



Build King Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 00240

Interim Report 2010

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Interim Results Highlights

The board of directors (the “Board”) of Build King Holdings Limited (the “Company”) announces the interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2010.

FINANCIAL PERFORMANCE HIGHLIGHTS

Percentage of increase in equity* per share	1.2%
Equity	HK\$216 million
Equity per share	HK17 cents
Group revenue and share of revenue of jointly controlled entities	HK\$432 million
Profit attributable to owners of the Company	HK\$24 million

* *equity refers to equity attributable to owners of the Company*

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010.

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECTS

Operating Results

For the six months ended 30 June 2010, the Group recorded a turnover, including our share of jointly controlled entities, of HK\$432 million representing a drop of 25% compared with HK\$578 million for the corresponding period in 2009. The shortfall was due to several new contracts secured in late 2009 being still at an early stage and hence these new contracts have not yet generated significant turnover.

However, the gross margin on construction projects (including projects undertaken by jointly controlled entities) rose by 2% to 12% compared with the corresponding period last year. This reflected our cautious approach to tendering new projects in past few years.

The profit for the period was HK\$23 million compared with HK\$42 million for the corresponding period of last year. This was mainly attributable to the reduction in investment income together with an increase in overheads due to tendering activities. It should be noted that in 2009, the market value of the Group's investments in listed securities recovered significantly from 2008 recording a HK\$11 million unrealized gain. However, in 2010, the market value was quite stable and only a very minimal gain was recorded.

The outstanding value of contracts on hand increased to HK\$2.9 billion as at the date of this report.

Hong Kong

The Hong Kong Government and MTR Corporation Limited ("MTRC") are progressively inviting tenders for several major infrastructure projects. As one of key players in the industry, the Group is fully engaged in these tenders. To this end, we have strengthened the tendering team and have formed joint ventures with international contractors. During the first half of the year, we have been awarded seven new projects with a total value of over HK\$1.3 billion. These include a sewage treatment plant on Lamma Island, a private high rise residential building project at Tuen Mun, a swimming pool improvement project at Lai Chi Kok for the Architectural Services Department, a bus interchange on Tuen Mun Road and in August, Contract 824 for the MTRC to construct 5 km of rail tunnels being part of the new Express Rail Link in the New Territories.

Projects awarded in 2009 are all proceeding satisfactorily. The design and build contract for infrastructure work in Tseung Kwan O Stage 1 is progressing well on program; the infrastructure work for the Kai Tak Development is now well in hand; and the complex project for the new Polar Adventure Building and Thrill Mountain Ride at Ocean Park is progressing well. Stage 1 of Central Wanchai Bypass which was awarded in the fourth quarter of 2009 is still at an early stage but will be fully up to speed later in the year.

Several projects which commenced in 2008 or earlier have been completed or are approaching completion. Two projects for noise mitigation work – one at Fotan for the MTRC and the other at Tsing Yi North Bridge for the Highways Department – were both physically completed on time with satisfactory results. The Eco Park project at Tuen Mun Area 38 was also completed satisfactorily. The flood protection pumping stations and pipelines project in Kam Tin for Drainage Services Department was finally completed. The new pedestrian subway linking several nearby residential developments to Lai Chi Kok MTR Station has progressed well and completion is expected in the third quarter. The second "greening work" for Civil Engineering and Development Department is well advanced.

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECTS (Continued)

Hong Kong (Continued)

In the longer term in view of the current plans for major new infrastructure in both rail and road work during the next five to ten years, we are confident that the civil engineering construction market in Hong Kong will see significant growth. We expect the industry demands on management, engineering and supervision will however be severely stretched. To position the Group to be able to win and undertake its market share, we are taking steps to strengthen our management and professional staff through various means including recruitment overseas. We are also increasing our resources in staff training. We are confident that the Group will secure further major projects during the remainder of this year with satisfactory results. In the longer term, we believe the outlook for the Group to be most promising.

Middle East – United Arabic Emirates (“UAE”)

Our joint venture with Arabian Construction Company is operating very well although the workload at the time of writing is unsatisfactory. The cooling water intake/outfall project for Emirate Steel Industries was complete during the period. The offshore work at Fujairah F2 Power Plant was completed in February 2010 and the final account which is now close to conclusion is expected to make a significant contribution to the Group. The enquiry level is still high and we await the news of several tenders including additional work for the client of Fujairah F2 Power Plant.

Whilst the Abu Dhabi market has been indirectly affected by the financial crisis in Dubai, we believe the planned infrastructure will continue to go ahead. We are therefore confident that the potential for marine projects remains good although we anticipate that competition will be severe with margins adjusted downward but hopefully still at a reasonable level.

