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**BUILD KING HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00240)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**FINANCIAL PERFORMANCE HIGHLIGHTS**

Percentage of increase in equity** per share	2%
Equity	HK\$1,611 million
Equity per share	HK\$1.30
Group revenue	HK\$4,678 million
Profit attributable to owners of the Company	HK\$147 million

**\*\* 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 unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2021 together with the comparative figures for the last corresponding period as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2021*

	Notes	Six months ended 30 June 2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue from services	3	4,677,801	3,719,131
Cost of sales		(4,335,401)	(3,303,947)
Gross profit		342,400	415,184
Investments and other income	5	30,864	18,931
Decrease in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(21,402)	(14,600)
Administrative expenses		(159,076)	(185,936)
Finance costs	6	(8,484)	(9,555)
Share of results of joint ventures		2,299	(1,574)
Share of results of associates		(268)	(878)
Profit before tax	7	186,333	221,572
Income tax expense	8	(39,476)	(13,185)
Profit for the period		146,857	208,387
Profit (loss) for the period attributable to:			
Owners of the Company		147,389	209,130
Non-controlling interests		(532)	(743)
		146,857	208,387
		HK cents	HK cents
Earnings per share	9		
- Basic		11.9	16.8

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2021*

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit for the period	<u>146,857</u>	<u>208,387</u>
<b>Other comprehensive income (expense)</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	3,836	(5,268)
Share of reserves of joint ventures	84	(267)
<b>Total comprehensive income for the period</b>	<u><b>150,777</b></u>	<u><b>202,852</b></u>
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	150,873	204,128
Non-controlling interests	(96)	(1,276)
	<u><b>150,777</b></u>	<u><b>202,852</b></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		407,811	364,326
Right-of-use assets		48,623	50,812
Intangible assets		294,485	268,945
Goodwill		30,554	30,554
Interests in joint ventures		184,027	176,815
Interests in associates		3,787	4,188
Loan to an associate		2,700	2,700
Other financial asset at amortised cost		36,431	36,955
		<b>1,008,418</b>	<b>935,295</b>
<b>Current assets</b>			
Inventories		18,886	12,750
Debtors, deposits and prepayments	11	461,691	472,643
Contract assets	12	1,931,199	1,793,164
Amount due from a joint venture		707	701
Amounts due from associates		7,758	7,786
Amounts due from other partners of joint operations		30,689	61,373
Financial assets at FVTPL		470,374	490,137
Tax recoverable		28,366	35,018
Pledged bank deposits		74,821	39,683
Time deposits with original maturity of not less than three months		263,028	79,540
Bank balances and cash		1,534,044	1,515,154
		<b>4,821,563</b>	<b>4,507,949</b>
<b>Current liabilities</b>			
Creditors and accrued charges	13	2,867,274	2,616,149
Contract liabilities		366,358	568,706
Lease liabilities		20,419	23,043
Amount due to an intermediate holding company		18,322	16,945
Amounts due to fellow subsidiaries		5,057	1,530
Amounts due to other partners of joint operations		1,148	1,176
Amounts due to non-controlling interests		3,094	3,094
Amount due to an associate		21,002	19,896
Tax payable		49,935	32,541
Bank loans - due within one year		746,087	482,762
Bonds		10,990	13,965
		<b>4,109,686</b>	<b>3,779,807</b>
<b>Net current assets</b>		<b>711,877</b>	<b>728,142</b>
<b>Total assets less current liabilities</b>		<b>1,720,295</b>	<b>1,663,437</b>

