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BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL PERFORMANCE HIGHLIGHTS

Percentage of increase in equity** per share	19%
Equity	HK\$2,093 million
Equity per share	HK\$1.69
Group revenue	HK\$12,423 million
Profit attributable to owners of the Company	HK\$434 million
Final dividend per share	HK10.5 cents

** *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 2022 and the consolidated statement of financial position of the Group as at 31 December 2022 together with the comparative figures for 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue from services	3	12,422,558	10,030,017
Cost of sales		(11,441,658)	(9,290,414)
Gross profit		980,900	739,603
Investments and other income	5	68,948	98,432
Decrease in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(56,106)	(74,049)
Administrative expenses		(436,671)	(392,586)
Finance costs	6	(17,061)	(19,014)
Share of results of joint ventures		11,566	24,224
Share of results of associates		(106)	245
Profit before tax	7	551,470	376,855
Income tax expense	8	(122,304)	(84,964)
Profit for the year		429,166	291,891
Profit (loss) for the year attributable to:			
Owners of the Company		434,327	294,539
Non-controlling interests		(5,161)	(2,648)
		429,166	291,891
		HK cents	HK cents
Earnings per share	10		
- Basic		35.0	23.7

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	HK\$'000	HK\$'000
Profit for the year	429,166	291,891
Other comprehensive (expense) income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(36,870)	12,095
Share of reserves of joint ventures	36	294
Total comprehensive income for the year	392,332	304,280
Total comprehensive income (expense) attributable to:		
Owners of the Company	401,526	305,546
Non-controlling interests	(9,194)	(1,266)
	392,332	304,280

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Property, plant and equipment		467,391	493,756
Right-of-use assets		80,682	57,538
Intangible assets		331,304	422,224
Goodwill		30,554	30,554
Interests in joint ventures		64,613	157,439
Interests in associates		4,131	3,834
Loan to an associate		2,700	2,700
Other financial asset at amortised cost		32,507	36,782
Financial assets at FVTPL		1,220	6,000
		<u>1,015,102</u>	<u>1,210,827</u>
Current assets			
Inventories		114,502	36,426
Debtors, deposits and prepayments	11	705,039	682,385
Contract assets	12	2,964,937	2,895,100
Amounts due from fellow subsidiaries		1,812	-
Amount due from a joint venture		663	720
Amounts due from associates		8,120	7,782
Amounts due from other partners of joint operations		23,885	22,521
Financial assets at FVTPL		118,740	379,522
Tax recoverable		21,489	37,475
Pledged bank deposits		74,019	77,746
Time deposits with original maturity of not less than three months		235,101	20,210
Bank balances and cash		2,037,124	1,755,478
		<u>6,305,431</u>	<u>5,915,365</u>
Current liabilities			
Creditors and accrued charges	13	3,988,095	3,893,000
Contract liabilities		512,747	405,696
Lease liabilities		27,052	25,592
Amount due to an intermediate holding company		18,810	18,220
Amounts due to fellow subsidiaries		7,859	3,181
Amounts due to other partners of joint operations		9,063	344
Amounts due to non-controlling interests		1,098	3,094
Amount due to an associate		22,107	21,002
Tax payable		230,902	82,428
Bank loans - due within one year		289,753	786,998
		<u>5,107,486</u>	<u>5,239,555</u>
Net current assets		<u>1,197,945</u>	<u>675,810</u>
Total assets less current liabilities		<u><u>2,213,047</u></u>	<u><u>1,886,637</u></u>

	2022 HK\$'000	2021 HK\$'000
Capital and reserves		
Ordinary share capital	124,188	124,188
Reserves	1,968,731	1,641,718
Equity attributable to owners of the Company	2,092,919	1,765,906
Non-controlling interests	33,025	40,721
Total equity	2,125,944	1,806,627
Non-current liabilities		
Deferred tax liabilities	5,750	18,468
Obligations in excess of interests in joint ventures	-	130
Obligations in excess of interests in associates	14,075	13,672
Amount due to an associate	1,420	1,827
Lease liabilities	42,858	22,913
Other creditors	23,000	23,000
	87,103	80,010
	2,213,047	1,886,637

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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, 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 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendment to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE FROM SERVICES

Disaggregation of revenue from contracts with customers

<u>Segments</u>	2022		
	Hong Kong HK\$'000	The People's Republic of China (the "PRC") HK\$'000	Consolidated HK\$'000
Types of service			
Construction contract	12,220,379	22,421	12,242,800
Sewage treatment plant operation	-	51,819	51,819
Steam fuel plant operation	-	127,939	127,939
Total revenue	<u>12,220,379</u>	<u>202,179</u>	<u>12,422,558</u>
Timing of revenue recognition			
Over time	<u>12,220,379</u>	<u>202,179</u>	<u>12,422,558</u>

