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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 unaudited consolidated profit attributable to owners of the Company for the six months ended 30 June 2018 (based on the new accounting standard referred to below) that is more than 2.5 times of the unaudited consolidated profit attributable to owners of the Company of HK\$81 million for the same period of 2017 (prepared in accordance with HKAS 18 “Revenue” and HKAS 11 “Construction Contracts”). As the profits for the two periods are determined by applying different standards, certain information may not be directly comparable. Had the new accounting standard not been applied, the unaudited consolidated profit attributable to owners of the Company for the six months ended 30 June 2018 would have increased only by less than 20%.

The information contained in this announcement is only based on the Company’s preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 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 unaudited financial information will be disclosed as and when the interim results of the Group for the six months ended 30 June 2018 is announced on 17 August 2018.

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 expects to report unaudited consolidated profit attributable to owners of the Company for the six months ended 30 June 2018 (based on the new accounting standard referred to below) that is more than 2.5 times of the unaudited consolidated profit attributable to owners of the Company of HK\$81 million for the same period of 2017 (prepared in accordance with HKAS 18 “Revenue” and HKAS 11 “Construction Contracts”). As the profits for the two periods are determined by applying different standards, certain information may not be directly comparable. Had the new accounting standard not been applied, the unaudited consolidated profit attributable to owners of the Company for the six months ended 30 June 2018 would have increased only by less than 20%.

In accordance with the Hong Kong Accounting Standards, the Group applied with effect from 1 January 2018 the new accounting standard HKFRS 15 “Revenue from Contracts with Customers” and the cumulative effect of differences arising from the application of such new standard to the construction contracts of the Group outstanding as at 31 December 2017, were recognised in the opening retained profits at 1 January 2018.

The application of the HKFRS 15 entailed changes of recognition method of revenue and cost. The Group had before recognized revenue and cost in profit or loss account by reference to the stage of completion of the contract activity at the end of reporting period as measured by proportion by which the value of work performed to date bears to the estimated total contract value. However, with effect from 1 January 2018, upon application of HKFRS 15, the Group recognizes in the profit or loss account construction costs based on actual construction cost incurred and revenue over time during the course of construction adopting the output method to measure the progress towards complete satisfaction of performance obligations under contracts.

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

Hong Kong, 8 August 2018

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 Dr. Chow Ming Kuen, Joseph, Mr. Ho Tai Wai, David and Mrs. Ling Lee Ching Man, Eleanor.