# BUILD KING HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liabilities)*

**(Stock Code: 00240)**

## SUPPLEMENTARY INFORMATION TO ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

Reference is made to the announcement of the audited results of Build King Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2008 on 2 April 2009 (the "2008 Results Announcement"). Unless otherwise defined, terms and definitions used in the 2008 Results Announcement shall be adopted in this announcement.

The Company would like to provide the following information regarding (1) debtors including credit policy and ageing analysis of accounts receivable pursuant to paragraph 4(2)(b)(ii) of Appendix 16 to the Listing Rules; and (2) ageing analysis of accounts payable pursuant to paragraph 4(2)(c)(ii) of Appendix 16 to the Listing Rules:

1. **Debtors, deposits and prepayments**

| | **2008** | 2007 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Trade debtors analysed by age: | | |
| 0 to 60 days | **114,910** | 183,815 |
| 61 to 90 days | **387** | - |
| Over 90 days | **15,218** | - |
| | **130,515** | 183,815 |
| Retention receivables | **43,388** | 32,608 |
| Other debtors, deposits and prepayments | **37,078** | 53,916 |
| | **210,981** | 270,339 |
| Retention receivables | | |
| Due within one year | **13,041** | 19,658 |
| Due more than one year | **30,347** | 12,950 |
| | **43,388** | 32,608 |

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

Included in the Group's trade debtors are debtors with a carrying amount of HK$15,605,000 (2007: nil) which are past due over at the reporting date. As there has not been a significant change in credit quality, the amounts are still considered recoverable. In 2007, the Group has written off bad debts of HK$1,500,000 which in severe financial difficulties. The Group does not hold any collateral over trade debtors.

**Ageing of trade and bills receivables which are past due but not impaired**

| | **2008** **HK$'000** | 2007 HK$'000 |
|---|---|---|
| 61 to 90 days | **387** | - |
| Over 90 days | **15,218** | - |
| | **15,605** | - |

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The majority of the Group's trade debtors that are neither past due nor impaired have the best credit quality with reference to respective settlement history.

In determining the recoverability of a trade debtor, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is high as the major customer of the Group is HKSAR Government. The Directors consider that HKSAR Government is financially sound and accordingly no provision is required.

2. **Creditors and accrued charges**

| | **2008** **HK$'000** | 2007 HK$'000 |
|---|---|---|
| Trade creditors analysed by age: | | |
| 0 to 60 days | **64,110** | 53,899 |
| 61 to 90 days | **5,835** | 4,364 |
| Over 90 days | **17,184** | 7,812 |
| | **87,129** | 66,075 |
| Retention payables | **39,122** | 32,852 |
| Accrued project costs | **112,189** | 100,043 |
| Other creditors and accrued charges | **20,358** | 24,200 |
| | **258,798** | 223,170 |
| Retention payables | | |
| Repayable within one year | **19,584** | 19,723 |
| Repayable more than one year | **19,538** | 13,129 |
| | **39,122** | 32,852 |

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

By Order of the Board
**Chang Kam Chuen, Desmond**
*Company Secretary*

Hong Kong, 9 April 2009

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