<u>Segments</u>	2021		
	Hong Kong HK\$'000	The PRC HK\$'000	Consolidated HK\$'000
Types of service			
Construction contract	9,847,424	65,165	9,912,589
Sewage treatment plant operation	-	57,553	57,553
Steam fuel plant operation	-	59,875	59,875
Total revenue	<u>9,847,424</u>	<u>182,593</u>	<u>10,030,017</u>
Timing of revenue recognition			
Over time	<u>9,847,424</u>	<u>182,593</u>	<u>10,030,017</u>

4. SEGMENTAL INFORMATION

The Group is mainly engaged in construction 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. No operating segments have been aggregated in arriving at the reportable segments of the Group. The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are summarised as follows:

Year ended 31 December 2022

	Hong Kong	The PRC	Total
	HK\$'000	HK\$'000	HK\$'000
<u>Results</u>			
Segment revenue	<u>12,220,379</u>	<u>202,179</u>	<u>12,422,558</u>
Segment profit (loss)	<u>629,996</u>	<u>(24,214)</u>	605,782
Unallocated expenses			(9,658)
Investments income			10,915
Decrease in fair value of financial assets at FVTPL			(56,106)
Remeasurement gain on interest previously held in a joint venture			6,138
Share of results of joint ventures			11,566
Share of results of associates			(106)
Finance costs			<u>(17,061)</u>
Profit before tax			<u>551,470</u>

Year ended 31 December 2021

	Hong Kong	The PRC	Total
	HK\$'000	HK\$'000	HK\$'000
<u>Results</u>			
Segment revenue	<u>9,847,424</u>	<u>182,593</u>	<u>10,030,017</u>
Segment profit (loss)	<u>440,281</u>	<u>(14,643)</u>	425,638
Unallocated expenses			(6,856)
Investments income			26,667
Decrease in fair value of financial assets at FVTPL			(74,049)
Share of results of joint ventures			24,224
Share of results of associates			245
Finance costs			<u>(19,014)</u>
Profit before tax			<u>376,855</u>

There are no inter-segment sales for both years. All of the segment revenue reported above is from external customers.

Segment profit represents the profit earned by each segment without allocation of dividends from financial assets at FVTPL, interest on financial assets at FVTPL, decrease in fair value of financial assets at FVTPL, remeasurement gain on interest previously held in a joint venture, share of results of joint ventures and associates, finance costs and unallocated expenses.

5. INVESTMENTS AND OTHER INCOME

	2022 HK\$'000	2021 HK\$'000
Investments and other income include:		
Dividends from financial assets at FVTPL	877	2,321
Interest on bank deposits	7,882	2,269
Interest on other receivables	9,042	7,766
Interest on other financial asset at amortised cost	829	958
Interest on financial assets at FVTPL	10,038	24,346
Interest on loan to an associate	71	74
Gain on disposal of property, plant and equipment	5,149	2,447
Government subsidy for the PRC project	760	8,110
Government subsidy	1,330	1,256
Employment Support Scheme	22,879	-
Net gain arising on lease modification	734	-
Discharge of amount due to a non-controlling interest	1,996	-
Remeasurement gain on interest previously held in a joint venture	6,138	-
Remeasurement gain of interest previously held in a joint operation	-	40,617
	<u> </u>	<u> </u>

6. FINANCE COSTS

	2022 HK\$'000	2021 HK\$'000
Interest on:		
Bank borrowings	14,522	15,960
Bonds	-	650
Other borrowings	978	920
Lease liabilities	863	809
Imputed interest expense on non-current amount due to an associate	698	675
	<u> </u>	<u> </u>
	<u>17,061</u>	<u>19,014</u>

7. PROFIT BEFORE TAX

	2022 HK\$'000	2021 HK\$'000
Profit before tax has been arrived at after charging (crediting):		
Auditor's remuneration	2,300	2,050
Depreciation of property, plant and equipment	72,632	82,250
Depreciation of right-of-use assets	29,182	27,838
Amortisation of intangible assets	89,936	28,720
Net foreign exchange losses (gains)	30,483	(3,829)
Impairment loss recognised on interest in a joint venture	-	34,265
Loss on disposal of a subsidiary	-	628
Staff costs:		
Directors' remuneration	35,432	19,875
Other staff costs	1,467,966	1,292,800
Retirement benefits scheme contributions, excluding amounts included in directors' remuneration and net of forfeited contributions of HK\$1,188,000 (2021: HK\$1,008,000)	56,434	50,191
	<u>1,559,832</u>	<u>1,362,866</u>

