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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 FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2022**

FINANCIAL PERFORMANCE HIGHLIGHTS

Revenue	HK\$408.2 million
Profit attributable to owners of the Company	HK\$36.9 million
Basic earnings per share	HK8.79 cents
Equity attributable to owners of the Company per share	HK\$0.66
Final dividend per share	HK3.5 cents

RESULTS

The board of directors (the “Board”) of Man King Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2022 together with the comparative figures for the corresponding period for the year ended 31 March 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue	3	408,200	276,552
Cost of services		<u>(356,794)</u>	<u>(247,153)</u>
Gross profit		51,406	29,399
Other income	4	2,206	1,946
Other (losses)/gains, net	5	(302)	176
Administrative expenses		<u>(26,800)</u>	<u>(27,119)</u>
Operating profit		26,510	4,402
Finance costs		(221)	(97)
Share of profit of an associate		<u>14,756</u>	<u>13,161</u>
Profit before income tax	6	41,045	17,466
Income tax expense	7	<u>(4,123)</u>	<u>(1,722)</u>
Profit for the year		36,922	15,744
Other comprehensive income/(loss)			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive income/(loss) of an associate		<u>1,232</u>	<u>(676)</u>
Total comprehensive income for the year attributable to the owners of the Company		<u>38,154</u>	<u>15,068</u>
Earnings per share for profit attributable to the owners of the Company:			
Basic and diluted per share (HK cents)	9	<u>8.79</u>	<u>3.75</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		17,888	10,905
Right-of-use assets		15,559	1,993
Investment in an associate		99,806	98,820
Prepayment for property, plant and equipment	<i>11</i>	1,447	–
		134,700	111,718
Current assets			
Inventories		8,914	3,356
Contract assets	<i>10</i>	61,408	42,520
Trade and other receivables	<i>11</i>	39,516	25,409
Amounts due from joint operations		12,924	14,882
Financial assets at fair value through profit or loss		5,162	5,650
Pledged bank deposits		–	5,206
Cash and cash equivalents		153,264	107,102
		281,188	204,125
Total assets		415,888	315,843
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,198	4,198
Share premium and other reserves		94,534	105,897
Retained earnings		180,391	143,469
Total equity		279,123	253,564
LIABILITIES			
Non-current liabilities			
Lease liabilities		12,082	605
Deferred tax liabilities		1,672	–
		13,754	605
Current liabilities			
Contract liabilities		22,092	7,398
Trade and other payables	<i>12</i>	78,764	36,348
Amounts due to other partners of joint operations		11,070	13,864
Bank borrowings		4,118	1,634
Lease liabilities		3,589	1,400
Tax liabilities		3,378	1,030
		123,011	61,674
Total liabilities		136,765	62,279
Total equity and liabilities		415,888	315,843

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO ANNUAL RESULTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 November 2014 as an exempted company with limited liability under the Companies Law, (Cap. 22, Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Group are principally engaged in the provision of civil engineering works.

The Company is listed on the Main Board of the Stock Exchange.

Its ultimate holding company is LOs Brothers (PTC) Limited and its immediate holding company is Jade Vantage Holdings Limited.

The consolidated financial statements are presented in Hong Kong Dollar ("HK\$") and all values are rounded to the nearest thousand ("HK\$'000"), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss ("FVTPL") which have been measured at fair value.

2.2 Application of amendments to HKFRSs

In the current year, the Group has applied the amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the presentation of the consolidated financial statements. The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in providing civil engineering services in Hong Kong as main contractor (“Civil Engineering Works”).

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors review the Group’s internal reporting in order to assess performance and allocate resources. The executive directors have determined the operating segment based on these reports.

The executive directors consider the Group’s operation from a business perspective and determine that the Group has one reportable operating segment being the Civil Engineering Works.

The executive directors assess the performance of the operating segment based on a measure of revenue and gross profit. During the years ended 31 March 2022 and 2021, all the Group’s revenue were from contracts with customers and were recognised over time and derived from operations in Hong Kong.

As at 31 March 2022 and 2021, the Group’s non-current assets are all located in Hong Kong except for the investment in an associate. The Group’s associate is incorporated in Hong Kong and principally operating in Pakistan.

4. OTHER INCOME

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Management fee income	420	1,177
Dividend income from financial assets at FVTPL	313	234
Bank interest income	29	126
Others	1,444	409
	<u>2,206</u>	<u>1,946</u>

5. OTHER (LOSSES)/GAINS, NET

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Fair value changes of financial assets at FVTPL	(488)	74
Net exchange gain	140	98
Gain on disposal of property, plant and equipment	46	4
	<u>(302)</u>	<u>176</u>

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Employee benefit expenses (<i>Note</i>)	74,374	57,926
Auditor's remuneration	1,260	1,260
Depreciation of property, plant and equipment	5,371	5,407
Depreciation of right-of-use assets	2,660	1,408
Write-off of property, plant and equipment	29	188
Cost of construction materials	26,886	16,527
Subcontracting charges	238,650	176,226
	<u>238,650</u>	<u>176,226</u>

Note: For year ended 31 March 2021, the government grants of HK\$6,229,000 from the employment support scheme had been offset in "employee benefit expenses". There is no such government grants received during the year ended 31 March 2022.

