BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL PERFORMANCE HIGHLIGHTS

Percentage of increase in equity** per share	8%
Equity	HK$300 million
Equity per share	HK24 cents
Group revenue	HK$2,193 million
Profit attributable to owners of the Company	HK$21 million
Final dividend per share	HK0.5 cent

** *equity refers to equity attributable to owners of the Company*

RESULTS

The board of directors (the "Board") of Build King Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 and the consolidated statement of financial position of the Group as at 31 December 2013 together with the comparative figures for 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	**2013** **HK$'000**	2012 HK$'000 (restated)
Revenue	3	**2,193,098**	2,142,042
Cost of sales		**(2,060,683)**	(2,030,179)
Gross profit		**132,415**	111,863
Investments and other income	5	**8,796**	22,601
Increase in fair value of held-for-trading investments		**3,990**	11,856
Administrative expenses		**(119,811)**	(107,225)
Finance costs	6	**(4,324)**	(2,751)
Other expenses		**-**	(14,838)
Share of results of associates		**643**	440
Profit before tax	7	**21,709**	21,946
Income tax expense	8	**(1,495)**	(1,822)
Profit for the year		**20,214**	20,124
Profit for the year attributable to:			
Owners of the Company		**21,330**	20,669
Non-controlling interests		**(1,116)**	(545)
		20,214	20,124
		HK cents	HK cents
Earnings per share	10		
- Basic		**1.7**	1.7

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	HK$'000	HK$'000
		(restated)
Profit for the year	**20,214**	20,124
Other comprehensive income:		
Item that will be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**2,569**	858
Total comprehensive income for the year	**22,783**	20,982
Total comprehensive income attributable to:		
Owners of the Company	**23,810**	21,494
Non-controlling interests	**(1,027)**	(512)
	22,783	20,982

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	Notes	31 December 2013 HK$'000	31 December 2012 HK$'000 (restated)	1 January 2012 HK$'000 (restated)
Non-current assets				
Property, plant and equipment		**76,311**	64,349	63,786
Intangible assets		**71,110**	65,095	65,996
Goodwill		**30,554**	30,554	30,554
Interests in joint ventures		**-**	-	12,312
Available-for-sale investment		**-**	-	-
Other financial asset		**52,390**	52,295	53,400
		230,365	212,293	226,048
Current assets				
Amounts due from customers for contract work		**325,487**	253,679	164,779
Debtors, deposits and prepayments	11	**784,056**	625,100	447,702
Amounts due from fellow subsidiaries		**3,148**	1,153	2,171
Amounts due from associates		**7,541**	7,552	7,171
Amount due from a joint venture		**321**	321	321
Amounts due from other partners of joint operations		**66,601**	27,922	30,108
Held-for-trading investments		**44,948**	41,024	29,566
Tax recoverable		**1,482**	570	388
Pledged bank deposits		**30**	10	21
Bank balances and cash		**299,082**	155,100	176,730
		1,532,696	1,112,431	858,957
Current liabilities				
Amounts due to customers for contract work		**643,952**	291,988	242,529
Creditors and accrued charges	12	**599,149**	547,049	462,201
Amount due to an intermediate holding company		**7,225**	5,149	16,386
Amount due to an associate		**12,159**	11,052	9,947
Amounts due to joint ventures		**1,142**	1,142	1,825
Amounts due to other partners of joint operations		**69,849**	27,377	12,876
Amounts due to non-controlling interests		**3,094**	3,094	3,092
Tax liabilities		**-**	899	-
Bank loans - due within one year		**94,497**	114,677	16,418
		1,431,067	1,002,427	765,274
Net current assets		**101,629**	110,004	93,683
Total assets less current liabilities		**331,994**	322,297	319,731

	31 December 2013 HK$'000	2012 HK$'000 (restated)	1 January 2012 HK$'000 (restated)
Capital and reserves			
Ordinary share capital	**124,188**	124,188	124,188
Reserves	**175,624**	152,246	130,752
Equity attributable to owners of the Company	**299,812**	276,434	254,940
Non-controlling interests	**3,239**	15,605	15,817
Total equity	**303,051**	292,039	270,757
Non-current liabilities			
Deferred tax liabilities	**5,750**	5,750	5,750
Obligations in excess of interests in associates	**17,152**	17,795	18,235
Amount due to an associate	**6,041**	6,713	7,172
Amount due to a joint venture	**-**	-	4,067
Bank loans - due after one year	**-**	-	13,750
	28,943	30,258	48,974
	331,994	322,297	319,731

