

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MAN KING HOLDINGS LIMITED

萬景控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2193)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CAPITAL CONTRIBUTION TO AN ASSOCIATED IS CLOSED IN THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2020

DISCLOSEABLE TRANSACTION IN RESPECT OF THE CAPITAL CONTRIBUTION AND MAJOR TRANSACTION WHEN THE CAPITAL CONTRIBUTION AGGREGATED WITH PREVIOUS SUBSCRIPTION

Reference is made to the Capital Contribution for the total sum of approximately US\$2.8 million (equivalent to approximately HK\$22 million) made by the Group in River King in respect of the financial year ended 31 March 2020 as disclosed in note 16 (investment in an associate) of the consolidated financial statements of the Company for the corresponding financial year contained in the 2020 Annual Report. The purpose of this announcement is to inform the Shareholders and potential investors of the Company as to the background and reasons of the Capital Contribution made by the Group and to give an update on the business of River King.

CAPITAL CONTRIBUTION TO RIVER KING

Subscription in February 2019 to grasp opportunity in “One Belt One Road (一帶一路)”

The Capital Contribution took place after the Subscription of shares in River King by the Group which had been completed in February 2019 whereupon River King became an associate of the Company in which the Group owns 20.3% equity interest and the Group commenced to be involved in the coal transshipment with other shareholders of River King. The Subscription at the subscription price of approximately US\$9.6 million (equivalent to approximately HK\$74.7 million) constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules when the agreement for the Subscription was signed in January 2019.

As disclosed in the Announcements, River King Group is principally engaged in the bareboat charter hiring, and transshipment of coal by the vessels owned or built by the River King Group to a coal fired power station located at Hub, Tehsil Gaddani, District Lasbella, Balochistan, Pakistan (the **“Pakistan Power Station”**), which is a “One Belt One Road (一帶一路)” project. The Pakistan Power Station is developed and operated by China Power Hub Generation Company (Private) Limited (**“CPHGC”**). CPHGC is a special purpose vehicle owned by China Power International Holding Limited (中國電力國際有限公司) (**“CPI Holding”**) and The Hub Power Company Limited (**“Hub Power”**). Based on the information available to the Company, as at the date of this announcement, CPI Holding and Hub Power respectively own 52.5% and 47.5% shareholding in CPHGC. CPI Holding is in turn controlled by State Power Investment Corporation* (國家電力投資集團有限公司), being one of the top five power generators under the administration of the government in the PRC. Hub Power is a company listed on Pakistan Stock Exchange Limited (stock code: HUBC). Based on the annual report of Hub Power in respect of the year ended 30 June 2020 (the **“Hub Power 2020 Annual Report”**), Hub Power had 15,063 shareholders holding total number of 1,297,154,387 shares as at 30 June 2020. The largest shareholder of Hub Power as at 30 June 2020 held approximately 17.3% shareholding in Hub Power and no other shareholders held 10% or more shareholding in Hub Power as at 30 June 2020 based on the Hub Power 2020 Annual Report. To the best knowledge of the Company after making reasonable enquiries, none of the directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their associates are connected with the said largest shareholder of Hub Power, which is an Independent Third Party.

Subsequent to completion of the Subscription and up to the date of this announcement, the shareholding of River King is owned by Sky Hero Global Limited (**“Sky Hero”**), the Group and Wisdom Star Enterprises Limited (**“Wisdom Star”**) as to 70.1%, 20.3% and 9.6% respectively. Based on the information available to the Company, the ultimate beneficial controlling shareholder of Sky Hero is Mr. CUI Qi who is an Independent Third Party. As disclosed in the announcement of the Company dated 18 January 2019, Wisdom Star is wholly owned by Madam TAM Wai Sze, Vera who is the spouse of Mr. LO Yuen Cheong, an executive Director of the Company.

The vessels owned or built by the River King Group have been chartered by CPHGC for a term of 15 years commencing from 2019 for provision of transshipment vessel and vessel for coal transshipment in relation to the Pakistan Power Station. The holding of interest in River King by the Group aims to bring positive returns to the Group in the long run and strengthen the earning base of the Group given the expected affirmative prospect of “One Belt One Road (一帶一路)”.

