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MAN KING HOLDINGS LIMITED

萬景控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2193)

PROFIT WARNING

This announcement is made by Man King Holdings Limited (the “**Company**”) pursuant to the requirements of Rules 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 and the public with unaudited financial information of the Company and its subsidiaries (collectively the “**Group**”).

Based on the Company’s preliminary review of the condensed consolidated management accounts of the Group, the Group’s estimated results for the six months ended 30 September 2018 (“**6M2018**”) is likely to show a substantial decrease in profit as compared with that for the six months ended 30 September 2017 (“**6M2017**”). The decrease is mainly due to the new adoption of Hong Kong Financial Reporting Standard (“**HKFRS**”) 15 “*Revenue from Contracts with Customers*” by the Group from 1 April 2018 in preparation of the aforesaid condensed consolidated management accounts in respect of 6M2018.

In 6M2017, revenue arising from construction contracts was recognised by applying the percentage-of-completion method.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- (a) when the customer simultaneously receives and consumes the benefits provided by the entity’s performance, as the entity performs;
- (b) when the entity’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

- (c) when the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of the aforesaid 3 situations, under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed, which is normally regarded as taking place upon transfer of risks and rewards of ownership.

As a result of adopting HKFRS 15, all the services rendered and costs incurred during 6M2018 were recognised in the condensed consolidated statement of profit or loss in the same reporting period. Except for the adoption of new accounting principles, to the knowledge of the Company based on the information available to it, there has been no material adverse change in the business operation and financial status of the Group which led to the expected decrease in its profit in respect of 6M2018 amid the challenging external economic environment generally faced by the market.

Assuming that the percentage-of-completion method is still applied in preparation of the condensed consolidated management accounts for 6M2018, the revenue in respect of 6M2018 would be approximately 12% higher than that of 6M2017 and the gross profit would be approximately 29% lower than that of 6M2017. The Group is still in the process of finalising the Group's results for 6M2018. The information contained in this announcement is only based on the Company's preliminary review of the condensed consolidated management accounts of Group, which have not been reviewed by the Company's auditor. The reviewed results of the Group for 6M2018 will be announced by the end of November 2018 and the related interim report will be published thereafter.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Man King Holdings Limited
Wan Ho Yin
Company Secretary

Hong Kong, 8 November 2018

As at the date of this announcement, the Board comprises Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong, as executive Directors; Ms. Chan Wai Ying as non-executive Director; and Mr. Leung Wai Tat Henry, Prof. Lo Man Chi, Ms. Chau Wai Yung as independent non-executive Directors.