7. INCOME TAX EXPENSE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Current year	2,451	1,552
Under-provision in prior years	–	170
	<u>2,451</u>	<u>1,722</u>
Deferred taxation	1,672	–
	<u>4,123</u>	<u>1,722</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the year.

8. DIVIDEND

A final dividend for the year ended 31 March 2022 of HK3.5 cents (2021: HK3 cents) per ordinary share, totaling approximately HK\$14,694,000 (2021: HK\$12,595,000) based on 419,818,000 shares has been proposed by the Board of Directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	2022	2021
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>36,922</u>	<u>15,744</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>419,818</u>	<u>419,818</u>
Basic and diluted earnings per share (<i>HK cents</i>)	<u>8.79</u>	<u>3.75</u>

For the purpose of determining the diluted earnings per share amount, no adjustment has been made to the basic earnings per share amount for the years ended 31 March 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during these years.

10. CONTRACT ASSETS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current		
Unbilled revenue of civil engineering works		
— Ongoing project	10,182	—
— Completed project	40,000	33,594
Retention receivables of civil engineering works	<u>11,226</u>	<u>8,926</u>
	<u>61,408</u>	<u>42,520</u>
Retention receivables of civil engineering works		
Due within one year	5,536	2,536
Due after one year	<u>5,690</u>	<u>6,390</u>
	<u>11,226</u>	<u>8,926</u>

11. TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	<u>25,990</u>	<u>15,505</u>
Current		
Other receivables, deposits and prepayments:		
— Deposits	8,420	4,833
— Other receivables	207	1,248
— Prepaid expenses	<u>4,899</u>	<u>3,823</u>
	<u>13,526</u>	<u>9,904</u>
Non-current		
— Prepayment for property, plant and equipment	<u>1,447</u>	—
	<u>40,963</u>	<u>25,409</u>

Trade debtors are normally due within 30 – 60 days from customers' certification date.

The ageing analysis of the Group's trade receivables based on customers' certification date at the end of each reporting period is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–30 days	25,108	14,945
31–60 days	247	418
Over 60 days	<u>635</u>	<u>142</u>
	<u>25,990</u>	<u>15,505</u>

12. TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	38,594	13,029
Retention payables	23,137	16,517
Other payables and accruals:		
— Accrued wages and other staff benefits	7,116	1,766
— Accrued operating expenses	152	116
— Other payables	<u>9,765</u>	<u>4,920</u>
	<u>78,764</u>	<u>36,348</u>

The credit period on trade purchases is 30 to 60 days.

The ageing analysis of the trade payables based on invoice date is as follows:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–30 days	30,811	6,891
31–60 days	7,438	4,751
61–90 days	55	492
Over 90 days	290	895
	<u>38,594</u>	<u>13,029</u>

In the consolidated statement of financial position, retention payables were classified as current liabilities. The ageing of the retention payables based on invoice date is as follows:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Due within one year	6,338	2,792
Due after one year	16,799	13,725
	<u>23,137</u>	<u>16,517</u>

DIVIDEND

The Board recommends the payment of a final dividend of HK3.5 cents (2021: HK3 cents) per ordinary share to be payable to shareholders whose names appear in the register of members of the Company on Friday, 9 September 2022.

Subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on Tuesday, 23 August 2022 (the "2022 Annual General Meeting"), it is expected that the payment of final dividend will be made to the Company's shareholders on or around Friday, 23 September 2022.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2022 Annual General Meeting, the register of members of the Company will be closed from Thursday, 18 August 2022 to Tuesday, 23 August 2022, both dates inclusive, during which period no transfer of shares of the Company (the "Shares") will be registered. In order to be eligible to attend and vote at the 2022 Annual General Meeting, the unregistered holders of shares of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 17 August 2022.

The proposed final dividend is subject to the approval of the shareholders at the 2022 Annual General Meeting. The record date for the proposed final dividend is on Friday, 9 September 2022. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 9 September 2022 if and only if the proposed final dividend is approved by the shareholders at the 2022 Annual General Meeting, during which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 8 September 2022.

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 civil 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 31 March 2022, the Group had ten 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\$1,306.8 million.

The diversified coal transshipment business of the Group through its 20.3% owned One Belt One Road project in Pakistan continued to bring positive return to the Group. During the year ended 31 March 2022, the Company received cash dividend from this One Belt One Road project totaling US\$1.9 million (equivalent to approximately HK\$15.0 million).