Proactive development of the coal transshipment project by the Group

Since the Group becoming a shareholder of River King in February 2019, the Group has been proactively participating in the development and operation of the coal transshipment project in relation to the Pakistan Power Station so as to strive to boost the financial performance of River King of which the profits can be shared by the Group under the equity method of accounting. The active participation of the Group in the coal transshipment in the “One Belt One Road (一帶一路)” has been driven by strong desire of the Company to maintain the sustainable development of the Group amid the very challenging and difficult business environment in Hong Kong. The civil engineering business in Hong Kong, which the Group has been principally engaged in since the Listing, remains sluggish under the unprecedented economic recession in Hong Kong which has been escalated by the US-China trade conflict, the disruption of social unrest in Hong Kong and the outbreak of coronavirus pandemic in the globe. It became one of the key strategies of the Group to diversify its business by proactively participating in development and operation of the coal transshipment project in “One Belt One Road (一帶一路)”. Such business diversification is planned to maintain the sustainable

development of the Group, which in turn brings positive returns to the Company and its shareholders in long run.

The active participation of the Group in developing and operating the coal transshipment project is signified by designation by the Company of two directors to River King among five board seats, namely Mr. LO Yick Cheong and Mr. LO Yuen Cheong, who are the also executive Directors of the Company. Mr. LO Yick Cheong is involved in the daily management and overseeing the daily operation of the coal transshipment project. He attended on-site vessel conversion work for the project regularly at the shipyard in Guangzhou, the PRC from February to August 2019, and followed the fleet voyage from the shipyard to the transshipment area located in Gaddani, Pakistan from the end of August to early October 2019 to handle the custom clearance, manage the first coal transshipment operation and liaise with the independent expert to conduct verifications on the functionality of the vessels for the coal transshipment during his stationing in Gaddani, Pakistan. The involvement of Mr. LO Yick Cheong was critical to satisfy the testing requirements and transshipment procedures set out in the charter contract with CPHGC. Another Director Mr. LO Yuen Cheong is mainly responsible for commercial documents review and business administration, such as commercial invoice and debt collection matters involving CPHGC, vessel insurance arrangement and establishment of branch office in Pakistan. Both Mr. LO Yick Cheong and Mr. LO Yuen Cheong attended several physical meetings in Pakistan and met the senior management of CPHGC for commercial discussions and negotiations related to the project. Riding on the Group's established extensive network to source machinery and equipment from suppliers and contractors, the Group has also been involved in procuring suitable types of machinery and equipment for the River King Group required for the coal transshipment project such as front loaders, excavator and pneumatic fenders. The remaining three directors of River King are designated by Sky Hero. Sky Hero and its designated directors are mainly responsible for arranging accommodation and workshop for personnel, storage of materials and ancillary maintenance and repair works at the jetty of Pakistan Power Station; sourcing officers and workers from the PRC such as safety officer, stevedore, welder, crane operator to work in the coal transshipment operation; arranging secondment of Chinese commercial manager and data analyst to liaise closely with the front-line personnel of CPHGC; sourcing spare parts required for the project such as oil spill response materials, galvanized steel pipe, steel wire rope, galvanized I-steel, oxygen generators outside Pakistan; and maintaining business relationship with senior management of CPHGC. As to the role of Wisdom Star, as disclosed in the announcement of the Company dated 18 January 2019, Madam TAM (through Wisdom Star) is a passive minority investor of River King without participating in any management of the River King Group.

Leveraging technical expertise of Mr. LO Yick Cheong in marine engineering, experience of both Mr. LO Yick Cheong and Mr. LO Yuen Cheong in developing engineering business, the capabilities of Mr. LO Yick Cheong and Mr. LO Yuen Cheong in professional communications with the local talents in the "One Belt One Road (一帶一路)" as well as the assistance rendered by the Group, the coal transshipment was eventually implemented successfully in early October 2019 and the financial performance of River King has therefore improved substantially as demonstrated in note 16 (investment in an associate) of the consolidated financial statements of the Company in respect of financial year ended 31 March 2020 contained in the 2020 Annual Report. As demonstrated in the said note 16, according to River King's consolidated audited financial statements for the year ended 31 March 2020 prepared in accordance with HKFRSs, revenue of approximately HK\$104.8 million was recognised by River King in respect of the year ended 31 March 2020 while no revenue was recorded in the year ended 31 March 2019. Net profit of approximately HK\$42.9 million was recognised by River King in respect of the year ended 31 March 2020 while a loss of approximately HK\$1 million was recorded in the year ended 31 March 2019.

