less: amount capitalised in property and plant under construction	**–**	(642)
	5,634	2,734

8. Profit before tax

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Profit before tax has been arrived at after charging (crediting):		
Depreciation	**4,648**	2,625
Share of income tax (credit) expenses of jointly controlled entities (included in share of results of jointly controlled entities)	**(1,069)**	1,076

9. Income tax expense

	Six months ended 30 June **2007** *HK$'000*	2006 *HK$'000*
Current tax:		
Hong Kong	**7,564**	3,614
Overprovision in prior years:		
Other jurisdictions	**–**	(2)
	7,564	3,612

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The annual tax rate used is 17.5% for the six months ended 30 June 2007 (six months ended 30 June 2006: 17.5%).

Taxation arising in other jurisdictions is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions.

10. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	Six months ended 30 June **2007** *HK$'000*	2006 *HK$'000*
Profit for the period attributable to ordinary equity holders of the parent	**24,603**	24,805
Dividends on convertible and non-redeemable preference share capital	**(138)**	(150)
Earnings for the purposes of basic earnings per share	**24,465**	24,655
Effect of dilutive potential ordinary shares:		
Dividends on convertible and non-redeemable preference share capital	**138**	150
Earnings for the purposes of diluted earnings per share	**24,603**	24,805

	Number of shares *'000*	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**792,016**	781,408
Effect of dilutive potential ordinary shares:		
Convertible and non-redeemable preference share capital	**110,000**	150,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**902,016**	931,408

11. Property, plant and equipment

During the period, the Group spent HK$4,779,000 and Nil (six months ended 30 June 2006: HK$549,000 and HK$13,287,000) on property, plant and equipment and property and plant under construction respectively.

12. Debtors, deposits and prepayments

The Group allows an average credit period of 60 days to its trade customers. For retentions receivable in respect of construction contracts, the due dates are usually one year after the completion of the construction work.

The following is an aged analysis of trade receivables at the balance sheet date:

	30 June 2007 *HK$'000*	31 December 2006 *HK$'000*
Trade debtors analysed by age:		
0 to 60 days	**207,953**	164,014
Over 90 days	**9,126**	15,004
	217,079	179,018
Retentions receivable	**26,072**	13,434
Other debtors, deposits and prepayments	**35,887**	31,456
	279,038	223,908

13. Creditors and accrued charges

The following is an aged analysis of trade payables at the balance sheet date:

	30 June 2007 *HK$'000*	31 December 2006 *HK$'000*
Trade creditors analysed by age:		
0 to 60 days	**38,069**	24,748
61 to 90 days	**4,185**	11,260
Over 90 days	**5,736**	11,985
	47,990	47,993
Retentions payable	**26,870**	22,878
Accrued project costs	**102,622**	112,038
Other creditors and accrued charges	**23,523**	26,742
	201,005	209,651

For retentions payable in respect of construction contracts, the due dates are usually one year after the completion of the construction work.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Operating results

For the six months ended 30 June 2007, the Group recorded a total turnover, including our share of jointly controlled entities, of HK$590 million ("Group Total Turnover"), representing an increase of 34% compared to HK$439 million for the six months ended 30 June 2006. This significant increase in turnover was a result of our efforts on expansion of client base.

The profit for the period was HK$25 million, similar to that for the six months ended 30 June 2006. The treasury function of the Group generated HK$39 million after tax profit from a portfolio of Hong Kong's listed securities. The construction business recorded a loss of HK$14 million. The Hong Kong market was only breakeven because of delayed settlement of the final accounts on several major projects as well as unsatisfactory contribution from a few on-going contracts. Measures are being taken to improve these loss-making contracts. Overseas markets including the PRC and Middle East were yet to be further developed and recorded a loss of HK$14 million.

As at the date of this announcement, the Group has contracts-on-hand of total value of HK$4,915 million, of which about HK$1,767 million represents outstanding works.

Hong Kong

The Group has consistently adopted a strategy to improve works quality, site safety and environmental management. As a result, the performance scores of all construction subsidiaries with the Hong Kong Government were above the industrial average resulting in a competitive advantage in bidding new public work projects.

During the first half of 2007 the Group secured eleven new construction projects with a total value over HK$600 million. These include a veterinary hospital for Ocean Park, two school building projects for Architectural Services Department, a building project for a private property developer and works for MTR Corporation ("MTRC") and Kowloon-Canton Railway Corporation ("KCRC").

The projects awarded in previous years have also progressed satisfactorily. Of the major projects, the development of the Ecopark at Tuen Mun Area 38 is approaching the completion of Phase 1 as planned, an aircraft hanger for Hong Kong Business Aviation Centre, Ltd. at the airport and a major building refurbishment project in Hung Hom progress on programme.

Although there are signs of some recovery in Hong Kong construction market, the construction business still faced severe competition in the first half of 2007. Looking forward, rising material price and labour cost, shortage of professional staff in Hong Kong pose challenges to the industry and we believe 2008 will remain a difficult year. We are however cautiously optimistic that 2009 will be better with new railway projects expected following the merger of MTRC and KCRC. We are prepared and ready to bid when they do come out. The Airport Authority is also expected to continue their programme of enhancement work at the airport and we will also continue to bid for projects put out by Hong Kong Electric Company Limited as well as for other private sector projects.

PRC

The first building project for Road King Infrastructure Limited ("Road King") in Changzhou is progressed with a small profit; this project is expected to be completed in 2008. With this successful track record, we will seek to participate in future projects for Road King.

