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 **MGG**  
**MASTER GLORY GROUP LIMITED**  
**凱華集團有限公司**

*(Carrying on business in Hong Kong as “275 凱華集團”)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 275)**

**PROFIT WARNING**

This announcement is made by Master Glory Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited management accounts of the Group, the Group is expected to record a turn from profit into loss for the six months ended 30 September 2017 (the “**Relevant Period**”), as compared to the corresponding period ended 30 September 2016 (the “**Corresponding Period**”).

During the Corresponding Period, the Group recorded a number of non-recurring gains and losses. These included (i) a fair value gain on properties (net of deferred tax expenses) of approximately HK\$2.0 billion. During the Corresponding Period, the Group leased out a portion of its flagship project 捷登都會大廈 (also known as A-Mall) in Guangzhou, which was previously classified in the Group’s financial statements as properties under development for sale and stated at cost. Given that such portion of A-Mall was held under operating leases for rentals, they were reclassified from properties under development for sale to investment properties, and were measured at their fair values in the Group’s financial statements. The reclassification of the asset gave rise to the aforesaid fair value gain; (ii) impairment loss on goodwill of approximately HK\$97.4 million; and (iii) impairment loss on property held for sale of approximately HK\$213.9 million. These non-recurring gains and losses were not repeated in the Relevant Period. In addition, (i) the Group recorded exchange loss of approximately HK\$54.8 million in the Corresponding Period while exchange gain of more than HK\$100 million is expected for the Relevant Period; and (ii) an increase in

finance costs by approximately HK\$130 million in the Relevant Period due to the increased level of borrowings. Taking into account the aforementioned factors, it is expected that the Group would record a turn from profit of approximately HK\$1,456.8 million in the Corresponding Period to a consolidated loss of not more than HK\$150 million in the Relevant Period.

The information contained in this announcement is only based on the preliminary assessment on the unaudited management accounts of the Group for the Relevant Period, and is not based on any figures or information audited or reviewed by the auditor and the audit committee of the Company. Shareholders and potential investors are advised to read carefully the results announcement of the Group for the Relevant Period which is expected to be published on 29 November 2017.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**MASTER GLORY GROUP LIMITED**  
**Dr. Yap Allan**  
*Chairman*

Hong Kong, 27 November 2017

As at the date of this announcement, the Directors are as follows:

*Executive Directors:*

Dr. Yap Allan (*Chairman*)  
Mr. Heung Pik Lun, Edmond  
Mr. Wu Guangsheng

*Independent Non-executive Directors:*

Mr. Kwok Ka Lap, Alva  
Mr. Poon Kwok Hing, Albert  
Mr. Sin Chi Fai  
Dr. Wu Chun Wah