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS(s)") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new and revised Hong Kong Accounting Standards ("HKAS(s)"), HKFRS(s), amendments and interpretations ("HK(IFRIC) - Int") (hereinafter collectively referred to as the "new and revised HKFRSs") issued by HKICPA:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 - 2011 Cycle
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated Financial Statements", HKFRS 11 "Joint Arrangements", HKFRS 12 "Disclosure of Interests in Other Entities", HKAS 27 (as revised in 2011) "Separate Financial Statements" and HKAS 28 (as revised in 2011) "Investments in Associates and Joint Ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Impact of the application of HKFRS 10 "Consolidated Financial Statements"

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) Int - 12 "Consolidation - Special Purpose Entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its investment with other entities as at 1 January 2013.

Impact of the application of HKFRS 11 "Joint Arrangements"

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, HK(SIC) - Int 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The directors of the Company reviewed and assessed the classification of the Group's joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that certain of the Group's joint arrangements, which were previously classified as jointly controlled entities under HKAS 31 and were accounted for using the equity method, should be classified as joint operations under HKFRS 11 taking into account the relevant joint arrangement agreements that specify that the parties to the joint arrangements have rights to the assets and obligations to the liabilities relating to the joint arrangements and accounted for the assets, liabilities, revenues and expenses relating to its interests in the joint operations.

The change in accounting of the Group's joint arrangements has been applied in accordance with the relevant transitional provisions set out in HKFRS 11. The initial investments as at 1 January 2012 for the purposes of applying the joint operations are measured as the segregate of the carrying amounts of the assets and liabilities that the Group had previously netting off. Also, the directors of the Company performed an impairment assessment on the segregate assets as at 1 January 2012 and concluded that no impairment loss is required. Comparative amounts for 2012 have been restated to reflect the change in accounting for the Group's joint arrangements.

Impact of the application of HKFRS 12 "Disclosure of Interests in Other Entities"

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements and associates. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. The directors consider that the Group's subsidiaries that have non-controlling interests are not material to the Group.

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. The application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)**

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The Group has applied the amendments to HKAS 1. Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKAS 1 Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012)

In current year, the Group has applied for the first time the amendments to HKAS 1. HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the HKFRS 11 for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1 January 2012. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 January 2012 without the related notes.

Summary of the effects of the above changes in accounting policies

The effects of changes in accounting policies described above on the results for the current and prior years by line items are as follows:

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Impact on profit for the year of the application of HKFRS 11

	2012 HK$'000
Increase in revenue	480,847
Increase in cost of sales	(463,477)
Decrease in investments and other income	(8,525)
Increase in finance costs	(774)
Decrease in share of results of joint ventures	(8,071)
Change in profit for the year	-

Impact on assets, liabilities and equity as at 1 January 2012 of the application of HKFRS 11

	As at 1 January 2012 as previously reported HK$'000	Adjustments HK$'000	As at 1 January 2012 as restated HK$'000
Property, plant and equipment	47,934	15,852	63,786
Interests in joint ventures	40,622	(28,310)	12,312
Amounts due from customers for contract work	98,761	66,018	164,779
Debtors, deposits and prepayments	309,442	138,260	447,702
Amounts due from fellow subsidiaries	364	1,807	2,171
Amount due from a joint venture	41,637	(41,316)	321
Amounts due from other partners of joint operations	-	30,108	30,108
Tax recoverable	-	388	388
Bank balances and cash	91,300	85,430	176,730
Amounts due to customers for contract work	(65,549)	(176,980)	(242,529)
Creditors and accrued charges	(379,227)	(82,974)	(462,201)
Amounts due to joint ventures	(6,418)	4,593	(1,825)
Amounts due to other partners of joint operations	-	(12,876)	(12,876)
Total effect on net assets and equity		-	

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)**

Impact on assets, liabilities and equity as at 31 December 2012 of the application of HKFRS 11

