BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL PERFORMANCE HIGHLIGHTS

Percentage of increase in equity** per share	15%
Equity	HK$346 million
Equity per share	HK28 cents
Group revenue	HK$3,237 million
Profit attributable to owners of the Company	HK$55 million
Final dividend per share	HK1 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 2014 and the consolidated statement of financial position of the Group as at 31 December 2014 together with the comparative figures for 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Revenue	3	**3,237,341**	2,193,098
Cost of sales		**(3,017,594)**	(2,060,683)
Gross profit		**219,747**	132,415
Investments and other income	5	**5,079**	8,796
(Decrease) increase in fair value of held-for-trading investments		**(4,031)**	3,990
Administrative expenses		**(163,334)**	(119,811)
Finance costs	6	**(3,559)**	(4,324)
Share of results of associates		**619**	643
Profit before tax	7	**54,521**	21,709
Income tax expense	8	**(1,907)**	(1,495)
Profit for the year		**52,614**	20,214
Profit for the year attributable to:			
Owners of the Company		**55,203**	21,330
Non-controlling interests		**(2,589)**	(1,116)
		52,614	20,214
		HK cents	HK cents
Earnings per share	10		
- Basic		**4.5**	1.7

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	HK$'000	HK$'000
Profit for the year	**52,614**	20,214
Other comprehensive (expense) income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(2,557)**	2,569
Total comprehensive income for the year	**50,057**	22,783
Total comprehensive income attributable to:		
Owners of the Company	**52,739**	23,810
Non-controlling interests	**(2,682)**	(1,027)
	50,057	22,783

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Notes	**2014 HK$'000**	2013 HK$'000
Non-current assets			
Property, plant and equipment		**110,550**	76,311
Intangible assets		**68,632**	71,110
Goodwill		**30,554**	30,554
Interest in a joint venture		**-**	-
Available-for-sale investment		**-**	-
Other financial asset		**49,421**	52,390
		259,157	230,365
Current assets			
Amounts due from customers for contract work		**461,531**	325,487
Debtors, deposits and prepayments	11	**779,897**	784,056
Amounts due from fellow subsidiaries		**1,636**	3,148
Amounts due from associates		**7,590**	7,541
Amount due from a joint venture		**321**	321
Amounts due from other partners of joint operations		**139,840**	66,601
Held-for-trading investments		**25,804**	44,948
Tax recoverable		**148**	1,482
Pledged bank deposits		**60**	30
Bank balances and cash		**410,873**	299,082
		1,827,700	1,532,696
Current liabilities			
Amounts due to customers for contract work		**648,641**	643,952
Creditors and accrued charges	12	**801,126**	599,149
Amount due to an intermediate holding company		**9,242**	7,225
Amount due to an associate		**13,264**	12,159
Amount due to a joint venture		**1,142**	1,142
Amounts due to other partners of joint operations		**138,304**	69,849
Amounts due to non-controlling interests		**3,094**	3,094
Tax payable		**1,698**	-
Bank loans - due within one year		**95,758**	94,497
		1,712,269	1,431,067
Net current assets		**115,431**	101,629
Total assets less current liabilities		**374,588**	331,994

	2014 HK$'000	2013 HK$'000
Capital and reserves		
Ordinary share capital	**124,188**	124,188
Reserves	**221,643**	175,624
Equity attributable to owners of the Company	**345,831**	299,812
Non-controlling interests	**1,068**	3,239
Total equity	**346,899**	303,051
Non-current liabilities		
Deferred tax liabilities	**5,750**	5,750
Obligations in excess of interests in associates	**16,533**	17,152
Amount due to an associate	**5,406**	6,041
	27,689	28,943
	374,588	331,994

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 HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) - Int 21	Levies

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

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit ("CGU") whose recoverable amount is based on fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions, and valuation techniques used which are in line with the disclosure required by HKFRS 13. On the other hand, the amendments remove the requirement to disclose the recoverable amount of a CGU to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal impairment of the related CGU.

The adoption of such amendments does not have any impact to the Group.

The application of the other 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.

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

HKFRS 9	Financial Instruments[6]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[5]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[3]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10 HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[3]

[1] Effective for accounting periods beginning on or after 1 July 2014.
[2] Effective for accounting periods beginning on or after 1 July 2014, with limited exceptions.
[3] Effective for accounting periods beginning on or after 1 January 2016.
[4] Effective for first annual financial statements beginning on or after 1 January 2016.
[5] Effective for accounting periods beginning on or after 1 January 2017.
[6] Effective for accounting periods beginning on or after 1 January 2018.