PRC

During the period, the operation of our sewage plant in Wuxi has generated steady income and cashflow in line with budget. The increasing domestic population and industrial customer base in the area has led to the sewage volume treated increasing to over 25,000 tonnes per day in line with our forecast on which our decision to extend the plant was based.

The first stage of the extension to existing facilities progressed well with the capital cost below the budget. With the extended facilities, the total capacity of the plant can be increased to 35,000 tonnes per day.

During the period, we disposed of our 49% equity interest in China Railway Tenth Group Third Engineering Co., Ltd. in the PRC realizing cash of RMB19 million. After the disposal, the Company can focus on development of Hong Kong construction market.

Employees and Remuneration Policies

At 30 June 2010, the Group had a total of 825 employees and total remuneration for the six months ended 30 June 2010 was approximately HK\$107 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.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

At 30 June 2010, the Group had liquid assets of HK\$48 million (at 31 December 2009: HK\$46 million) comprising held-for-trading investments of HK\$26 million (at 31 December 2009: HK\$25 million) and bank balances and cash of HK\$22 million (at 31 December 2009: HK\$21 million).

At 30 June 2010, the Group had a total of interest bearing borrowings of HK\$54 million (at 31 December 2009: HK\$36 million) with following maturity profile.

	At 30 June 2010	At 31 December 2009
	HK\$ million	HK\$ million
Borrowings due within one year	42	36
Borrowings due in the second year	5	–
Borrowings due in the third to fifth year inclusive	7	–
	54	36

The Group's borrowings, bank balances and cash and held-for-trading investments were principally denominated in Hong Kong dollars. Hence, there is no exposure to foreign exchange rate fluctuations. During the period, the Group had no significant borrowings at fixed interest rate and had no financial instrument for hedging purpose.

Capital Structure and Gearing

On 10 February 2010, the Company issued 310,469,498 shares at a price of HK\$0.15 per share by way of an open offer on the basis of one offer share for every three existing shares pursuant to a circular dated 18 January 2010. Accordingly, the total equity was increased by HK\$45 million.

At 30 June 2010, the gearing ratio, representing total interest bearing borrowings as a percentage of total equity, was 25% (at 31 December 2009: 23%).

Pledge of Assets

At 30 June 2010, bank deposits of the Group amounting to HK\$1,944,000 (at 31 December 2009: HK\$1,815,000) were pledged to a bank for securing banking facilities granted to the Group.

At 30 June 2010, certain equity securities with market value of HK\$17,790,000 (at 31 December 2009: HK\$18,090,000) were pledged to a bank to secure general facilities granted to the Group.

At 30 June 2010, the Group has pledged certain motor vehicles with carrying value of HK\$127,000 (at 31 December 2009: HK\$201,000) to secure bank loans granted to the Group.

Contingent Liabilities

	At 30 June 2010	At 31 December 2009
	HK\$ million	HK\$ million
Outstanding tender/performance/retention bonds in respect of construction contracts	168	151

Disclosure of Interests

DIRECTORS' INTERESTS

As at 30 June 2010, the interests (including short positions) of the directors (the "Directors") and chief executive of the Company (including their respective spouses, infant children, related trusts and companies controlled by them) in the Shares, convertible securities, warrants, options or derivatives in respect of securities which carried voting rights of the Company and its associated corporations (within the meaning of the Securities & Futures Ordinance ("SFO")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short position in which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(I) The Company

Interests in Shares

Name of Director	Capacity/ Nature of interest	Number of Shares held		Percentage of shareholding (%)
		Long position	Short position	
Zen Wei Peu, Derek	Personal	123,105,228 (Note)	–	9.91
Chang Kam Chuen, Desmond	Personal	1,000,000 (Note)	–	0.08
David Howard Gem	Personal	500,000 (Note)	–	0.04
Cheng Chi Pang, Leslie	Personal	1,170,000 (Note)	–	0.09

Note: Long position in the Shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).

Disclosure of Interests

DIRECTORS' INTERESTS (Continued)

(II) Associated Corporations

Interests in shares

Name of Director	Name of company	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding (%)	
			Long position	Short position		
Zen Wei Peu, Derek	Wai Kee Holdings Limited ("Wai Kee")	Personal	185,557,078 (Note 1)	–	23.40	
		Personal	770,000 (Note 2)	–	0.10	
		Wai Kee (Zens) Construction & Transportation Company Limited	Personal	2,000,000 (Note 1)	–	10.00
		Wai Luen Stone Products Limited	Personal	30,000 (Note 1)	–	37.50
Cheng Chi Pang, Leslie	Wai Kee	Personal	330,000 (Note 2)	–	0.04	

Notes:

1. Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Long position in the underlying shares of Wai Kee pursuant to unlisted equity derivatives (including physically settled, cash settled and other equity derivatives). Share options granted to Directors are included in this category, the particulars of which are set out under the heading "SHARE OPTIONS" below.