	<b>30 June 2021 (Unaudited) HK\$'000</b>	<b>31 December 2020 (Audited) HK\$'000</b>
<b>Capital and reserves</b>		
Ordinary share capital	<b>124,188</b>	124,188
Reserves	<b>1,487,045</b>	1,456,715
	<hr/>	<hr/>
Equity attributable to owners of the Company	<b>1,611,233</b>	1,580,903
Non-controlling interests	<b>41,891</b>	8,391
	<hr/>	<hr/>
<b>Total equity</b>	<b>1,653,124</b>	1,589,294
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>5,750</b>	5,750
Obligations in excess of interests in joint ventures	<b>116</b>	106
Obligations in excess of interests in associates	<b>14,138</b>	14,432
Amount due to an associate	<b>1,490</b>	2,258
Lease liabilities	<b>22,677</b>	28,597
Other creditors	<b>23,000</b>	23,000
	<hr/>	<hr/>
	<b>67,171</b>	74,143
	<hr/>	<hr/>
	<b>1,720,295</b>	1,663,437
	<hr/>	<hr/>

*Notes:*

**1. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

**2. PRINCIPAL ACCOUNTING POLICIES**

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

**Application of amendments to HKFRSs**

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE FROM SERVICES

#### Disaggregation of revenue from contracts with customers

Six months ended 30 June 2021			
The People's Republic of China (the "PRC")			
	Hong Kong HK\$'000	"PRC" HK\$'000	Consolidated HK\$'000
<b>Types of service</b>			
Construction contract	4,602,176	28,481	4,630,657
Sewage treatment plant operation	-	27,352	27,352
Steam fuel plant operation	-	19,792	19,792
Total revenue	<u>4,602,176</u>	<u>75,625</u>	<u>4,677,801</u>
<b>Timing of revenue recognition</b>			
Over time	<u>4,602,176</u>	<u>75,625</u>	<u>4,677,801</u>

  

Six months ended 30 June 2020			
	Hong Kong HK\$'000	The PRC HK\$'000	Consolidated HK\$'000
<b>Types of service</b>			
Construction contract	3,697,531	-	3,697,531
Sewage treatment plant operation	-	13,367	13,367
Steam fuel plant operation	-	8,233	8,233
Total revenue	<u>3,697,531</u>	<u>21,600</u>	<u>3,719,131</u>
<b>Timing of revenue recognition</b>			
Over time	<u>3,697,531</u>	<u>21,600</u>	<u>3,719,131</u>

4. **SEGMENTAL INFORMATION**

The Group is mainly engaged in civil engineering work. Information reported to the Company'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 and the PRC. The Group's reportable segments under HKFRS 8 "Operating Segments" are as follows:

*Six months ended 30 June 2021*

	<b>Hong Kong HK\$'000</b>	<b>The PRC HK\$'000</b>	<b>Total HK\$'000</b>
<u>Results</u>			
Segment revenue	<b><u>4,602,176</u></b>	<b><u>75,625</u></b>	<b><u>4,677,801</u></b>
Segment profit	<b><u>193,413</u></b>	<b><u>11,488</u></b>	<b>204,901</b>
Unallocated expenses			<b>(4,554)</b>
Investments income			<b>13,841</b>
Decrease in fair value of financial assets at FVTPL			<b>(21,402)</b>
Share of results of joint ventures			<b>2,299</b>
Share of results of associates			<b>(268)</b>
Finance costs			<b>(8,484)</b>
Profit before tax			<b><u>186,333</u></b>

Other segment information:

*Six months ended 30 June 2021*

	<b>Hong Kong HK\$'000</b>	<b>The PRC HK\$'000</b>	<b>Total HK\$'000</b>
Amounts included in the measure of segment profit or loss:			
Gain on disposal of property, plant and equipment	<b><u>695</u></b>	<b><u>-</u></b>	<b><u>695</u></b>



*Six months ended 30 June 2020*

	Hong Kong HK\$'000	The PRC HK\$'000	Total HK\$'000
<u>Results</u>			
Segment revenue	<u>3,697,531</u>	<u>21,600</u>	<u>3,719,131</u>
Segment profit (loss)	<u>248,943</u>	<u>(2,107)</u>	246,836
Unallocated expenses			(2,220)
Investments income			3,563
Decrease in fair value of financial assets at FVTPL			(14,600)
Share of results of joint ventures			(1,574)
Share of results of associates			(878)
Finance costs			(9,555)
Profit before tax			<u>221,572</u>

Other segment information:

*Six months ended 30 June 2020*

	Hong Kong HK\$'000	The PRC HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss:			
Gain on disposal of property, plant and equipment	<u>285</u>	<u>-</u>	<u>285</u>

There are no inter-segment sales for both periods.