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

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The management of the Group anticipates that the application of HKFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Other than that, the management anticipates that the application of the above new and revised standards and amendments will have no material impact on the results and the financial position 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 (i.e. the executive directors) 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 2014

	Hong Kong HK$'000	**The PRC HK$'000**	**Middle East HK$'000**	**Total HK$'000**
Results				
Segment revenue	**3,214,927**	**22,414**	**-**	**3,237,341**
Segment profit (loss)	**55,416**	**8,973**	**(2,324)**	**62,065**
Unallocated expenses				**(2,793)**
Investments income				**2,220**
Decrease in fair value of held-for-trading investments				**(4,031)**
Share of results of associates				**619**
Finance costs				**(3,559)**
Profit before tax				**54,521**

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

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

	2014	2013
	HK$'000	HK$'000
Investments and other income include:		
Dividends from held-for-trading investments	**1,933**	1,575
Gain on disposal of property, plant and equipment	**280**	91
Interest on bank deposits	**96**	242
Interest on other financial asset	**1,347**	1,430
Interest on held-for-trading investments	**287**	1,477
Insurance claim on loss of plant and machinery	**301**	2,169

6. FINANCE COSTS

	2014	2013
	HK$'000	HK$'000
Interest on:		
Bank borrowings wholly repayable within five years	**3,089**	3,889
Imputed interest expense on non-current interest-free amount due to an associate	**470**	435
	3,559	4,324

7. PROFIT BEFORE TAX

	2014 HK$'000	2013 HK$'000
Profit before tax has been arrived at after charging (crediting):		
Auditor's remuneration		
Current year	**1,420**	1,420
Underprovision in prior years	**437**	-
	1,857	1,420
Depreciation of property, plant and equipment	**37,938**	31,924
Less: amount attributable to construction contracts	**(22,279)**	(16,700)
	15,659	15,224
Hire charges for plant and machinery	**133,577**	93,463
Less: amount attributable to construction contracts	**(133,577)**	(93,463)
	-	-
Amortisation of intangible assets	**1,519**	1,342
Net foreign exchange losses (gains)	**290**	(23)
Impairment loss recognised on goodwill	**2,177**	-
Operating lease rentals in respect of land and buildings	**16,537**	7,744
Less: amount attributable to construction contracts	**(9,834)**	(2,178)
	6,703	5,566
Staff costs:		
Directors' remuneration	**9,435**	8,968
Other staff costs	**530,788**	423,912
Retirement benefits scheme contributions, excluding amounts included in directors' remuneration and net of forfeited contributions of HK$562,000 (2013: HK$595,000)	**17,883**	13,692
	558,106	446,572
Less: amount attributable to construction contracts	**(442,108)**	(364,829)
	115,998	81,743

8. INCOME TAX EXPENSE

	2014	2013
	HK$'000	HK$'000
Current tax:		
Other jurisdictions	**1,690**	1,484
Under(over)provision in prior years:		
Hong Kong	**204**	(6)
Other jurisdictions	**13**	17
	217	11
	1,907	1,495

Hong Kong Profits Tax is provided for at the rate of 16.5% (2013: 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. DIVIDEND

A final dividend for the year ended 31 December 2014 of HK1 cent (2013: HK0.5 cent) per ordinary share, totaling approximately HK$12,419,000 based on 1,241,877,992 shares (2013: approximately HK$6,209,000 based on 1,241,877,992 shares) has been proposed by the Board of the Company and is subject to approval by the shareholders at 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:

	2014	2013
	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	**55,203**	21,330

	Number of Shares	
	2014	2013
	'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:

	2014	2013
	HK$'000	HK$'000
Trade receivables analysed by age:		
0 to 60 days	**496,677**	504,306
61 to 90 days	**730**	7,337
Over 90 days	**4,912**	14
	502,319	511,657
Retention receivables	**240,235**	195,401
Other debtors, deposits and prepayments	**37,343**	76,998
	779,897	784,056
Retention receivables:		
Due within one year	**66,745**	109,220
Due more than one year	**173,490**	86,181
	240,235	195,401

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$5,642,000 (2013: HK$7,351,000) 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

	2014	2013
	HK$'000	HK$'000
Overdue:		
1 to 30 days	**730**	7,337
Over 30 days	**4,912**	14
	5,642	7,351

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:

	2014	2013
	HK$'000	HK$'000
Trade creditors analysed by age:		
0 to 60 days	**186,594**	101,551
61 to 90 days	**25,440**	13,471
Over 90 days	**36,954**	13,895
	248,988	128,917
Retention payables	**194,730**	133,432
Accrued project costs	**323,236**	317,085
Other creditors and accrued charges	**34,172**	19,715
	801,126	599,149
Retention payables:		
Repayable within one year	**52,412**	70,148
Repayable more than one year	**142,318**	63,284
	194,730	133,432

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 HK1 cent (2013: HK0.5 cent) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Friday, 22 May 2015.

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 Thursday, 18 June 2015.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 15 May 2015, the register of members of the Company will be closed from Wednesday, 13 May 2015 to Friday, 15 May 2015, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 12 May 2015.

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 Friday, 22 May 2015. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 21 May 2015 to Friday, 22 May 2015, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 20 May 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

Overall Results

For the year 2014, the Group turnover increased by 48%, from HK$2,193 million in 2013 to HK$3,237 million; the profit for the year also increased by 160%, from HK$20 million in 2013 to HK$53 million.