8. INCOME TAX EXPENSE

	2022 HK\$'000	2021 HK\$'000
Current tax:		
Hong Kong	129,908	73,207
The PRC	3,356	5,653
	<u>133,264</u>	<u>78,860</u>
(Over) under-provision in prior years:		
Hong Kong	(1,429)	8,352
The PRC	3,187	771
	<u>1,758</u>	<u>9,123</u>
Deferred tax		
Current year	(12,718)	(3,019)
	<u>122,304</u>	<u>84,964</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

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 years.

9. DIVIDEND

A final dividend for the year ended 31 December 2022 of HK10.5 cents (2021: HK6 cents) per ordinary share, totaling approximately HK\$130,397,000 based on 1,241,877,992 ordinary shares (2021: approximately HK\$74,513,000 based on 1,241,877,992 ordinary shares) has been proposed by the board of directors 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:

	2022 HK\$'000	2021 HK\$'000
Profit for the year attributable to owners of the Company and earnings for the purpose of basic earnings per ordinary share	<u>434,327</u>	<u>294,539</u>
	Number of Shares	
	2022 '000	2021 '000
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share	<u>1,241,878</u>	<u>1,241,878</u>

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 presented based on the invoice date at the end of the reporting period:

	2022 HK\$'000	2021 HK\$'000
Trade receivables from contracts with customers analysed by age:		
0 to 60 days	368,254	362,900
61 to 90 days	1,236	467
Over 90 days	16,187	16,356
	<u>385,677</u>	<u>379,723</u>
Bills receivables	19,295	26,638
Other debtors	196,474	196,407
Deposits	101,394	78,311
Prepayments	2,199	1,306
	<u>705,039</u>	<u>682,385</u>

As at 1 January 2021, trade receivables from contracts with customers amounted to HK\$248,381,000.

During the year ended 31 December 2019, Tianjin Wai Kee Earth Investment Co., Ltd., a subsidiary of the Company, advanced a loan to an independent third party in the amount of RMB50,000,000 (equivalent approximately to HK\$55,875,000). The loan is interest bearing at 12% fixed rate per annum and repayable on demand.

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

12. CONTRACT ASSETS

	2022 HK\$'000	2021 HK\$'000
Analysed as current:		
Unbilled revenue of construction contracts (note a)	2,232,187	2,236,401
Retention receivables of construction contracts (note b)	732,750	658,699
	<u>2,964,937</u>	<u>2,895,100</u>
Retention receivables of construction contracts		
Due within one year	105,903	83,803
Due more than one year	626,847	574,896
	<u>732,750</u>	<u>658,699</u>

As at 1 January 2021, contract assets amounted to HK\$1,793,164,000.

Notes:

- (a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but 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 construction work.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

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:

	2022 HK\$'000	2021 HK\$'000
Trade creditors analysed by age:		
0 to 60 days	440,186	321,190
61 to 90 days	105,730	83,175
Over 90 days	32,880	12,483
	<u>578,796</u>	<u>416,848</u>
Retention payables	879,476	641,789
Accrued project costs	2,336,027	2,711,154
Other creditors and accrued charges	193,796	123,209
	<u>3,988,095</u>	<u>3,893,000</u>
Retention payables:		
Repayable within one year	145,317	88,528
Repayable more than one year	734,159	553,261
	<u>879,476</u>	<u>641,789</u>

For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction work and are expected to be settled within the Group's normal operating cycle.

DIVIDEND

The Board recommends the payment of a final dividend of HK10.5 cents (2021: HK6 cents) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Thursday, 1 June 2023.

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 Thursday, 15 June 2023.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Wednesday, 24 May 2023, the register of members of the Company will be closed from Friday, 19 May 2023 to Wednesday, 24 May 2023, 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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:00 p.m. on Thursday, 18 May 2023.

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 Thursday, 1 June 2023. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 31 May 2023 to Thursday, 1 June 2023, 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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:00 p.m. on Tuesday, 30 May 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Results

With outstanding works on hand which having been on increasing trend in past few years, the turnover for 2022 continued to rise by 24% from HK\$10 billion to HK\$12 billion. The turnover growth rate was in fact lower than the budget because the fifth wave of COVID-19 caused intermittent suspension of many construction projects in early 2022. However, the situation was significantly improved in the second half of 2022 and most of closed sites managed to resume work speedily after temporary suspension. Driven mainly by the increasing turnover, the profit after tax increased by 47% to HK\$429 million.