	As at 31 December 2012 as previously reported HK$'000	Adjustments HK$'000	As at 31 December 2012 as restated HK$'000
Property, plant and equipment	42,675	21,674	64,349
Interests in joint ventures	27,963	(27,963)	-
Amounts due from customers for contract work	138,152	115,527	253,679
Debtors, deposits and prepayments	527,995	97,105	625,100
Amounts due from fellow subsidiaries	-	1,153	1,153
Amount due from a joint venture	74,671	(74,350)	321
Amounts due from other partners of joint operations	-	27,922	27,922
Tax recoverable	-	570	570
Bank balances and cash	55,340	99,760	155,100
Amounts due to customers for contract work	(125,957)	(166,031)	(291,988)
Creditors and accrued charges	(507,372)	(39,677)	(547,049)
Amounts due to fellow subsidiaries	(654)	654	-
Amounts due to joint ventures	(12,465)	11,323	(1,142)
Amounts due to other partners of joint operations	-	(27,377)	(27,377)
Bank loans - due within one year	(74,387)	(40,290)	(114,677)
Total effect on net assets and equity		-	

Impact on cash flows for the year ended 31 December 2012 of the application of HKFRS 11

	Adjustments HK$'000
Increase in net cash outflow from operating activities	(44,390)
Increase in net cash inflow from investing activities	19,887
Increase in net cash inflow from financing activities	38,833
Net increase in cash and cash equivalents	14,330

The above changes in accounting policies do not have any impact on the Group's basic earnings per share for the current and prior years.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The Group has not early applied the following new and revised standards, amendments or interpretation that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) - Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.

2 Effective for annual periods beginning on or after 1 July 2014.

3 Available for application - the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

5 Effective for annual periods beginning on or after 1 January 2016.

The directors of the Company are in the process of ascertaining the financial impact on application of these new and revised standards, amendments and interpretation on the consolidated financial statements of the Group.

3. REVENUE

Revenue represents mainly the revenue on construction contracts recognised during the year.

4. SEGMENTAL INFORMATION

The Group is mainly engaged in civil engineering work. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on geographical location of its customers including Hong Kong, People's Republic of China (the "PRC") and the Middle East. The Group's operating and reportable segments are as follows:

Year ended 31 December 2013

	Hong Kong HK$'000	**The PRC HK$'000**	**Middle East HK$'000**	**Total HK$'000**
Results				
Segment revenue	**2,165,199**	**27,899**	**-**	**2,193,098**
Segment profit (loss)	**12,519**	**10,283**	**(2,464)**	**20,338**
Unallocated expenses				**(1,990)**
Investments income				**3,052**
Increase in fair value of held-for-trading investments				**3,990**
Share of results of associates				**643**
Finance costs				**(4,324)**
Profit before tax				**21,709**

Year ended 31 December 2012

	Hong Kong HK$'000	The PRC HK$'000	Middle East HK$'000	Total HK$'000 (restated)
Results				
Segment revenue	2,119,401	18,357	4,284	2,142,042
Segment profit (loss)	6,747	13,620	(9,362)	11,005
Unallocated expenses				(1,449)
Investments income				2,845
Increase in fair value of held-for-trading investments				11,856
Share of results of associates				440
Finance costs				(2,751)
Profit before tax				21,946

There are no inter-segment sales for both years.

All of the segment revenue reported above is from external customers.

5. INVESTMENTS AND OTHER INCOME

	2013	2012
	HK$'000	HK$'000
		(restated)
Investments and other income include:		
Dividends from held-for-trading investments	**1,575**	1,391
Gain on disposal of property, plant and equipment	**91**	12,930
Gain on disposal of a subsidiary	**-**	4,080
Interest on bank deposits	**242**	218
Interest on other financial asset	**1,430**	1,439
Interest on held-for-trading investments	**1,477**	1,454
Insurance claim on loss of plant and machinery	**2,169**	-

6. FINANCE COSTS

	2013	2012
	HK$'000	HK$'000
		(restated)
Interest on:		
Bank borrowings wholly repayable within five years	**3,889**	2,355
Imputed interest expense on non-current interest-free amount due to an associate	**435**	396
	4,324	2,751