China Railway Tenth Group Third Engineering Co., Ltd. ("CRTE"), the joint venture company in which the Group has 49% interest is slowly gaining momentum to develop its construction business. During the first half 2007, the pipe line projects in Wuxi was completed and a reasonable margin is expected on settlement of the final account. The highway project in Shaanxi Province awarded in August 2006 was 30% completed and likely to be finished in August 2008. CRTE also successfully secured another Build-and-Transfer project to construct facilities buildings for a toll road in Anhui Province.

Our first environmental infrastructure investment to build and operate a sewage treatment plant in Wuxi City has started operation. The average daily sewage volume was lower than forecast but it is now picking up slowly. Efforts are now being put to increase the volume by connection of more industrial customers into the plant. Despite of this low volume, we are well covered by the guaranteed income in accordance with the agreement entered into with the local government.

Taiwan

In Taiwan, we have been very cautiously and only selected tenders in which we believe we have a competitive advantage. In early 2007, we successfully secured a government project of contract value of HK$110 million involving dredging and a new seawall in Kinmen County. We will continue to adopt a very cautious approach to this market.

Middle East

In the Middle East, we are confident that our strategic alliance with Arabian Construction Company ("ACC"), a major contractor in the United Arab Emirates, is going to generate meaningful results in near future. The first marine works with ACC having been successfully completed in the first half of 2007. The joint venture has recently been awarded with the second contract to build a pier for a steel factory. The outlook is promising and we have strengthened the local team to actively tender for new projects.

Employees and remuneration policies

As at 30 June 2007, the Group had a total of 1,130 employees and total remuneration for the six months ended 30 June 2007 was HK$95.57 million. Competitive remuneration packages are structured for each employee to commensurate with individual responsibilities, qualification, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as that of the individual.

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2007, the Group had liquid assets of HK$157 million (as at 31 December 2006: HK$153 million) comprising held-for-trading investments of HK$120 million (as at 31 December 2006: HK$94 million) and bank balances and cash of HK$37 million (as at 31 December 2006: HK$59 million).

As at 30 June 2007, the Group had a total of interest bearing borrowings of HK$200 million (as at 31 December 2006: HK$161 million) with the following maturity profile:

	As at 30 June 2007 *HK$ million*	As at 31 December 2006 *HK$ million*
Borrowings due within one year	**154**	107
Borrowings due in the second year	**19**	32
Borrowings due in the third to fifth year inclusive	**27**	22
Total borrowings	**200**	161

The Group's borrowings, bank balances and cash and held-for-trading investments were principally denominated in Hong Kong dollars. Hence, there is limited exposure to foreign exchange rate fluctuations. During the period, the Group had no borrowings at fixed interest rate and had no financial instrument for hedging purpose.

Capital structure and gearing

During the six months ended 30 June 2007, 400,000,000 convertible and non-redeemable preference shares were converted into 40,000,000 ordinary shares. The share capital of the Company was HK$93 million comprising ordinary shares of HK$82 million and convertible and non-redeemable preference shares of HK$11 million which are convertible into 110,000,000 ordinary shares of HK$0.10 each.

As at 30 June 2007, the gearing ratio, representing total interest bearing borrowings as a percentage of total equity, was 107% (as at 31 December 2006: 100%).

Pledge of assets

As at 30 June 2007, bank deposits amounting to HK$10 million (as at 31 December 2006: HK$7 million) of the Group were pledged to banks for the purpose of satisfying the terms and conditions of certain construction contracts entered into by the Group and securing the banking facilities granted to the Group.

Certain equity securities with market value of HK$46 million (as at 31 December 2006: HK$42 million) were pledged to a bank to secure general banking facilities granted to the Group.

The Group has pledged certain motor vehicles with carrying value of HK$442,000 (as at 31 December 2006: Nil) to secure new bank loans granted to the Group at 30 June 2007.

Commitment

As at 30 June 2007, the Group had no significant capital commitment (as at 31 December 2006: HK$12 million).

Contingent liabilities

	As at 30 June 2007 *HK$ million*	As at 31 December 2006 *HK$ million*
Outstanding tender/performance/retention bonds in respect of construction contracts	**106**	55

AUDIT COMMITTEE

The Audit Committee has reviewed with the management, internal auditor and external auditors the accounting principles and policies adopted by the Group and the unaudited interim financial reports for the six months ended 30 June 2007.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2007.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2007, except for the deviation in respect of the service term under code provision A.4.1 of the Code.

Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing non-executive (including independent non-executive) directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the directors of the Company (executive, non-executive and independent non-executive) are subject to the retirement provisions of the Bye-laws of the Company that every director of the Company (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2007.

APPRECIATION

I would like to take this opportunity to express my hearty gratitude to our shareholders, our business partners, directors and loyal and dedicated colleagues.

On behalf of the Board
Zen Wei Peu, Derek
Chairman

Hong Kong, 16 August 2007

As at the date hereof, the Board comprises two executive directors, namely Mr. Zen Wei Peu, Derek and Mr. Yu Sai Yen, three non-executive directors, namely Mr. David Howard Gem, Dr. Cheng Chi Pang, Leslie and Mr. Lam Wai Hon, Patrick, and three independent non-executive directors, namely Dr. Chow Ming Kuen, Joseph, Mr. Ng Chi Ming, James and Mr. Ho Tai Wai, David.