The Company has all along disclosed and updated the status and development as well as the prospect of this “One Belt One Road (一帶一路)” project in the 2019 Annual Report, the 2019 Interim Report and the 2020 Annual Report. Please refer to the paragraph headed “Performance and Strategy” in the Chairman’s Statement and the paragraph headed “Future Outlook” in the Management Discussion and Analysis of each of the aforesaid periodic financial reports. Certain key financial information reflected in River King’s consolidated audited financial statements prepared in accordance with HKFRSs, including consolidated audited revenue and profit of River King for the two years ended 31 March 2020 and consolidated audited current and non-current assets and current liabilities of River King respectively as at 31 March 2019 and 2020 (the “**River King Audited Financial Information**”) have also been disclosed in the note 16 (investment in an associate) of the consolidated financial statements of the Company in respect of financial year ended 31 March 2020 contained in the 2020 Annual Report.

Capital Contribution to River King during financial year ended 31 March 2020

Subsequent to the completion of the Subscription in February 2019 which was recognised by the Company in its financial year ended 31 March 2019, the River King Group required further capital for development and operation of the coal transshipment project, including the additional conversion and enhancement of the vessels and mobilization costs required for the vessels, and the unexpected delay on the transshipment schedule from September 2019 to October 2019 due to rough sea condition also urged the need of additional cashflow to sustain the operation at the relevant time. The shareholders of River King therefore made further capital contribution on pro rata basis with reference to their shareholding proportion in River King. The Group made the Capital Contribution for the total sum of approximately HK\$22 million in the capacity of a shareholder of River King in nine occasions from April to December 2019. Set out below are the date of contribution and the relevant amount:

	Date of contribution	Relevant amount HK\$’000
(1)	10 April 2019	1,599
(2)	25 June 2019	7,125
(3)	5 July 2019	1,720
(4)	24 July 2019	2,278
(5)	4 October 2019	5,000
(6)	1 November 2019	1,000
(7)	8 November 2019	1,000
(8)	27 November 2019	2,000
(9)	31 December 2019	314

The Capital Contribution had already been paid in full in cash as reflected in note 16 (investment in an associate) of the consolidated financial statements of the Company in respect of financial year ended 31 March 2020 contained in the 2020 Annual Report. The Capital Contribution was funded by internal resources of the Group.

UPDATE ON BUSINESS OF THE RIVER KING GROUP

Coal transshipment by vessels

The outbreak of COVID-19 across the world in the recent months created a global challenge on the protection of the health and wellbeing of seafarers. The lockdowns of cities and ports have become increasingly problematic in the global shipping industry to effect repatriation of crew whose service contracts have ended.

The monsoon season from May to August 2020 in Pakistan did not enable scheduling of any coal transshipment and the River King Group instead mainly focused on repairs and maintenance of vessels at shelter which made them ready for the next operation season. This non-operating period brought the repatriation of crew in a safer manner, including implementing more comprehensive hygiene measures such as conducting COVID-19 test for each on/off signer of the vessels and imposing quarantine policy. The non-operating period also allowed more time for handling logistic arrangement.

In late September 2020, the fleet voyaged back to the designated transshipment area and began new coal transshipment season. Up to the date of this announcement, the vessel crew of the River King Group has already finished the coal transshipment operation by two ocean-going vessels.

Cash dividends distributed by River King

During the six months ended 30 September 2020, the Company received cash dividend from River King totaling US\$1,319,500 (equivalent to approximately HK\$10,226,000), representing a dividend yield of approximately 9.7%. The cash dividend would contribute positive cashflow to the Group to support its substantiable operation and development while the civil engineering business in Hong Kong is still gloomy with no sign of recovery in short period of time. River King started to recognise revenue since October 2019 upon commencement of the coal transshipment, and the Company anticipates that the financial performance of River King will continue to grow steadily in full financial year of 2021 under the charter arrangement due to the increasing coal demand of the Pakistan Power Station. The Company will continuously monitor and proactively get involved in the development and operation of River King Group and propose cash distribution when appropriate hoping to bring diversification and stable income for the Group in long term.