7. PROFIT BEFORE TAX

	2013	2012
	HK$'000	HK$'000
		(restated)
Profit before tax has been arrived at after charging (crediting):		
Auditor's remuneration	**1,420**	1,420
Bad debts written off	**-**	52
Depreciation of property, plant and equipment	**31,924**	19,606
Less: amount attributable to construction contracts	**(16,700)**	(9,548)
	15,224	10,058
Hire charges for plant and machinery	**93,463**	58,010
Less: amount attributable to construction contracts	**(93,463)**	(58,010)
	-	-
Amortisation of intangible assets	**1,342**	1,264
Expenses incurred in towing certain vessels from Middle East to Hong Kong (included in other expenses)	**-**	14,838
Net foreign exchange (gains) losses	**(23)**	67
Operating lease rentals in respect of land and buildings	**7,744**	9,946
Less: amount attributable to construction contracts	**(2,178)**	(3,943)
	5,566	6,003
Staff costs:		
Directors' remuneration	**8,968**	7,760
Other staff costs	**423,912**	251,809
Retirement benefits scheme contributions, excluding amounts included in directors' remuneration and net of forfeited contributions of HK$595,000 (2012: HK$393,000)	**13,692**	11,974
	446,572	271,543
Less: amount attributable to construction contracts	**(364,829)**	(196,515)
	81,743	75,028

8. INCOME TAX EXPENSE

	2013	2012
	HK$'000	HK$'000
Current tax:		
Other jurisdiction	**1,484**	899
Underprovision in prior years:		
Hong Kong	**11**	923
	1,495	1,822

Hong Kong Profits Tax is provided for at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits.

No provision for Hong Kong Profits Tax for both years has been made in the consolidated financial statements as the estimated assessable profit has been wholly absorbed by tax losses brought forward.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

9. FINAL DIVIDEND

A final dividend for the year ended 31 December 2013 of HK0.5 cent (2012: Nil) per ordinary share has been proposed by the Board of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting. This final dividend has not been included as a liability in the consolidated financial statements.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$'000	HK$'000
Profit for the year attributable to owners of the Company and earnings for the purpose of basic earnings per ordinary share	**21,330**	20,669

	Number of Shares	
	2013	2012
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share	**1,241,878**	1,241,878

The Company has no potential ordinary shares outstanding during both years. Accordingly, no diluted earnings per share information is presented.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

The following is an aged analysis of trade receivables net of allowances for doubtful debts presented based on the invoice date at the end of the reporting period:

	2013 HK$'000	2012 HK$'000 (restated)
Trade receivables analysed by age:		
0 to 60 days	**504,306**	429,891
61 to 90 days	**7,337**	-
Over 90 days	**14**	118
	511,657	430,009
Retention receivables	**195,401**	141,420
Other debtors, deposits and prepayments	**76,998**	53,671
	784,056	625,100
Retention receivables:		
Due within one year	**109,220**	58,569
Due more than one year	**86,181**	82,851
	195,401	141,420

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 receivables are debtors with a carrying amount of HK$7,351,000 (2012: HK$118,000) which are past due but not impaired as at the end of the reporting period. As there has not been a significant change in credit quality, the amounts are still considered recoverable.

Ageing of trade receivables which are past due but not impaired

	2013 HK$'000	2012 HK$'000
Overdue:		
1 to 30 days	**7,337**	-
Over 30 days	**14**	118
	7,351	118

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 receivables that are neither past due nor impaired have good credit quality with reference to respective settlement history.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

12. CREDITORS AND ACCRUED CHARGES

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	2013 HK$'000	2012 HK$'000 (restated)
Trade creditors analysed by age:		
0 to 60 days	**101,551**	99,110
61 to 90 days	**13,471**	5,935
Over 90 days	**13,895**	6,596
	128,917	111,641
Retention payables	**133,432**	124,134
Accrued project costs	**317,085**	295,449
Other creditors and accrued charges	**19,715**	15,825
	599,149	547,049
Retention payables:		
Repayable within one year	**70,148**	46,546
Repayable more than one year	**63,284**	77,588
	133,432	124,134

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

DIVIDEND

The Board recommends the payment of a final dividend of HK0.5 cent (2012: Nil) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Monday, 19 May 2014.

