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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

FINANCIAL PERFORMANCE HIGHLIGHTS

Revenue	HK\$110.5 million
Profit attributable to owners of the Company	HK\$3.0 million
Basic earnings per share	HK0.71 cents
Equity attributable to owners of the Company per share	HK\$0.57

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Man King Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2019 together with the comparative figures for the preceding financial year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

		Six months ended	
		30 September	
		2019	2018
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	110,487	97,413
Cost of services		(97,996)	(84,961)
		<hr/>	<hr/>
Gross profit		12,491	12,452
Other income	4	1,161	1,172
Other gains and losses	5	(632)	173
Administrative expenses		(11,053)	(12,355)
Finance costs		(107)	(58)
Share of profit of an associate		1,060	–
		<hr/>	<hr/>
Profit before tax	6	2,920	1,384
Income tax credit (expense)	7	73	(430)
		<hr/>	<hr/>
Profit and total comprehensive income for the period		2,993	954
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cents</i>	HK cents
Earnings per share	9		
Basic and diluted		0.71	0.23
		<hr/> <hr/>	<hr/> <hr/>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2019**

	<i>Notes</i>	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		13,947	16,159
Interest in an associate		88,251	74,469
Right-of-use assets		1,300	–
		<u>103,498</u>	<u>90,628</u>
Current assets			
Inventories		6,902	8,063
Contract assets	<i>10</i>	47,985	49,781
Debtors, deposits and prepayments	<i>11</i>	52,369	35,022
Amounts due from joint operations		20,754	21,844
Tax recoverable		571	310
Financial assets at fair value through profit or loss		3,872	4,486
Debt investment		3,500	3,500
Pledged bank deposits		5,206	5,206
Bank balances and cash		52,927	96,909
		<u>194,086</u>	<u>225,121</u>
Current liabilities			
Contract liabilities	<i>10</i>	1,280	2,889
Creditors and accrued charges	<i>12</i>	32,182	61,656
Amounts due to other partners of joint operations		18,875	13,364
Lease liabilities		1,285	–
Tax liabilities		2	19
Bank borrowings		5,107	1,873
		<u>58,731</u>	<u>79,801</u>
Net current assets		<u>135,355</u>	<u>145,320</u>
Total assets less current liabilities		238,853	235,948
Non-current liabilities			
Lease liabilities		19	–
Deferred tax liabilities		294	401
		<u>313</u>	<u>401</u>
Net assets		<u>238,540</u>	<u>235,547</u>
Capital and reserves			
Share capital		4,198	4,198
Share premium and reserves		234,342	231,349
Total equity		<u>238,540</u>	<u>235,547</u>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with the Hong Kong Accounting Standard 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.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2019.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 *Leases* (“HKAS 17”), and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes the amount of the initial measurement of the lease liability.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* (“HKFRS 9”) and initially measured at fair value. The impact of this to the Group is insignificant.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in Hong Kong was determined on a portfolio basis.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of HK\$1,994,000 and right-of-use assets of HK\$1,994,000 at 1 April 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 2.83%.

	At 1 April 2019 HK\$'000
Operating lease commitments disclosed as at 31 March 2019	2,313
Lease liabilities discounted at relevant incremental borrowing rates	2,270
Less: Recognition exemption — short-term leases	(276)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 (i.e. 1 April 2019)	<u>1,994</u>
Analysed as	
Current	1,390
Non-current	604
	<u>1,994</u>

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

	Right-of-use assets HK\$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	1,994
By class:	
Land and building	1,994

3. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Civil engineering works	110,487	96,852
Service income from trading of construction materials	—	561
	<u>110,487</u>	<u>97,413</u>

4. OTHER INCOME

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Bank interest income	243	623
Interest income from debt investment	105	105
Dividend income from financial assets at fair value through profit or loss	216	306
Others	597	138
	<u>1,161</u>	<u>1,172</u>

5. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Change in fair value of financial assets at fair value through profit or loss, net	(448)	421
Net exchange losses	(184)	(248)
	<u>(632)</u>	<u>173</u>