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

Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of dividends from financial assets at FVTPL, interest on financial assets at FVTPL, change in fair value of financial assets at FVTPL, share of results of joint ventures and associates, finance costs and unallocated expenses.

## 5. INVESTMENTS AND OTHER INCOME

**Six months ended 30 June**  
**2021**                      2020  
**HK\$'000**                      HK\$'000

Investments and other income include:

Dividends from financial assets at FVTPL	<b>1,650</b>	2,640
Interest on bank deposits	<b>1,173</b>	6,597
Interest on other receivables	<b>3,741</b>	3,447
Interest on other financial asset at amortised cost	<b>470</b>	454
Interest on financial assets at FVTPL	<b>12,191</b>	923
Interest on loan to an associate	<b>37</b>	-
Gain on disposal of property, plant and equipment	<b>695</b>	285
Government subsidy for the PRC project	<b>7,868</b>	-
	<b><u>7,868</u></b>	<b><u>-</u></b>

## 6. FINANCE COSTS

**Six months ended 30 June**  
**2021**                      2020  
**HK\$'000**                      HK\$'000

Interests on:

Bank borrowings	<b>6,718</b>	6,228
Bonds	<b>472</b>	2,900
Other borrowings	<b>456</b>	-
Lease liabilities	<b>500</b>	101
Imputed interest expense on non-current interest-free amount due to an associate	<b>338</b>	326
	<b><u>8,484</u></b>	<b><u>9,555</u></b>

## 7. PROFIT BEFORE TAX

**Six months ended 30 June**  
**2021**                      2020  
**HK\$'000**                      HK\$'000

Profit before tax has been arrived at after charging:

Amortisation of intangible assets	<b>5,096</b>	1,523
Depreciation of right-of-use assets	<b>13,183</b>	12,428
Depreciation of property, plant and equipment	<b>40,397</b>	25,434
Impairment loss recognised on amount due from other partner of a joint operation	<b>-</b>	7,010
Loss on disposal of a subsidiary	<b>628</b>	-
	<b><u>628</u></b>	<b><u>-</u></b>

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	<u>39,925</u>	<u>13,454</u>
(Over)underprovision in prior years:		
Hong Kong	(1,205)	(269)
The PRC	<u>756</u>	<u>-</u>
	<u>(449)</u>	<u>(269)</u>
	<u><b>39,476</b></u>	<u><b>13,185</b></u>

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 estimated weighted average annual tax rate used is 16.5% (six months ended 30 June 2020: 16.5%) for the six months ended 30 June 2021.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25% for both periods.

## 9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Profit for the period attributable to the owners of the Company and earnings for the purpose of basic earnings per share	<u><b>147,389</b></u>	<u>209,130</u>
	Number of shares	
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><b>1,241,878</b></u>	<u>1,241,878</u>

The Company has no potential ordinary shares outstanding during both periods.

10. **DIVIDEND**

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Dividend paid and recognised as distribution during the period:		
2020 final dividend - HK7.0 cents per share (six months ended 30 June 2020: 2019 final dividend - HK4.8 cents per share)	<b>86,931</b>	<b>59,610</b>

11. **DEBTORS, DEPOSITS AND PREPAYMENTS**

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

	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade receivables from contracts with customers analysed by age:		
0 to 60 days	<b>190,491</b>	231,232
61 to 90 days	<b>256</b>	748
Over 90 days	<b>35,883</b>	16,401
	<b>226,630</b>	248,381
Bills receivables	<b>6,574</b>	10,537
Other debtors, deposits and prepayments	<b>228,487</b>	213,725
	<b>461,691</b>	<b>472,643</b>

The Group allows an average credit period of 60 days to its trade customers.

Bills receivables of the Group normally mature within 90 days from the bills receipt date.