Save as disclosed above, as at 30 June 2010, none of the Directors or chief executive of the Company had any interests or short positions in any equity or debt securities of the Company or any associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

Disclosure of Interests

SHARE OPTIONS

Associated Corporation

The share option scheme was adopted by Wai Kee at the annual general meeting held on 18 September 2002 (“Wai Kee Share Option Scheme”) to comply with Chapter 17 of the Listing Rules. As at 30 June 2010, Wai Kee has granted 1,100,000 share options under the Wai Kee Share Option Scheme to two Directors of the Company, no share option of which was exercised.

Details of the share options granted under the Wai Kee Share Option Scheme to the following Directors of the Company and a summary of the movements during the period were as follows:

Name	Date of grant	Exercisable period	Exercise price (HK\$)	Number of share options				Balance at 30.6.2010
				Balance at 1.1.2010	Granted during the period	Exercised during the period	Lapsed during the period	
Zen Wei Peu, Derek	9 July 2007	9 July, 2008 to 8 July 2011	3.39	770,000	-	-	-	770,000
Cheng Chi Pang, Leslie	9 July 2007	9 July 2008 to 8 July 2011	3.39	330,000	-	-	-	330,000
Total				1,100,000	-	-	-	1,100,000

Save as disclosed above, none of the Directors nor any of their associates had any interests in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, none of the Directors nor their spouse or children under 18 years of age were granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2010, so far as was known to the Directors or the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of substantial Shareholder	Capacity/Nature of interest	Number of Shares held and percentage of shareholding			
		Long position		Short position	
		Number of Shares	%	Number of Shares	%
Top Horizon Holdings Limited ("Top Horizon") (Note (a))	Personal/Beneficiary	635,415,033 (Note)	51.17	–	–
Wai Kee (Zens) Holding Limited ("Wai Kee (Zens)") (Note (b))	Corporate	635,415,033 (Note)	51.17	–	–
Wai Kee (Note (c))	Corporate	635,415,033 (Note)	51.17	–	–
Vast Earn Group Limited (Note (d))	Personal/Beneficiary	67,404,052 (Note)	5.43	–	–
NWS Service Management Limited (incorporated in the British Virgin Islands) (Note (e))	Corporate	67,404,052 (Note)	5.43	–	–
NWS Service Management Limited (incorporated in the Cayman Islands) (Note (f))	Corporate	67,404,052 (Note)	5.43	–	–
NWS Holdings Limited (Note (g))	Corporate	67,404,052 (Note)	5.43	–	–
New World Development Company Limited (Note (h))	Corporate	67,404,052 (Note)	5.43	–	–
Chow Tai Fook Enterprises Limited (Note (i))	Corporate	67,404,052 (Note)	5.43	–	–
Centennial Success Limited (Note (j))	Corporate	67,404,052 (Note)	5.43	–	–
Cheng Yu Tung Family (Holdings) Limited (Note (k))	Corporate	67,404,052 (Note)	5.43	–	–

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

Long position in the Shares

- (a) Top Horizon was a direct wholly owned subsidiary of Wai Kee (Zens).
- (b) Wai Kee (Zens) was deemed to be interested in the Shares through its interests in Top Horizon.
- (c) Wai Kee (Zens) was a direct wholly owned subsidiary of Wai Kee. Accordingly, Wai Kee was deemed to be interested in the Shares through its interests in its wholly owned subsidiaries, namely Wai Kee (Zens) and Top Horizon.
- (d) Vast Earn Group Limited was a wholly owned subsidiary of NWS Service Management Limited (incorporated in the British Virgin Islands).
- (e) NWS Service Management Limited (incorporated in the British Virgin Islands) was deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely Vast Earn Group Limited.
- (f) NWS Service Management Limited (incorporated in the Cayman Islands) was deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely NWS Service Management Limited (incorporated in the British Virgin Islands).
- (g) NWS Holdings Limited was deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely NWS Service Management Limited (incorporated in the Cayman Islands).
- (h) New World Development Company Limited was deemed to be interested in the Shares through its interests in its subsidiary, namely NWS Holdings Limited.
- (i) Chow Tai Fook Enterprises Limited was deemed to be interested in the Shares through its interests in more than one-third of the issued share capital of New World Development Company Limited.
- (j) Centennial Success Limited was deemed to be interested in the Shares through its interests in its wholly owned subsidiary, namely Chow Tai Fook Enterprises Limited.
- (k) Cheng Yu Tung Family (Holdings) Limited was deemed to be interested in the Shares through its interests in its subsidiary, namely Centennial Success Limited.