The gross profit increased by 33% from HK\$740 million to HK\$981 million, attributable not only to the rising turnover but also slight improvement of gross margin from 7.4% to 7.9%. The improved margin was mainly attributable to significant contribution from few projects where major additional works were concluded with reasonable profits. The increase of gross profit was partially offset by a 11% increase of administrative expenses and further loss of HK\$26 million in corporate bonds portfolio.

Since the issue of Annual Report 2021, we successfully bided new projects of total value HK\$7.3 billion, of which only HK\$2.7 billion were civil engineering projects and HK\$4.6 billion were building works. At the date of this announcement, the outstanding work on hand was maintained at HK\$25.8 billion, comparable to that at the end of 2021. Looking forward, we anticipate Hong Kong construction market with abundant opportunities in major road and rail systems as mentioned in the latest Policy Address and we are gearing up for all these future tenders.

The infrastructure investment projects in the PRC recorded a 11% increase of turnover to HK\$202 million but the loss further increased from HK\$15 million to HK\$24 million. Because of the pandemic, only two newly constructed plants could start operation in the second half of the year but still at below break-even level while other two had been left idle for the whole year. We note that upon recent uplift of pandemic restrictions, more factories in industrial parks resumed production gradually and signs of recovery are encouraging. We are cautiously optimistic to achieve the breakeven level in 2023. For sewage treatment plant in Wuxi City, the operation continued to have its output close to its maximum capacity of 50,000 tons per day and contributed steady income as previous years.

Employees and Remuneration Policies

As at 31 December 2022, the Group had a total of 3,390 employees and total remuneration for the year ended 31 December 2022 was approximately HK\$1,560 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 2022, the Group had liquid assets of HK\$2,391 million (as at 31 December 2021: HK\$2,155 million) comprising financial assets at FVTPL of HK\$119 million (as at 31 December 2021: HK\$380 million), time deposits with original maturity of not less than three months of HK\$235 million (as at 31 December 2021: HK\$20 million) and bank balances and cash of HK\$2,037 million (as at 31 December 2021: HK\$1,755 million).

As at 31 December 2022, the Group had a total of interest bearing borrowings of HK\$313 million (as at 31 December 2021: HK\$810 million) comprising bank loans of HK\$290 million (as at 31 December 2021: HK\$787 million), other creditors of HK\$23 million (as at 31 December 2021: HK\$23 million). Maturity profile of the interest bearing borrowings for both years are as follows:

	At 31 December 2022 HK\$ million	At 31 December 2021 HK\$ million
On demand or within one year	176	618
In the second year	114	96
In the third to fifth year inclusive	23	96
	<u>313</u>	<u>810</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 year, the Group had no financial instrument for hedging purpose. As at 31 December 2022, total borrowings of HK\$44 million (as at 31 December 2021: HK\$51 million) carried interest at fixed rate.

Capital Structure and Gearing

As at 31 December 2022, total equity was HK\$2,126 million (as at 31 December 2021: HK\$1,807 million) comprising ordinary share capital of HK\$124 million (as at 31 December 2021: HK\$124 million), reserves of HK\$1,969 million (as at 31 December 2021: HK\$1,642 million) and non-controlling interests of HK\$33 million (as at 31 December 2021: HK\$41 million).

As at 31 December 2022, the gearing ratio, representing total interest bearing borrowings as a percentage of total equity, was 15% (as at 31 December 2021: 45%).

Pledge of Assets

As at 31 December 2022, bank deposits of the Group amounting to HK\$74 million (as at 31 December 2021: HK\$78 million) were pledged to banks for securing the banking facilities granted to the Group.

As at 31 December 2022, quoted debt securities of the Group amounting to HK\$103 million (as at 31 December 2021: HK\$336 million) were pledged to a bank for securing the banking facility granted to the Group.

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 2022 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 C.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.

Details of corporate governance code are set out in Annual Report 2022.

AUDIT COMMITTEE

The Audit Committee of the Company 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 2022, 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 2022.

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 Wednesday, 24 May 2023 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 2022 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 four executive directors, namely Mr. Zen Wei Peu, Derek, Mr. Chang Kam Chuen, Desmond, Mr. Lui Yau Chun, Paul and Mr. Tsui Wai Tim, 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.

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

Hong Kong, 21 March 2023