LISTING RULES IMPLICATIONS OF THE CAPITAL CONTRIBUTION

The Capital Contribution made from April to December 2020 in the course of the financial year ended 31 March 2020 constituted a discloseable transaction of the Company since the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of relevant time is more than 5% but less than 25% and should be subject to the reporting and announcement requirements but exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. As disclosed in the table above, the Capital Contribution was made in nine occasions. When the contribution was made on 24 July 2019, the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules for such relevant time hit 5% threshold under Chapter 14 of the Listing Rules and the capital contribution made up to that point of time (but not aggregated with the Subscription) constituted a discloseable transaction of the Company. If the Capital Contribution for

the total amount of approximately HK\$22 million is taken for calculating the percentage ratio only, the Capital Contribution still constituted a discloseable transaction of the Company.

If the Capital Contribution (total of approximately HK\$22 million) made from April to December 2019 in the course of the financial year ended 31 March 2020 were aggregated with the Subscription (approximately HK\$74.7 million) completed in the course of the financial year ended 31 March 2019 and treated as if they were one transaction for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules, the applicable percentage ratio is more than 25% but less than 100% at the relevant time, thereby rendering the Subscription and the Capital Contribution to be a major transaction of the Company under Chapter 14 of the Listing Rules and should be subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. When the contribution was made on 25 June 2019, the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules for such relevant time hit 25% threshold under Chapter 14 of the Listing Rules and the capital contribution made up to that point of time (aggregated with the Subscription) constituted a major transaction of the Company.

INADVERTENT BREACH OF THE LISTING RULES

The Company's oversight in timely compliance with Chapter 14 of the Listing Rules was due to its genuine belief that any transaction subsequent and incidental to the coal transshipment project operated under River King through the arrangement formed in February 2019 already announced is of revenue nature in the ordinary and usual course of business of the Group such that the Capital Contribution fell within the ambit of carve-out provision under Rule 14.04(1)(f) of the Listing Rules and should not be regarded as "transaction" for the purpose of Chapter 14 of the Listing Rules. As the Group has been proactively participated in the development and operation of the coal transshipment project after completion of the Subscription in February 2019, and coupled with the fact that such arrangement is made on arm's length basis and on normal commercial terms, and the nature and scope of business of River King cannot be changed, and transactions which are not on arm's length basis cannot be conducted without unanimous consent of the shareholders of River King, the Company believed in good faith that provision of transshipment vessel and vessel for coal transshipment in relation to the Pakistan Power Station by River King are conducted by the Group as one of its principal activities in its ordinary course of business.

It came to the knowledge of the Company that it, although bona fide, had misinterpreted Rule 14.04(1)(f) of the Listing Rules when it was enquired by the Stock Exchange as to the relevant details of the Capital Contribution upon review of the 2020 Annual Report by the Stock Exchange. Given the Capital Contribution had already been completed with other shareholders of River King having contributed the capital on pro rata basis, and having considered the disclosure about (i) the Capital Contribution in the 2020 Annual Report and this announcement; (ii) the development progress, business update and prospect of the coal transshipment project in the 2019 Annual Report, 2019 Interim Report, the 2020 Annual Report and this announcement; and (iii) the River King Audited Financial Information in the 2020 Annual Report, the information disclosed has provided sufficient information to the Shareholders and potential investors of the Company to assess the business performance of the River King Group and allow them to ascertain investment in the Company on informed basis. It is of humble view that it would be unduly burdensome and cause unnecessary costs to the Group in dispatching circular and convening extraordinary general meeting of the Company in connection with the Capital Contribution, which are believed not to be in the benefit and interest of the Company and its Shareholders as a whole. The Company was approved to issue this announcement and will re-comply with the Listing Rules requirements by issuing a circular in the event of any future capital contribution made by the Group to River King and convening extraordinary general meeting of the Company for approval by Shareholders of any future capital contribution.

Having evaluating the current business operation and the financial performance of River King, including its revenue generating capability and the expected cash inflow generated from the coal transshipment in relation to the Pakistan Power Station, the shareholders of River King currently contemplate that no further capital contribution is required to be made by the shareholders of River King in foreseeable period of time. The above evaluation is based on the information and status known to the Company as of the date of this announcement. The Company will comply with relevant requirements under the Listing Rules in case of any of its future capital contribution to River King.

The Company would like to stress that legal and regulatory compliance has long been an important culture of the Group and that it has always treated compliance with the Listing Rules as a top priority since the Listing in July 2015. The Group has been maintaining regular communications with, and seeking advice from, its professional advisers since the Listing on different aspects of Listing Rules compliance, but has unfortunately and regrettably not done so on this single occasion on a timely basis.