Save as disclosed above, as at 30 June 2010, no other person (other than Directors or chief executives of the Company) had an interest or a short position in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Other Information

DISCLOSURES PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

Loan Facility of Euro5,000,000

On 31 March 2006, the Company as the borrower entered into the Facility Agreement with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (Netherlands Development Finance Company) for the amount of Euro5,000,000 (the "Facility") to finance the acquisition and/or construction of wastewater treatment facilities in the PRC and the ongoing operation and maintenance on those facilities.

For so long as the Facility is made available to the Company, Wai Kee is required to control and/or beneficially own (directly or indirectly) more than 50% of the total issued share capital of the Company. Accordingly, this disclosure is made pursuant to Rules 13.18 and 13.21 of the Listing Rules.

Revolving Loan Facility of HK\$20,000,000

On 26 January 2010, Leader Civil Engineering Corporation Limited, a wholly owned subsidiary of the Company, was granted a one-year term revolving loan facility of up to HK\$20,000,000 (the "Banking Facilities").

Throughout the life of the Banking Facilities, Wai Kee is required to maintain not less than 50% shareholding in the Company. Accordingly, this disclosure is made pursuant to the Rules 13.18 and 13.21 of the Listing Rules.

Save as disclosed above, as at 30 June 2010, the Company did not have other disclosure obligations under Rules 13.18 and 13.21 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management, internal auditor and external auditor the accounting principles and policies adopted by the Group and the unaudited interim financial information for the six months ended 30 June 2010.

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 six months ended 30 June 2010.

UPDATE ON DIRECTORS' INFORMATION PURSUANT TO RULES 13.51B(1) OF THE LISTING RULES

The annual salary of Mr. Zen Wei Peu, Derek, the Chairman and Executive Director of the Company, has been revised from HK\$2,250,000 to HK\$2,350,500 with effect from 1 May 2010.

The annual salary of Mr. Chang Kam Chuen, Desmond, an Executive Director of the Company, has been revised from HK\$1,200,000 to HK\$1,284,000 with effect from 1 January 2010 and further revised to HK\$1,380,000 with effect from 1 July 2010.

Other Information

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010, except for the deviations in respect of the separate roles of the chairman and chief executive officer under code provision A.2.1 of the Code and the service term under code provision A.4.1 of the Code.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company does not at present have any officer with the title “Chief Executive Officer” (“CEO”). The duties of CEO were previously carried out by Mr. Yu Sai Yen, the former Vice Chairman and Executive Director. Following Mr. Yu’s resignation on 15 March 2009, the duties of CEO have been taken up by the Chairman of the Board, Mr. Zen Wei Peu, Derek. 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. This constitutes a deviation from code provision A.2.1 of the Code.

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.

Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing non-executive Directors (including independent non-executive Directors) is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all Directors (executive, non-executive and independent non-executive Directors) are subject to the retirement provisions of the Bye-laws of the Company that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code.

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 2010.

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
Zen Wei Peu, Derek
Chairman

Hong Kong, 12 August 2010

Report on Review of Interim Financial Information



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TO THE BOARD OF DIRECTORS OF BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 14 to 31, which comprises the condensed consolidated statement of financial position of Build King Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2010 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

12 August 2010

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2010

	Notes	Six months ended 30 June	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Revenue	3	346,234	446,155
Cost of sales		(323,557)	(406,391)
Gross profit		22,677	39,764
Other income	5	12,881	1,825
Increase in fair value of held-for-trading investments		1,025	10,899
Administrative expenses		(44,230)	(28,259)
Finance costs	6	(953)	(2,201)
Share of results of jointly controlled entities		31,813	19,214
Share of results of associates		(479)	1,049
Profit before tax	7	22,734	42,291
Income tax expense	8	(56)	–
Profit for the period		22,678	42,291
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(427)	898
Reclassification adjustment upon disposal of a jointly controlled entity		(4,156)	–
Other comprehensive income for the period		(4,583)	898
Total comprehensive income for the period		18,095	43,189
Profit for the period attributable to:			
Owners of the Company		24,285	40,806
Non-controlling interests		(1,607)	1,485
		22,678	42,291
Total comprehensive income for the period attributable to:			
Owners of the Company		19,682	41,699
Non-controlling interests		(1,587)	1,490
		18,095	43,189
		HK cents	HK cents (restated)
Earnings per share	9		
– Basic		2.0	4.0