Subject to the approval of shareholders at the forthcoming Annual General Meeting, it is expected that the payment of final dividend will be made on or before Tuesday, 10 June 2014.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 9 May 2014, the register of members of the Company will be closed from Wednesday, 7 May 2014 to Friday, 9 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Progressive Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (to be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from Monday, 31 March 2014) not later than 4:00 p.m. on Monday, 5 May 2014.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is on Monday, 19 May 2014. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 16 May 2014 to Monday, 19 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Progressive Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (to be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from Monday, 31 March 2014) not later than 4:00 p.m. on Thursday, 15 May 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

Overall Results

For the year 2013, the Group's turnover recorded a slight increase of 2.4%, from HK$2,142 million in 2012 to HK$2,193 million.

As reported in Interim Report 2013, the profit for the first six months was worse than that for the corresponding period of 2012 because of cost overrun on two government projects. However, in the second half of 2013, a significant portion of cost overrun was recovered. The profit for the full year 2013 was HK$20 million, same as that for 2012.

The profit for 2013 was made up of HK$13 million from construction (2012: HK$5 million) and HK$7 million from investment in marketable securities (2012: HK$15 million).

During the year, the Group was awarded with six new projects with total value exceeding HK$3 billion. Since the year end, one major building project of about HK$900 million has been secured, bringing the total value of the outstanding works to HK$8 billion at the date of this announcement.

Hong Kong

During 2013, as anticipated, the Group has been extremely busy with tenders for mega infrastructure projects. The Group was successful in winning work in line with our expectations. The first successful tender in 2013 was a joint venture project of contract sum of HK$3.3 billion, for the Central-Wan Chai Bypass at West Wan Chai, in which the Group has 49% interest. A few months later, we secured our third contract on the new Shatin Central Line for MTR Corporation Limited ("MTRC"), Kai Tak Station. In the second half, we won two more projects in the Kai Tak Development Area - Stage 3A Infrastructure for Civil Engineering Development Department (CEDD) and a contract for two new primary schools for Architectural Services Department (ASD).

For the third successive year, we have secured contracts worth more than HK$3 billion. Whilst we are still actively bidding new projects, we are continuing to be very selective and targeting only those projects that we believe the cashflow will be healthy and where we think we have an edge.

The projects secured in 2013 including Diamond Hill Station, Hung Hom North Approach Tunnels, Kai Tak Station and Central-Wan Chai Bypass Package C3 at West Wan Chai. These have all started off well. Although turnover generated from these projects was not significant and no profit was recognized in 2013 due to the early stage of each, progress on all of them was generally satisfactory and with costs in line with budget. It is expected that the contribution of these projects next year will be significant.

The results of solo projects completed, or nearing completion, during the year were mixed. The final account for the Polar Adventure and Thrill Mountain project at Ocean Park (completed in 2012) was settled but at a sum well below the budget. The difficulties encountered on the Central-Wan Chai Bypass Portion C4 over existing MTR Tsuen Wan line (as reported in Interim Report) were finally overcome and the final account agreed satisfactorily with the loss provision written back. The roads and drains infrastructure project for CEDD at Kai Tak Development Area was completed and is expected to be settled within budget.

Major projects in progress were also moving along satisfactorily. The Central Wanchai Bypass Package C1 at Hong Kong Convention and Exhibition Centre is proceeding well with tunnel excavation now in hand; however, both the programme and budget are tight. The tunneling work on the MTRC Contract 824 of Express Rail Link has improved and work reprogrammed to minimize the effects of the ongoing ground condition delays. The latter are the subject of detailed discussions with the client. The joint venture contract to lay two new Cross Harbour Gas Mains for the Hong Kong and China Gas Company was completed, barring testing and a small section of final rock armour, all in line with programme and budget. The reconstruction and improvement of Kai Tak River in Wong Tai Sin, as well as the two projects for the Harbour Area Treatment Scheme are progressing well and are within budget. Also, the design and construct contract to upgrade the pedestrian promenades around Aberdeen Harbour is progressing well.

The growth of the building division is also encouraging. The outstanding value of work for this division has been increased from HK$700 million last year to HK$1.9 billion at present. The profit contribution to the group in 2013 was more than double that of 2012; this was due to the successful completion of the Animal Management Center for the MTRC which was handed over ahead of the original programme and the completion of three out of four stages of the development of Hang Seng Management College and the final stage is expected to be completed in 2015. The projects commenced in late 2012, namely disciplined services quarter in Tuen Mun for ASD and the student hostel for HKUST are satisfactory. In January 2014, we were awarded work for Shatin Central Line for MTRC – namely the reprovisioning of swimming pool and sports facilities in Wan Chai to allow the construction of the future Exhibition Station to commence in 2015.