REMEDIAL MEASURES

The Company deeply regrets its non-compliance with Chapter 14 of the Listing Rules when the Capital Contribution was made but would like to stress that such non-compliance was a single incident and purely inadvertent and the Company had no intention to withhold any information relating to the Capital Contribution from disclosure. Taking into consideration of the above reasons and benefits of the Capital Contribution, the Directors (including the independent non-executive Directors) considered that the Capital Contribution was made on normal commercial terms, and terms of the Capital Contribution were fair and reasonable and in the interests of the Shareholders of the Company as a whole. The Directors actually already had knowledge about the Capital Contribution when they considered and approved the consolidated financial statements of the Company in respect of the financial year ended 31 March 2020 contained in the 2020 Annual Report. To adhere prudent corporate governance practice, the Director have confirmed, approved and ratified the Capital Contribution and the publication of this announcement at a physical meeting of the Board. In view of the minority stake owned by Madam TAM, being an associate of Mr. LO Yuen Cheong in River King and in pursuit of the prudent corporate governance practice, Mr. LO Yuen Cheong, his brother Mr. LO Yick Cheong and his sister in law Ms. CHAN Wai Ying (being a non-executive Director) have all abstained from voting on the Board resolutions of the Company confirming, approving and ratifying the Capital Contribution at the Board meeting.

To prevent the reoccurrence of the current instance of non-compliance, the Company intends to adopt the following measures:

1. the Company will enhance the training provided to the Directors and the senior management to reinforce their understanding of and to emphasize the importance of compliance with the Listing Rules;
2. the Company will strengthen the implementation of its internal control system on transactions including but not limited to strengthening the coordination and reporting arrangements for notifiable transactions among the various departments of the Company. Before entering into each agreement, the finance department will coordinate those departments to review the relevant agreement to ensure compliance with the Listing Rules;
3. the Company will maintain closer cooperation with its professional advisers in relation to regulatory compliance; and

4. if the Company intends to conduct similar transactions, it will seek advice from its external legal advisers on whether this will trigger any disclosure or compliance requirements under the Listing Rules. If necessary, the Company will consult the Stock Exchange about the proper treatment of the proposed transaction.

The Company will make further announcement regarding any material development of the business of the River King Group as and where necessary for the compliance with the Listing Rules. The Company would like to take this opportunity to thank you its Shareholders for their support over the years. Looking forward, the Company sincerely hopes the business diversification in “One Belt One Road (一帶一路)” would be beneficial to the sustainable development of the Group, which in turn brings positive returns to the Company and its Shareholders in long run.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement have the following meanings:

“2019 Annual Report”	the annual report of the Company for the financial year ended 31 March 2019 and published on 19 July 2019
“2019 Interim Report”	the interim report of the Company for the six month ended 30 September 2019 and published on 19 December 2019
“2020 Annual Report”	the annual report of the Company for the financial year ended 31 March 2020 and published on 20 July 2020
“Announcements”	collectively, the announcements of the Company respectively dated 18 January, 20 February and 31 May 2019 regarding the Subscription by the Group of the then new shares in River King which constituted a discloseable transaction of the Company
“associate(s)”	has the meaning ascribed thereto under Rule 1.01 of the Listing Rules
“Board”	the board of Directors
“Capital Contribution”	capital contribution made by the Group to River King for a total sum of approximately US\$2.8 million (equivalent to approximately HK\$22 million) during the financial year ended 31 March 2020
“Company”	Man King Holdings Limited (萬景控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2193)
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong

“HKFRSs”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is (are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associate(s)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“River King”	River King Management Holdings Limited (瑞景管理控股有限公司), a company incorporated in Hong Kong with limited liability in which the Group has 20.3% equity interest
“River King Group”	River King and its subsidiaries, which include three companies incorporated in Malta and wholly owned by River King
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the then new ordinary shares of River King by the Group at the subscription price of approximately US\$9.6 million (equivalent to approximately HK\$74.7 million) for 20.3% of the total enlarged issued share capital of River King which was completed in February 2019 as disclosed in the Announcements
“US\$”	the United States dollars, the lawful currency of the United States of America

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

Hong Kong, 4 November 2020

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.

** For identification purposes only*