Condensed Consolidated Statement of Financial Position

At 30 June 2010

	Notes	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	10	21,262	22,076
Intangible assets		32,858	32,858
Goodwill		30,554	30,554
Interests in jointly controlled entities		76,227	89,286
Available-for-sale investment	11	–	–
Other financial assets		51,273	51,520
		212,174	226,294
Current assets			
Amounts due from customers for contract work		71,609	99,057
Debtors, deposits and prepayments	12	218,906	202,562
Amounts due from associates		6,625	6,573
Amounts due from jointly controlled entities		33,427	2,170
Held-for-trading investments	13	25,718	24,693
Pledged bank deposits	20	1,944	1,815
Bank balances and cash		21,910	20,687
		380,139	357,557
Current liabilities			
Amounts due to customers for contract work		13,581	35,358
Creditors and accrued charges	14	235,202	250,011
Amount due to an intermediate holding company		5,905	7,229
Amounts due to fellow subsidiaries		8,155	8,138
Amount due to an associate		8,842	7,738
Amounts due to jointly controlled entities		3,888	16,745
Amounts due to minority shareholders		3,094	3,094
Tax liabilities		1,994	2,253
Ordinary share dividend payable to an intermediate holding company		–	22,000
Preference share dividend payable to immediate holding company		–	1,224
Loans from a director	15	10,000	10,000
Bank loans – due within one year	16	25,172	25,798
Bank overdrafts, unsecured		7,231	–
		323,064	389,588
Net current assets (liabilities)		57,075	(32,031)
Total assets less current liabilities		269,249	194,263

Condensed Consolidated Statement of Financial Position

At 30 June 2010

	Notes	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Capital and reserves			
Ordinary share capital	17	124,188	93,141
Reserves		91,499	57,594
Equity attributable to owners of the Company		215,687	150,735
Non-controlling interests		4,365	5,952
Total equity		220,052	156,687
Non-current liabilities			
Deferred tax liabilities	18	5,750	5,750
Obligations in excess of interests in associates	19	19,223	18,744
Amount due to an associate		8,015	8,961
Amount due to a jointly controlled entity		4,067	4,067
Bank loans – due after one year	16	12,142	54
		49,197	37,576
		269,249	194,263

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

	Ordinary share capital	Share premium	Translation reserve	Special reserve	Asset revaluation reserve	Retained profits	Attributable to owners of the Company	Non- controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2009 (audited)	93,141	-	9,865	(63,141)	4,290	42,862	87,017	5,943	92,960
Profit for the period	-	-	-	-	-	40,806	40,806	1,485	42,291
Exchange differences arising on translation of foreign operations	-	-	893	-	-	-	893	5	898
Total comprehensive income for the period	-	-	893	-	-	40,806	41,699	1,490	43,189
At 30 June 2009 (unaudited)	93,141	-	10,758	(63,141)	4,290	83,668	128,716	7,433	136,149
At 1 January 2010 (audited)	93,141	-	9,321	(63,141)	4,290	107,124	150,735	5,952	156,687
Profit for the period	-	-	-	-	-	24,285	24,285	(1,607)	22,678
Exchange differences arising on translation of foreign operations	-	-	(447)	-	-	-	(447)	20	(427)
Reclassification adjustment upon disposal of a jointly controlled entity	-	-	(4,156)	-	-	-	(4,156)	-	(4,156)
Total comprehensive (expense) income for the period	-	-	(4,603)	-	-	24,285	19,682	(1,587)	18,095
Issue of ordinary shares pursuant to an open offer	31,047	15,523	-	-	-	-	46,570	-	46,570
Shares issue expenses	-	(1,300)	-	-	-	-	(1,300)	-	(1,300)
At 30 June 2010 (unaudited)	124,188	14,223	4,718	(63,141)	4,290	131,409	215,687	4,365	220,052

Note: The special reserve represents adjustment in share capital on the reverse acquisition of the Company in 2004.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2010

	Six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Net cash (used in) from operating activities	(34,817)	17,007
Investing activities		
Dividends from held-for-trading investments	911	627
Distribution of profits from jointly controlled entities	22,035	7,930
Advances to jointly controlled entities	(44,114)	(6,185)
(Increase) decrease in pledged bank deposits	(129)	1,012
(Advances to) repayment from associates	(52)	12
Purchase of property, plant and equipment	(3,459)	(7,795)
Proceeds from disposal of a jointly controlled entity	21,723	–
Net cash used in investing activities	(3,085)	(4,399)
Financing activities		
Advances from fellow subsidiaries	17	6,182
(Repayment to) advance from an intermediate holding company	(1,324)	735
Repayment of bank loans	(24,538)	(28,882)
Interest paid	(796)	(2,201)
New bank loans raised	36,000	–
Ordinary share dividend paid to an intermediate holding company	(22,000)	–
Preference share dividend paid to immediate holding company	(1,224)	–
Proceeds from issue of ordinary shares	46,570	–
Shares issue expenses	(1,300)	–
Net cash from (used in) financing activities	31,405	(24,166)
Net decrease in cash and cash equivalents	(6,497)	(11,558)
Cash and cash equivalents at beginning of the period	20,687	32,704
Effect of foreign exchange rate changes, net	489	671
Cash and cash equivalents at end of the period, represented by	14,679	21,817
Bank balances and cash	21,910	27,332
Bank overdrafts	(7,231)	(5,515)
	14,679	21,817

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate holding company is Top Horizon Holdings Limited. The directors of the Company (the “Directors”) consider Wai Kee Holdings Limited (“Wai Kee”), also incorporated in Bermuda as an exempted company with limited liability and its shares being listed on the Stock Exchange, as the Company’s ultimate holding company.