6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Directors' emoluments	3,827	3,544
Other staff salaries and other allowances	29,884	24,280
Other staff retirement benefit scheme contributions	744	797
	<u>34,455</u>	<u>28,621</u>
Total staff costs		
	<u>34,455</u>	<u>28,621</u>
Depreciation of property, plant and equipment	2,615	2,321
Depreciation of right-of-use assets	694	–
	<u>3,309</u>	<u>2,321</u>

7. INCOME TAX CREDIT (EXPENSE)

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Hong Kong Profit Tax — current period	(34)	(1,095)
Deferred taxation	107	665
	<u>73</u>	<u>(430)</u>

8. DIVIDEND

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Dividend paid and recognised as distribution during the period: Nil (six months ended 30 September 2018: 2018 final dividend — HK3.5 cents per share)	—	14,694

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: nil).

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share	<u>2,993</u>	<u>954</u>
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic and diluted earnings per share	<u>419,818</u>	<u>419,818</u>

10. CONTRACT ASSETS AND CONTRACT LIABILITIES

	30 September 2019 <i>HK\$'000</i>	31 March 2019 <i>HK\$'000</i>
Analysed as current:		
Unbilled revenue of civil engineering works	40,518	40,140
Retention receivables of civil engineering works	7,467	9,641
	47,985	49,781
	47,985	49,781
Retention receivables of civil engineering works		
	30 September 2019 <i>HK\$'000</i>	31 March 2019 <i>HK\$'000</i>
Due within one year	3,404	5,351
Due after one year	4,063	4,290
	7,467	9,641
	7,467	9,641
	30 September 2019 <i>HK\$'000</i>	31 March 2019 <i>HK\$'000</i>
Advances from customers of civil engineering works, current	1,280	2,889
	1,280	2,889

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 September 2019 HK\$'000	31 March 2019 HK\$'000
Trade receivables	23,421	11,754
Other debtors, deposits and prepayments		
— Deposits and prepaid expenses	28,466	22,273
— Others	482	995
	<u>52,369</u>	<u>35,022</u>

The Group allows credit period up to 60 days to certain customers. The aging analysis of the Group's trade receivables based on certification dates at the end of each reporting period is as follows:

	30 September 2019 HK\$'000	31 March 2019 HK\$'000
Trade receivables:		
0 to 30 days	18,842	7,652
31 to 60 days	1,919	3,902
Over 60 days	2,660	200
	<u>23,421</u>	<u>11,754</u>

12. CREDITORS AND ACCRUED CHARGES

	30 September 2019 HK\$'000	31 March 2019 HK\$'000
Trade payables (aging analysis based on invoice dates):		
0 to 30 days	10,821	6,930
31 to 60 days	3,847	7,881
61 to 90 days	323	1,050
Over 90 days	850	198
	<u>15,841</u>	<u>16,059</u>
Retention payables	11,964	11,284
Consideration payable for acquisition of an associate	–	29,020
Other payables and accruals	4,377	5,293
	<u>32,182</u>	<u>61,656</u>
Retention payables:		
Due within one year	2,351	3,744
Due after one year	9,613	7,540
	<u>11,964</u>	<u>11,284</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is principally engaged in providing civil engineering services in Hong Kong as main contractor.

The engineering works undertaken by the Group are mainly related to (i) roads and drainage (including associated building works and electrical and mechanical works); (ii) site formation (including associated infrastructure works); and (iii) port works (including barging facilities for marine logistics of construction materials). The Group undertakes engineering projects in both public and private sectors and, being a main contractor, participates in the procurement of materials, machineries and equipment, selection of subcontractors, carrying out on-site supervision, monitoring work progress and overall co-ordination of day-to-day work of the projects.

As at 30 September 2019, the Group had eight projects in progress, and several completed projects yet to receive the final contract sum, with a total estimated outstanding contract sum and work order value of approximately HK\$714.8 million. Subsequent to 30 September 2019, we have secured a new contract from public sector with total contract sum of approximately HK\$34.8 million.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 September 2019 was approximately HK\$110.5 million, representing an increase of approximately 13.4% from approximately HK\$97.4 million in the same period of the last financial year. This increase was mainly due to the combined effect of:

- (i) higher revenue of approximately HK\$17.5 million for a new public sector project commenced during the six months ended 30 September 2019;
- (ii) higher revenue of approximately HK\$19.6 million for seven projects in progress during the six months ended 30 September 2019;
- (iii) lower revenue of approximately HK\$0.6 million and HK\$22.8 million for a project completed during the six months ended 30 September 2019 and a project completed before 2019, respectively; and
- (iv) lower service income from trading of construction materials of approximately HK\$0.6 million during the six months ended 30 September 2019.

