



BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

A Taiwan construction contract of the Company's wholly-owned subsidiary is liable to be terminated due to delays. The termination of such contract is likely to have a material adverse impact on the results of the Company and its subsidiaries as a whole.

The Group is expected to incur further substantial unrealised losses on the Investments, in addition to the losses of HK\$13 million which has been reported in the Interim Report of the Company for the six months ended 30 June, 2008.

This announcement is made by Build King Holdings Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

Taiwan construction project

As of 23 October, 2008, the value of work done by Hsin Lung Construction Company Limited ("HLCL"), a wholly-owned subsidiary of the Company, under a contract for the construction of No.1 & 2 Pier at Shuitou Port, Kinmen, Taiwan, was 20% less than that scheduled. The dredging work, which represented approximately one-third of the contract sum, was sublet to a local subcontractor. However, the dredging progress was behind schedule, forcing HLCL to terminate the subcontract with this subcontractor. In the meantime, HLCL has been unable to secure in Taiwan appropriate plant and equipment at appropriate rates to catch up the delay. Under the contract, the client has the right to terminate the contract if the progress was 20% less than that scheduled.

Based on recent discussions with the client, the Company believes that such termination is highly likely. The Company estimates that HLCL will suffer losses on this project of approximately NT\$130 million (or approximately HK\$34 million), excluding any liability for further damages that might be claimed by the client. Losses recorded by HLCL will be consolidated into the Company's consolidated financial statements and is likely to have a material adverse impact on the results of the Company and its subsidiaries (together the "Group") as a whole.

Unrealised losses on listed securities held by the Group

As mentioned in the Company's Annual Report for the year ended 31 December, 2007, the Group has held certain listed equity securities ("Investments") and the Group is exposed to equity security price risk through such Investments. These Investments have been classified as held-for-trading investments in the Group's financial statements and are measured at fair value at each balance sheet date. As reported in the Interim Report of the Company for the six months ended 30 June, 2008, the market values of the held-for-trading investments as at 30 June, 2008 were HK\$62 million.

With reference to the great volatility in the current stock market, the valuation of the Investments held by the Group has decreased and the Group is expected to incur further substantial unrealised losses on the Investments, in addition to the losses of HK\$13 million which has been reported in the interim report of the Company for the six months ended 30 June, 2008.

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

Hong Kong, 27 October, 2008

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zen Wei Peu, Derek, Mr. Yu Sai Yen and Mr. Chang Kam Chuen, Desmond, two non-executive Directors, namely Mr. David Howard Gem and Dr. Cheng Chi Pang, Leslie, and three independent non-executive Directors, namely Dr. Chow Ming Kuen, Joseph, Mr. Ng Chi Ming, James and Mr. Ho Tai Wai, David.