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

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.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009 except as described below.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Accounting Standards (“HKAS(s)”), Hong Kong Financial Reporting Standards (“HKFRS(s)”), amendments and interpretations (“HK(IFRIC) Int”) (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the HKICPA:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1(Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised 2008)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

The Group applies HKFRS 3 (Revised) *Business Combinations* prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) *Consolidated and Separate Financial Statements* in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ²
HKAS 32 (Amendment)	Classification of Rights Issues ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁴
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ²
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁴

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.

² Effective for annual periods beginning on or after 1 January 2011.

³ Effective for annual periods beginning on or after 1 February 2010.

⁴ Effective for annual periods beginning on or after 1 July 2010.

⁵ Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will not have material impact on the results and the financial position of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

3. REVENUE

The Group's revenue represents mainly the revenue on construction contracts recognised during the period.

4. SEGMENTAL INFORMATION

The Group is mainly engaged in civil engineering work. Information reported to the Group's chief operating decision maker (i.e. the chief executive officer) for the purposes of resource allocation and assessment of performance is focused on geographical location of its customers including Hong Kong, Taiwan, the PRC and the Middle East. The Group's reportable segments under HKFRS 8 are as follows:

Six months ended 30 June 2010

	Hong Kong HK\$'000	Taiwan HK\$'000	The PRC HK\$'000	Middle East HK\$'000	Total HK\$'000
Results					
Group revenue	336,954	–	5,304	3,976	346,234
Share of revenue of jointly controlled entities	28,149	–	–	57,339	85,488
Segment revenue	365,103	–	5,304	61,315	431,722
Group results	441	(421)	4,671	(6,432)	(1,741)
Share of results of jointly controlled entities	2,436	–	–	29,377	31,813
Segment profit (loss)	2,877	(421)	4,671	22,945	30,072
Unallocated corporate expenses					(7,842)
Dividends from held-for-trading investments					911
Increase in fair value of held-for-trading investments					1,025
Share of results of associates					(479)
Finance costs					(953)
Profit before tax					22,734

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

4. SEGMENTAL INFORMATION (Continued)

Six months ended 30 June 2009

	Hong Kong HK\$'000	Taiwan HK\$'000	The PRC HK\$'000	Middle East HK\$'000	Total HK\$'000
Results					
Group revenue	424,491	–	4,653	17,011	446,155
Share of revenue of jointly controlled entities	18,769	–	1,192	111,534	131,495
Segment revenue	443,260	–	5,845	128,545	577,650
Group results					
Group results	15,123	(822)	1,787	(1,329)	14,759
Share of results of jointly controlled entities	1,330	–	(924)	18,808	19,214
Segment profit (loss)	16,453	(822)	863	17,479	33,973
Unallocated corporate expenses					(2,056)
Dividends from held-for-trading investments					627
Increase in fair value of held-for-trading investments					10,899
Share of results of associates					1,049
Finance costs					(2,201)
Profit before tax					42,291

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 and share of results of jointly controlled entities without allocation of dividends from held-for-trading investments, change in fair value of held-for-trading investments, share of results of associates, finance costs and unallocated corporate expenses including provision for staff bonus.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

5. OTHER INCOME

	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
Other income includes:		
Service income from a jointly controlled entity	7,670	–
Gain on disposal of a jointly controlled entity (Note)	3,042	–
Dividends from held-for-trading investments	911	627
Interest on other receivables	–	10
Interest on bank deposits	5	7
Interest on other financial assets	704	896

Note: On 25 February 2010, the Group entered into a sale and purchase Agreement (“S&P Agreement”) to dispose of the Group’s entire interest in China Railway Tenth Group Third Engineering Co., Ltd., an equity joint venture established in the PRC to third parties for a consideration of RMB19,080,000 (equivalent to approximately HK\$21,723,000). Details of the disposal are set out in the Company’s Announcement and Notices – Disclosable Transactions dated 25 February 2010. The Group has reported a gain on disposal of the joint venture of HK\$3,042,000 during the period.

6. FINANCE COSTS

	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings wholly repayable within five years	544	2,036
Interest bearing amount due to an associate	71	71
Interest bearing loans from a director	181	94
Imputed interest expense on non-current interest free amount due to an associate	157	–
	953	2,201

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

7. PROFIT BEFORE TAX

	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
Profit before tax has been arrived at after charging:		
Depreciation of property, plant and equipment	4,271	6,004
Share of income tax (credit) expenses of jointly controlled entities (included in share of results of jointly controlled entities)	(62)	173

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	–	–
Under(over)provision in prior years:		
Hong Kong	317	–
Other jurisdictions	(261)	–
	56	–

Hong Kong Profits Tax was 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 2009: 16.5%) for the six months ended 30 June 2010.