Gross profit margin

The gross profit margin decreased from approximately 12.8% for the six months ended 30 September 2018 to approximately 11.3% for the six months ended 30 September 2019. The decrease is primarily due to substantial completion of projects on hand with higher profit margin and less additional contract sums agreed at the final stage were recognised for the six months ended 30 September 2019. The expected gross profit margin for new projects is lower than those undertaken in previous years which reflects keen competition in the construction industry.

Other income

Other income was approximately HK\$1,161,000 and HK\$1,172,000 for the six months ended 30 September in 2019 and 2018, respectively. The slight decrease was mainly due to the combined effect of decrease in interest income earned from bank deposits and the increase in sundry income.

Other gains and losses

Other gains and losses switched from a gain of approximately HK\$173,000 for the six months ended 30 September 2018 to a loss of approximately HK\$632,000 for the six months ended 30 September 2019, primarily due to decrease in net change in fair value of financial assets at fair value through profit or loss of approximately HK\$869,000, offset by the decrease in net exchange loss of approximately HK\$64,000.

Administrative expenses

Administrative expenses for the six months ended 30 September 2019 were approximately HK\$11.1 million, representing a decrease of 10.5% from approximately HK\$12.4 million in same period of the last financial year. This was mainly attributable to the decrease in the administrative staff costs and tender expenses.

Finance costs

The Group has obtained new bank borrowing during the six months ended 30 September 2019 and accordingly bank loan interest expenses increased to approximately HK\$83,000 (2018: HK\$58,000). In addition, the Group recognised interest expenses on the lease liabilities of HK\$24,000 (2018: nil) after the new adoption of HKFRS 16. Therefore, total finance costs was approximately HK\$107,000 (2018: HK\$58,000).

Share of profit of an associate

Share of profit of an associate relates to the Group's 20.3% interest in an associate for the provision of bareboat charter and coal transshipment services in Pakistan. The Group's share of profit of an associate for the six months ended 30 September 2019 was approximately HK\$1,060,000 (2018: nil).

Income tax expense

The effective tax rate for the six months ended 30 September 2018 was approximately 31.1%. The Group recorded income tax credit of approximately HK\$73,000 for the six months ended 30 September 2019.

Profit for the period

For the six months ended 30 September 2019, the Group recorded net profit of approximately HK\$3.0 million, as compared to a net profit of approximately HK\$1.0 million for the corresponding period in the last financial year. This was mainly due to stricter cost control on administrative expenses and the recognition of share of profit of an associate during the six months ended 30 September 2019.

Liquidity and Financial Resources

As at 30 September 2019, the Group had bank balances and cash of approximately HK\$52.9 million (31 March 2019: HK\$96.9 million), which were mainly denominated in Hong Kong dollars and British Pound. The Group is exposed to the currency risks for fluctuation in exchange rates of British Pound. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates and has not adopted any currency hedging policy or other hedging instruments. The Group will continue to monitor its exposure to the currency risks closely.

As at 30 September 2019, the Group had interest bearing borrowings of approximately HK\$5.1 million (31 March 2019: HK\$1.9 million) with a repayable on demand clause. Such borrowing were denominated in Hong Kong dollars, carried at variable interest rate and had no financial instrument for hedging purpose.

The Group had available unutilised bank borrowings facilities of approximately HK\$68.2 million as at 30 September 2019 (31 March 2019: HK\$49.3 million).

Capital Structure and Gearing Ratio

As at 30 September 2019, the Group's total equity was approximately HK\$238.5 million (31 March 2019: HK\$235.5 million) comprising ordinary share capital, share premium and reserves.

The gearing ratio of the Group, defined as a percentage of interest bearing liabilities divided by the total equity, is approximately 2.7% as at 30 September 2019 (31 March 2019: 0.8%).