The significant improvement of the results was within budget largely as a result of major projects awarded in past two years reaching a mature stage thereby contributing to both turnover and profits. The gross profit margin for the year increased from 6% in 2013 to 6.8%, reflecting the healthier margins for work on hand. With the heavy tendering activity in the year, the overhead cost increased by 36% from HK$120 million in 2013 to HK$163 million in 2014. Overall, we achieved a profit to turnover ratio of 1.6%, a significant improvement from the 0.9% in 2013.

The Group secured four new projects during the year with a total contract sum of HK$2.6 billion. As at the date of this announcement, the outstanding value of contracts on hand was HK$8.1 billion.

Overall, the results of major civil projects in progress were satisfactory except for one tunnel project where geotechnical difficulties continued to be encountered. On our Express Rail Link tunnel project for MTRC, despite the delays due to very bad geotechnical conditions continuing, we achieved the breakthrough on both tunnels recently and are moving forward to completion in 2016. Negotiations with the client for recovery of cost are ongoing. The projects for MTRC Shatin to Central Link - namely Diamond Hill Station, Kai Tak Station and Hung Hom North Approach Tunnels are all progressing satisfactorily and are generally on time. Although the Group only have a minority role, the exceptionally difficult contract to enlarge Admiralty Station to accommodate the future Shatin to Central Link as well as the South Island Line is progressing satisfactorily. On Central Wanchai Bypass Package C1 at Hong Kong Convention and Exhibition Centre, the excavation is nearing completion and the tunnel structure is well advanced within programme. On Central Wanchai Bypass Package C3 at Wan Chai West, the land reclamation and seawalls are nearing completion whilst the construction of diaphragm walls for the tunnel are proceeding as planned. In July 2014, the building of Northern Connection Toll Plaza for the Tuen Mun-Chek Lap Kok Link was awarded. This project will take four years to complete in 2018. The works at this early stage are on programme and within budget.

The building division continues its expansion. The turnover for 2014 increased significantly from HK$314 million for 2013 to HK$624 million. Early in the year, MTRC awarded us the contract for reprovisioning of the Harbour Road Sports Centre and Wanchai Swimming Pool with the contract sum over HK$870 million. This project is targeted for completion in 2017. Following completion of the new Centre, the old sports centre will be demolished to allow construction of the Shatin to Central Link. Now, the superstructure of the new sport centre is well in programme. The development work at the Hang Seng Management College has entered the final stage and will be complete in 2015. The other three ongoing projects including two projects for Architectural Services Department and one building of hostel for HKUST are running smoothly.

At Wuxi City, the revenue and profit of the sewage treatment plant for 2014 was HK$22 million and HK$9 million respectively. During the year, the volume of sewage maintained a steady increase from an average of 35,000 tonnes per day ("tpd") in 2013 to 37,000 tpd in 2014. Given the designed capacity of 50,000 tpd, there are significant rooms for future growth. Further, we are actively seeking new opportunities in similar environmental projects in China.

Employees and Remuneration Policies

As at 31 December 2014, the Group had a total of 1,483 employees and total remuneration for the year ended 31 December 2014 was approximately HK$558 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 2014, the Group had liquid assets of HK$437 million (as at 31 December 2013: HK$344 million) comprising held-for-trading investments of HK$26 million (as at 31 December 2013: HK$45 million) and bank balances and cash of HK$411 million (as at 31 December 2013: HK$299 million).

As at 31 December 2014, the Group had a total of interest bearing borrowings of HK$96 million (as at 31 December 2013: HK$94 million) with following maturity profile:

	At 31 December 2014 HK$ million	At 31 December 2013 HK$ million
Borrowings due within one year	**87**	94
Borrowings due in the second year	**4**	-
Borrowings due in the third to fifth year inclusive	**5**	-
	96	94

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 2014, total equity was HK$347 million (as at 31 December 2013: HK$303 million) comprising ordinary share capital of HK$124 million (as at 31 December 2013: HK$124 million), reserves of HK$222 million (as at 31 December 2013: HK$176 million) and non-controlling interests of HK$1 million (as at 31 December 2013: HK$3 million).

As at 31 December 2014, the gearing ratio, representing total interest bearing borrowings as a percentage of total equity, was 28% (as at 31 December 2013: 31%).

Pledge of Assets

As at 31 December 2014, bank deposit of the Group amounting to HK$60,000 (31 December 2013: HK$30,000) was pledged to bank for securing the banking facility granted to the Group.

As at 31 December 2014, certain equity securities with market value of HK$20 million (31 December 2013: HK$22 million) were pledged to a bank to secure general banking facilities granted to the Group.

Contingent Liabilities

	As at 31 December 2014 HK$ million	As at 31 December 2013 HK$ million
Outstanding tender/performance/retention bonds in respect of construction contracts	**234**	248

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 2014 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 in respect of the separate roles of the chairman and chief executive officer.

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 2014.

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 2014, 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 2014.

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, 15 May 2015 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 2014 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 four independent non-executive Directors, namely Dr. Chow Ming Kuen, Joseph, Mr. Ng Chi Ming, James, Mr. Ho Tai Wai, David and Mrs. Ling Lee Ching Man, Eleanor.

By order of the Board
Zen Wei Peu, Derek
Chairman

Hong Kong, 12 March 2015