No provision for Hong Kong Profits Tax for both periods has been made in the condensed consolidated financial statements as the estimated assessable profit has been wholly absorbed by tax losses brought forward.

Taxation arising in other jurisdictions is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions. The estimated weighted average annual tax rate used is 25% (six months ended 30 June 2009: 25%) for the six months ended 30 June 2010.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

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	
	2010	2009
	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	24,285	40,806
	Number of shares	
	'000	'000
		(restated)
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,198,325	1,019,319

The weighted average number of shares for the purpose of calculating basic earnings per share for both periods has been retrospectively adjusted for the effect of bonus element in connection to the open offer (see note 17) completed in February 2010.

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

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent HK\$3,459,000 (six months ended 30 June 2009: HK\$7,795,000) on additions to property, plant and equipment.

The Group has pledged certain motor vehicles with an aggregate carrying value of HK\$127,000 (31 December 2009: HK\$201,000) to secure bank loans.

11. AVAILABLE-FOR-SALE INVESTMENTS

	30 June	31 December
	2010	2009
	HK\$'000	HK\$'000
Unlisted equity securities, at cost	800	800
Less: Impairment loss recognised	(800)	(800)
	-	-

The unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

12. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows an average credit period of 60 days to its trade customers. For retention receivables in respect of construction contracts, the due dates are usually one year after the completion of the construction work.

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

	30 June 2010 HK\$'000	31 December 2009 HK\$'000
Trade debtors analysed by age:		
0 – 60 days	127,452	125,262
Over 90 days	2,156	4,618
	129,608	129,880
Retention receivables	48,228	41,091
Other debtors, deposits and prepayments	41,070	31,591
	218,906	202,562
Retention receivables		
Due within one year	27,053	21,194
Due more than one year	21,175	19,897
	48,228	41,091

13. HELD-FOR-TRADING INVESTMENTS

	30 June 2010 HK\$'000	31 December 2009 HK\$'000
Held-for-trading investments stated at fair value:		
– Equity securities listed in Hong Kong	25,684	24,666
– Equity securities listed in the United States of America	34	27
	25,718	24,693

At 30 June 2010, certain equity securities with market value of HK\$17,790,000 (31 December 2009: HK\$18,090,000) were pledged to a bank to secure general banking facilities granted to the Group. Although these equity securities were pledged to the bank, the Group is allowed to trade the pledged securities upon the repayment of respective bank borrowing. Accordingly, the investments in these equity securities are classified as held-for-trading investments in the condensed consolidated statement of financial position. In relation to the pledge of equity securities, the bank also requires certain subsidiaries of the Company that are entitled to the bank facilities to provide cross guarantee to the bank.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

14. 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:

	30 June 2010 HK\$'000	31 December 2009 HK\$'000
Trade creditors analysed by age:		
0 to 60 days	29,932	36,906
61 to 90 days	1,294	1,390
Over 90 days	9,134	13,567
	40,360	51,863
Retention payables	43,027	41,947
Accrued project costs	125,550	129,538
Other creditors and accrued charges	26,265	26,663
	235,202	250,011
Retention payables		
Repayable within one year	31,969	26,440
Repayable more than one year	11,058	15,507
	43,027	41,947

For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction work.

15. LOANS FROM A DIRECTOR

The loans are unsecured, carry interest at Hong Kong Interbank Offered Rate plus 1.75% per annum and are repayable within one year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

16. BANK LOANS

	30 June 2010 HK\$'000	31 December 2009 HK\$'000
The maturity of bank loans is as follows:		
Within one year	25,172	18,050
In the second year	5,078	3,928
In the third to fifth year inclusive	7,064	3,874
	37,314	25,852
Less: Amount due within one year shown under current liabilities	(25,172)	(25,798)
Amount due after one year	12,142	54
Secured	20,151	9,230
Unsecured	17,163	16,622
	37,314	25,852

As at 30 June 2010, the Group complied with all the terms of the bank loans and the bank loans are classified accordingly to their agreed maturity schedule.

As at 31 December 2009, in respect of bank loans with carrying amounts of HK\$16,622,000, the Group breached certain of the terms of the bank loans, which were primarily related to the debt-equity ratio of the Group. According to HKAS 1 "Presentation of Financial Statements", since the banks had not agreed to waive their right to demand immediate payment as at 31 December 2009, the non-current portion of the bank loans amounting to HK\$7,748,000 had been classified as a current liability in the consolidated statement of financial position as at 31 December 2009. The Group had subsequently obtained written consent from the banks to waive their rights to demand immediate repayment.