As part of the internal credit risk management, the Group applies internal credit rating for its customers in relation to construction contracts. The exposure to credit risk and expected credit losses ("ECL") for trade receivables are assessed individually as at 30 June 2021. After the assessment of the Group, the impairment allowance on trade receivables is insignificant to the Group for the current interim period.

## 12. CONTRACT ASSETS

	<b>30 June 2021 HK\$'000</b>	31 December 2020 HK\$'000
Analysed as current:		
Unbilled revenue of construction contracts (note (a))	<b>1,424,354</b>	1,295,164
Retention receivables of construction contracts (note (b))	<b>506,845</b>	498,000
	<b><u>1,931,199</u></b>	<b><u>1,793,164</u></b>
Retention receivables of construction contracts		
Due within one year	<b>91,400</b>	148,699
Due more than one year	<b>415,445</b>	349,301
	<b><u>506,845</u></b>	<b><u>498,000</u></b>

### Notes:

- (a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.
- (b) Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. For retention receivables in respect of construction contracts, the due dates are usually one year after the completion of the construction work.

As part of the internal credit risk management, the Group applies internal credit rating for its customers in relation to construction contracts. The exposure to credit risk and ECL for contract assets are assessed individually as at 30 June 2021. After the assessment of the Group, the impairment allowance on contract assets is insignificant to the Group for the current interim period.

### 13. 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:

	<b>30 June 2021 HK\$'000</b>	<b>31 December 2020 HK\$'000</b>
Trade creditors analysed by age:		
0 to 60 days	<b>326,127</b>	251,572
61 to 90 days	<b>56,047</b>	27,869
Over 90 days	<b>18,608</b>	35,092
	<b>400,782</b>	314,533
Retention payables	<b>505,666</b>	471,869
Accrued project costs	<b>1,901,537</b>	1,736,502
Other creditors and accrued charges	<b>59,289</b>	93,245
	<b><u>2,867,274</u></b>	<b><u>2,616,149</u></b>
Retention payables:		
Repayable within one year	<b>108,178</b>	163,973
Repayable more than one year	<b>397,488</b>	307,896
	<b><u>505,666</u></b>	<b><u>471,869</u></b>

For retention payables 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 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND PROSPECTS

#### Operating Results

Following the record-high successful tenders in 2020, these projects started off and progressed smoothly as planned and hence the Group's turnover for the six months ended 30 June 2021 increased by 26% to HK\$4,678 million. The construction market was becoming more competitive than ever before, tender gross margin was invariably on a decreasing trend. For the first half of 2020, the Group managed to achieve the gross margin at 11% mainly because several major projects were finalized with significant profit. For the current period, the gross margin decreased to 7% because most recently awarded projects generated minimal profit at their early stage. Hence the gross profit dropped by HK\$73 million. The decrease in the gross profit was partially offset by increase of other income and decrease of corporate administrative expenses, and the profit after tax decreased by HK\$61 million from HK\$208 million to HK\$147 million.

During the six months ended 30 June 2021, we successfully bided five projects of a total contract sum of HK\$5.2 billion, of which the largest one is the HK\$4 billion infrastructure works in Tung Chung East under Tung Chung New Town Extension project which need to be completed in 2026. As at the date of this announcement, the total outstanding works was at HK\$27 billion, the similar level as at the end of 2020.

With the current satisfactory progress of construction projects, we expect the financial performance for the second half of this year will be comparable to the first half of this year, and therefore, for the whole year of 2021, the financial performance would be comparable to 2020 if the one-off government subsidy of HK\$116 million under Employment Support Scheme in 2020 had not been received.

The infrastructure investment projects in the PRC recorded the turnover of HK\$76 million and segmental profit of HK\$11 million. Though these results fell short of our expectation, it was significant improvement as compared with the turnover of HK\$22 million and a loss of HK\$2 million for the corresponding period of 2020.

For the sewage treatment plant in Wuxi City, the operation after the equipment being upgraded in 2020 runs smoothly; the sewage fee income was doubled; and operation profit exceeded the budget.