PRC

During the year, the sewage treatment plant in Wuxi City continued to provide a steady profit in line with budget. The expansion of the plant was completed in the third quarter of 2013 and now is operational. This has increased the design capacity from 35,000 to 50,000 tonnes per day. Hence we are optimistic that with steady growth of local population, the future revenue and profit will be satisfactory.

Leveraged on the experience of this project, the prospects of further investment in environmental projects in China is promising and we are actively seeking opportunities in this sector.

Employees and Remuneration Policies

As at 31 December 2013, the Group had a total of 1,112 employees and total remuneration for the year ended 31 December 2013 was approximately HK$447 million. Competitive remuneration packages are structured for each employee commensurate with individual responsibility, qualifications, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as performance of the individual.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2013, the Group had liquid assets of HK$344 million (as at 31 December 2012 (restated): HK$196 million) comprising held-for-trading investments of HK$45 million (as at 31 December 2012: HK$41 million) and bank balances and cash of HK$299 million (as at 31 December 2012 (restated): HK$155 million).

As at 31 December 2013, the Group had a total of interest bearing borrowings of HK$94 million (as at 31 December 2012 (restated): HK$115 million) with following maturity profile:

	At 31 December 2013 HK$ million	At 31 December 2012 HK$ million (restated)
Borrowings due within one year	**94**	115

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

Capital Structure and Gearing

As at 31 December 2013, total equity was HK$303 million (as at 31 December 2012: HK$292 million) comprising ordinary share capital of HK$124 million (as at 31 December 2012: HK$124 million), reserves of HK$176 million (as at 31 December 2012: HK$152 million) and non-controlling interests of HK$3 million (as at 31 December 2012: HK$16 million).

As at 31 December 2013, the gearing ratio, representing total interest bearing borrowings as a percentage of total equity, was 31% (as at 31 December 2012 (restated): 39%).

Pledge of Assets

As at 31 December 2013, bank deposits of the Group amounting to HK$30,000 (31 December 2012: HK$10,000) were pledged to banks for securing the banking facilities granted to the Group.

As at 31 December 2013, certain equity securities with market value of HK$22 million (31 December 2012: HK$20 million) were pledged to a bank to secure general banking facilities granted to the Group.

Contingent Liabilities

	As at 31 December 2013 HK$ million	As at 31 December 2012 HK$ million
Outstanding tender/performance/retention bonds in respect of construction contracts	**248**	243

CORPORATE GOVERNANCE CODE

The Company is committed to attaining good standard of corporate governance practices and has complied with the code provisions of Corporate Governance Code for the year ended 31 December 2013 as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for code provision of A.2.1.

Code Provision A.2.1

Mr. Zen Wei Peu, Derek has been both the Chairman and Chief Executive Officer of the Company. In addition to his responsibilities as Chairman overseeing the function of the Board and formulating overall strategies and polices of the Company, Mr. Zen has taken up the management of the Group's business and overall operation. However, the day-to-day running of the Company has been delegated to the divisional heads responsible for the different aspects of the business.

The Board considers that this structure will not impair the balance of power and authority between the board and the management of the business of the Group given that there are a strong and independent non-executive directorship element on the Board and a clear division of responsibility in running the business of the Group. The Board believes that the structure outlined above is beneficial to the Company and its business.

Details of corporate governance code are set out in Annual Report 2013.

AUDIT COMMITTEE

The Audit Committee has conducted a meeting with the management and external auditor to review the accounting policies adopted by the Group, the consolidated financial statements for the year ended 31 December 2013, the general scope of audit work conducted by the external auditor and assessment of the Group's internal controls.

DIRECTORS' SECURITIES TRANSACTIONS

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

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 year ended 31 December 2013.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Academy Room I-II, 1st Floor, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 9 May 2014 at 2:00 p.m. and the Notice of the Annual General Meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website (www.buildking.hk) and the Stock Exchange's website (www.hkexnews.hk). The Annual Report 2013 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

BOARD OF DIRECTORS

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.

By order of the Board
Zen Wei Peu, Derek
Chairman

Hong Kong, 7 March 2014