As at the end of the reporting period, the Group has undrawn borrowing facilities of HK\$94,869,000 (31 December 2009: HK\$60,110,000).

Certain bank loans are secured by personal guarantees of a director of the Company.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

17. ORDINARY SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each		
At 1 January 2009, 31 December 2009 and 30 June 2010	1,700,000,000	170,000
Issued and fully paid:		
Ordinary shares of HK\$0.1 each		
At 1 January 2009 and 31 December 2009	931,408,494	93,141
Issue of shares	310,469,498	31,047
At 30 June 2010	1,241,877,992	124,188

On 10 February 2010, the Company raised approximately HK\$46.6 million before expenses for general working capital of the Group, by way of issuing 310,469,498 shares of HK\$0.1 each at the subscription price of HK\$0.150 per share on the basis of one offer share for every three shares held on 15 January 2010, the record date of the open offer.

Details of the open offer of shares are set out in the circular of the Company dated 18 January 2010.

18. DEFERRED TAX LIABILITIES

The deferred tax liabilities recognised by the Group represent fair value of intangible assets arising from the acquisition of a subsidiary during the year ended 31 December 2005. There is no movement of balance during the current period.

19. OBLIGATIONS IN EXCESS OF INTERESTS IN ASSOCIATES

	30 June 2010 HK\$'000	31 December 2009 HK\$'000
Cost of investment in unlisted associates	4	4
Share of post-acquisition losses (note)	(19,227)	(18,748)
	(19,223)	(18,744)

Note: The Group has contractual obligations to share the net liabilities of associates.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

20. PLEDGE OF ASSETS

Other than disclosed in notes 10, 13 and 16, as at 30 June 2010, bank deposits amounting to HK\$1,944,000 (31 December 2009: HK\$1,815,000) of the Group were pledged to a bank for securing the banking facilities granted to the Group. The pledged bank deposits carry interest 0.01% at 30 June 2010 (31 December 2009: 0.01%) per annum.

21. CONTINGENT LIABILITIES

	30 June 2010 HK\$'000	31 December 2009 HK\$'000
Outstanding tender/performance/retention bonds in respect of construction contracts	167,643	151,029

22. RELATED PARTY TRANSACTIONS

	Six months ended 30 June	
	2010 HK\$'000	2009 HK\$'000
Intermediate holding company		
Corporate guarantee fee expense	313	308
Jointly controlled entity		
Service income	7,670	–
Associate		
Interest expense	71	71
Director		
Interest expense	181	94
Compensation of key management personnel		
Short-term employee benefits	5,440	5,164
Post-employment benefits	270	277
	5,710	5,441

At 30 June 2010 and 31 December 2009, the director provided personal guarantees amounting to HK\$12,500,000 to a bank to secure the general banking facilities granted to the Group.

At 30 June 2010 and 31 December 2009, Wai Kee provided corporate guarantees amounting to HK\$45,000,000 respectively to several banks to secure the general banking facilities granted to the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

22. RELATED PARTY TRANSACTIONS (Continued)

At 30 June 2010 and 31 December 2009, Wai Kee has also given guarantees to indemnify all liabilities for certain construction contracts undertaken by the Group.

In addition to above, the Group has an interest in a jointly controlled entity for the construction of Zhejiang Shenjiawan – Zhongmentong (the “JCE”). The JCE is an unincorporated jointly controlled entity operating in the PRC, with a 50% attributable interests held by a wholly-owned subsidiary of the Company and the remaining attributable interest held by two wholly-owned subsidiaries of Wai Kee.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Zen Wei Peu, Derek (*Chairman*)

Chang Kam Chuen, Desmond

Non-executive Directors

David Howard Gem

Cheng Chi Pang, Leslie

Chan Chi Hung, Anthony

Independent Non-executive Directors

Chow Ming Kuen, Joseph

Ng Chi Ming, James

Ho Tai Wai, David

AUDIT COMMITTEE

Ng Chi Ming, James (*Chairman*)

Chow Ming Kuen, Joseph

Ho Tai Wai, David

David Howard Gem

REMUNERATION COMMITTEE

Chow Ming Kuen, Joseph (*Chairman*)

Ng Chi Ming, James

Ho Tai Wai, David

Zen Wei Peu, Derek

AUDITOR

Deloitte Touche Tohmatsu

SOLICITORS

Richards Butler in association with

Reed Smith LLP

Conyers Dill & Pearman

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

CITIC Bank International Limited

Hang Seng Bank Limited

COMPANY SECRETARY

Chang Kam Chuen, Desmond

REGISTERED OFFICE

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Shatin

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Rosebank Centre

11 Bermudiana Road

Pembroke HM 08

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Progressive Limited

26th Floor, Tesbury Centre

28 Queen's Road East

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