For the centralized provision of steam to factories in industrial parks, the operation of two steam plants, one in Gao Tai County and one in Yumen City, lagged behind our expectation. The demand of steam fuel by factories was lower than the budget because the factory production was slowed down by the tightened environmental and safety requirements. Currently, these two steam plants were operating at breakeven level only. We expect once the factories fully comply with the new requirements and more new factories move into the industrial parks, the demand of steam will rise quickly. Ongoing construction of steam plants in other four sites in Gansu Province and Hebei Province are planned to be completed in the second half of 2021. By end of 2021, the six steam plants will be in operation and are expected to make significant contribution to the profit of the Group in years ahead.

### **Employees and Remuneration Policies**

At 30 June 2021, the Group had a total of 3,153 employees and total remuneration for the six months ended 30 June 2021 was approximately HK\$636 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 that of the individual.

## FINANCIAL REVIEW

### Liquidity and Financial Resources

At 30 June 2021, the Group had liquid assets of HK\$2,267 million (at 31 December 2020: HK\$2,085 million) comprising financial assets at FVTPL of HK\$470 million (at 31 December 2020: HK\$490 million), time deposits with original maturity of not less than three months of HK\$263 million (at 31 December 2020: HK\$80 million) and bank balances and cash of HK\$1,534 million (at 31 December 2020: HK\$1,515 million).

At 30 June 2021, the Group had a total of interest bearing borrowings of HK\$780 million (at 31 December 2020: HK\$520 million) comprising bank loans of HK\$746 million (at 31 December 2020: HK\$483 million) and the Bonds of HK\$11 million (at 31 December 2020: HK\$14 million) and other creditors of HK\$23 million (as at 31 December 2020: HK\$23 million) with following maturity profile:

	At 30 June 2021 HK\$ million	At 31 December 2020 HK\$ million
Within one year	550	378
In the second year	141	101
In the third to fifth year inclusive	89	41
	<u>780</u>	<u>520</u>

The Group's borrowings, bank balances and cash and financial assets at FVTPL were principally denominated in Hong Kong dollars. Hence, there is no exposure to foreign exchange rate fluctuations. During the period, the Group had no financial instrument for hedging purpose. At 30 June 2021, total borrowings of HK\$62 million (at 31 December 2020: HK\$52 million) carried interest at fixed rate.

### Capital Structure and Gearing

At 30 June 2021, total equity was HK\$1,653 million (at 31 December 2020: HK\$ 1,589 million) comprising ordinary share capital of HK\$124 million (at 31 December 2020: HK\$124 million), reserves of HK\$1,487 million (at 31 December 2020: HK\$1,457 million) and non-controlling interests of HK\$42 million (at 31 December 2020: HK\$8 million).

At 30 June 2021, the gearing ratio, representing total interest bearing borrowings as a percentage of total equity, was 47% (at 31 December 2020: 33%).

### Pledge of Assets

At 30 June 2021, bank deposits of the Group amounting to HK\$75 million (at 31 December 2020: HK\$40 million) were pledged to banks for securing the banking facilities granted to the Group.

At 30 June 2021, quoted debt securities of the Group amounting to HK\$426 million (as at 31 December 2020: HK\$447 million) were pledged to a bank for securing the banking facility granted to the Group.



## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions of Corporate Governance Code 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”) throughout the six months ended 30 June 2021, except for code provision 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 policies 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.

## **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 as its own code of conduct regarding Directors’ Securities Transactions. All directors of the Company have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30 June 2021.

## **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 2021.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with the management, internal auditor and external auditor the accounting policies adopted by the Group and the unaudited interim financial information for the six months ended 30 June 2021.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the Company’s website ([www.buildking.hk](http://www.buildking.hk)) and the Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)). The Interim Report 2021 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.

## 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.

By Order of the Board  
**Build King Holdings Limited**  
**Zen Wei Peu, Derek**  
*Chairman*

Hong Kong, 18 August 2021

*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 four independent non-executive Directors, namely Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor, Mr. Lo Yiu Ching, Dantes and Ms. Ng Cheuk Hei, Shirley.*