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BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group expects to report the consolidated profit attributable to owners of the Company for the year ended 31 December 2018 that is more than two times of the consolidated profit attributable to the owners of the Company of HK$184 million for the year ended 31 December 2017. The significant increase in the profit is attributable to change of accounting methods in profit recognition in 2018 as well as improvement of gross profit margin of construction projects.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group for the year ended 31 December 2018, which have not been reviewed or audited by the Company's audit committee or auditor. Such information will be subject to finalisation and necessary adjustments. Further details of the Group's financial information will be disclosed as and when the final results of the Group for the year ended 31 December 2018 which is expected to be announced in March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Build King Holdings Limited (the “Company”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”) to provide shareholders of the Company (the “Shareholders”) and the public with unaudited financial information of the Company and its subsidiaries (collectively the “Group”).

The board of directors of the Company (the “Board”) wishes to inform the Shareholders and potential investors that the Group is expected to report the consolidated profit attributable to the owners of the Company for the year ended 31 December 2018 that is more than two times of the consolidated profit attributable to the owners of the Company of HK$184 million for the year ended 31 December 2017. The significant increase in the profit is attributable to change of accounting methods in profit recognition in 2018 as well as improvement of gross profit margin of construction projects.

As detailed in the announcement dated 8 August 2018 and in the Note 2 to the Condensed Consolidated Financial Statements of Interim Report 2018 of the Company, the Group applied with effect from 1 January 2018 the new accounting standard HKFRS 15 “Revenue from Contracts with Customers”. According to that new accounting standard the cumulative effect of approximately HK$137 million, being the differences arising from the application of the new standard to the construction contracts of the Group outstanding as at 31 December 2017, were deducted from the opening retained profits at 1 January 2018, and then the Group recognized construction costs and revenue by the output method (instead of percentage completion method) for contracts undertaken during the year ended 31 December 2018. As the profits for the two years are determined by applying different standards, certain information may not be directly comparable. Had the new accounting standard not been applied, the consolidated profit attributable to owners of the Company for the year ended 31 December 2018 would have increased only by approximately 40%. This improvement was mainly attributable to the fact that during the year 2018, several major projects approaching completion reported improved profit as a result of tightened control on costs and increased scope of works under the contracts.

The Group is still in the process of finalizing the Group’s final results for the year ended 31 December 2018. The information contained in this announcement is only based on the Company’s preliminary review of the consolidated management accounts of the Group for the year ended 31 December 2018, which have not been reviewed or audited by the Company’s audit committee or auditor. Such information will be subject to finalisation and necessary adjustments. Further details of the Group’s financial information will be disclosed as and when the final results of the Group for the year ended 31 December 2018 which is expected to be announced in March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Build King Holdings Limited
Chang Kam Chuen, Desmond
Company Secretary

Hong Kong, 15 February 2019

As at the date hereof, the Board comprises two executive Directors, namely Mr. Zen Wei Peu, Derek and Mr. Chang Kam Chuen, Desmond, two non-executive Directors, namely Mr. David Howard Gem and Mr. Chan Chi Hung, Anthony, and three independent non-executive Directors, namely Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor and Mr. Lo Yiu Ching, Dantes.