Pledge of Assets

As at 30 September 2019, bank deposits of the Group in the amount of approximately HK\$5.2 million (31 March 2019: HK\$5.2 million) are pledged to banks for securing the performance bonds issued by the banks to the Group's customers on behalf of the Group as guarantee. Deposits and prepaid expenses of approximately HK\$3.3 million (31 March 2019: HK\$25,000) has been placed and pledged to the insurance institutions to secure performance bonds issued by the institutions to the customers of the Group.

Capital Commitments

The Group had no capital commitments as at 30 September 2019 (31 March 2019: nil).

Performance Bonds and Contingent Liabilities

Certain customers of the construction contracts undertaken by the Group require the group entities to issue guarantees for the performance of contract works in the form of performance bonds and secured either by other deposits or pledged bank deposits. The performance bonds are released when the construction contracts are completed or substantially completed.

As at 30 September 2019, the Group had outstanding performance bonds issued by banks of approximately HK\$5.2 million (31 March 2019: HK\$16.6 million) and issued by the insurance institutions of approximately HK\$3.3 million (31 March 2019: HK\$25,000).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2019, the Group had an aggregate of 122 full-time employees (31 March 2019: 130 full-time employees). Employee costs excluding directors' emoluments totalled approximately HK\$30.6 million for the six months ended 30 September 2019 (six months ended 30 September 2018: HK\$25.1 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the directors with reference to individual performance and current market salary scale.

FUTURE OUTLOOK

Although the HKSAR government policies support the growth in infrastructure development, the social disruptions in the past few months severely affect the approval pace of public works. Many of them were either postponed or pending for approval during the current interim period. In addition, because of the year-long US-China trade war and the dire competition business environment in Hong Kong, the construction sector is getting worse and obviously these are challenges to us.

During these difficult times, we maintained profit by implementing more tighten cost controls. Despite the gross profit margin of 11.3% during the current interim period was slightly reduced by compared to the corresponding last period of 12.8%, the cost control on administrative expenses and the share of profit of the associate entity enhanced the net profit by triple to approximately HK\$3.0 million to the Group.

In the last annual report, we had mentioned our 20.3% interest in the One Belt One Road project would commence bareboat charter and coal transshipment services from the mid-September 2019. The actual coal transshipment operation however slightly fell behind schedule to early October 2019 instead due to the unstable sea condition at the transshipment area in September 2019. The latest news are that our operation team worked very hard and professional to transship the coal of approximately 480,000 tons from the incoming ocean going vessels to the jetty up to the mid-November 2019. The result of testing and commissioning period was satisfying and passed in the mid-November 2019, indicating our

technical capability to handle this project. The next stage is the charter period, in which higher charter fee rate comparing to the testing and commissioning period is expected. We remain affirmative that the investment will not only be beneficial to our Group financial performance but also a robust platform for building our experience and strength in the worldwide transshipment business.

SIGNIFICANT INVESTMENTS

During the six months ended 30 September 2019, the Company did not hold any significant investment.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 September 2019, there was no material acquisition or disposal of subsidiaries and associated companies by the Company.

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 September 2019.

CORPORATE GOVERNANCE

The Company has adopted, applied and complied with the code provisions of Corporate Governance Code ("CG Code") set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange for the six months ended 30 September 2019 except for provision A.2.1 in respect of the separate roles of the chairman and chief executive officer.

According to provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Lo Yuen Cheong is the Chairman and Chief Executive Officer of the Company, responsible for the financial and operational aspects of the Group, and is jointly responsible for the formulation of business development strategies of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer has the benefit of managing the Group's business and overall operation in an efficient manner. The Board considers that the balance of power and authority under the present arrangement will not be impaired in light of the operations of the Board with half of them being independent non-executive Directors. The Company will review the structure from time to time and shall adjust the situation when suitable circumstance arises.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Upon specific enquiry with each of the Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 September 2019.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2019.

REVIEW OF INTERIM RESULTS

The audit committee of the Company and the Company's external auditor have reviewed the accounting policies adopted by the Group and the unaudited consolidated interim financial results for the six months ended 30 September 2019.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Company's website (www.manking.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Interim Report 2019/2020 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange, and despatched to the shareholders of the Company in due course.

By order of the Board
Man King Holdings Limited
Lo Yuen Cheong
Chairman and Executive Director

Hong Kong, 29 November 2019

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.