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2022 was approximately HK\$408.2 million, representing an increase of approximately 47.6% from approximately HK\$276.6 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\$64.2 million for two new public sector projects commenced during the year ended 31 March 2022;
- (ii) higher revenue of approximately HK\$142.6 million for five projects in progress during the year ended 31 March 2022;

(iii) lower revenue of approximately HK\$58.1 million for projects for the year ended 31 March 2022 as compared to the revenue of approximately HK\$114.3 million recognised for the same projects during the prior year; and

(iv) lower revenue of approximately HK\$17.1 million for projects substantially completed during the year ended 31 March 2022.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2022 was approximately HK\$51.4 million, representing an increase of approximately 74.8% from approximately HK\$29.4 million in the same period of the last financial year.

The gross profit margin increased from approximately 10.6% for the year ended 31 March 2021 to approximately 12.6% for the year ended 31 March 2022.

The increase in gross profit and gross profit margin were primarily due to a few projects on hand were in several main work phases during the year earning higher profit as expected.

Other income

Other income was approximately HK\$2,206,000 and HK\$1,946,000 for the years ended 31 March 2022 and 2021, respectively. The increase was mainly due to the receipt of government subsidy granted from the Construction Innovation and Technology Fund and settlement for the legal cost incurred for the legal case concluded during the year, which was partially offset by the decrease in management fee income and bank interest income.

Other (losses)/gains, net

Other (losses)/gains, net switched from a gain of approximately HK\$176,000 for the year ended 31 March 2021 to a loss of approximately HK\$302,000 for the year ended 31 March 2022, primarily due to loss in fair value of financial assets at fair value through profit or loss of approximately HK\$488,000 was recognised during the year ended 31 March 2022 while it was a gain of approximately HK\$74,000 for the prior year.

Administrative expenses

Administrative expense remained stable for the years ended 31 March 2022 and 2021, which amounted to approximately HK\$26.8 million and HK\$27.1 million, respectively.

Finance costs

During the year ended 31 March 2022, bank loan interest expenses were approximately HK\$75,000 (2021: HK\$62,000) and interest expenses on the lease liabilities were approximately HK\$146,000 (2021: HK\$35,000). Therefore, total finance costs were approximately HK\$221,000 (2021: HK\$97,000).

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 year ended 31 March 2022 was approximately HK\$14.8 million (2021: HK\$13.2 million).

Income tax expense

The Group recorded income tax expense of approximately HK\$4,123,000 for the year ended 31 March 2022 (2021: HK\$1,722,000).

Profit for the year

For the year ended 31 March 2022, the Group recorded a net profit of approximately HK\$36.9 million, as compared to a net profit of approximately HK\$15.7 million for the corresponding period in the last financial year. The increase was mainly due to the improvement of gross profit margins of construction projects and the increase in other income and share of profit of an associate.

Liquidity and Financial Resources

As at 31 March 2022, the Group had cash and cash equivalents of approximately HK\$153.3 million (2021: HK\$107.1 million), which were mainly denominated in Hong Kong dollars. There is no major exposure to foreign exchange rate fluctuations. The Group has not adopted any currency hedging policy or other hedging instruments. The Group will continue to monitor its exposure to currency risks closely.

As at 31 March 2022, the Group had a total of interest bearing bank borrowing of approximately HK\$4.1 million (2021: HK\$1.6 million) with a repayable on demand clause. Such borrowings 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 borrowing facilities of approximately HK\$20.7 million as at 31 March 2022 (2021: HK\$20.7 million).

Capital Structure and Gearing Ratio

As at 31 March 2022, total equity was approximately HK\$279.1 million (2021: HK\$253.6 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, was approximately 1.5% as at 31 March 2022 (2021: 0.6%).

Pledge of Assets

As at 31 March 2021, bank deposits of the Group of approximately HK\$5.2 million were pledged to a bank for securing the performance bonds issued by a bank to the Group's customers on behalf of the Group as guarantee. The bank deposits had been released during the year and the Group had no pledged bank deposits as at 31 March 2022. Deposits of approximately HK\$3,323,000 (2021: HK\$3,348,000) has been placed and pledged to an insurance institution to secure obligations under the performance bonds issued by an institution to a customer of the Group.

Capital Commitments

The Group had capital commitments on capital expenditure of property, plant and equipment contracted for but not recognised as liabilities of approximately HK\$948,000 as at 31 March 2022 (2021: Nil).

Performance Bonds and Contingent Liabilities

Certain customers of 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 31 March 2022, the Group had no outstanding performance bonds issued by banks (2021: HK\$5.2 million) and the outstanding performance bonds issued by insurance institutions were approximately HK\$3,323,000 (2021: HK\$3,348,000).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group had an aggregate of 171 full-time employees (2021: 123 full-time employees). Employee costs excluding directors' emoluments totalled approximately HK\$64.7 million for the year ended 31 March 2022 (2021: HK\$49.1 million). For the year ended 31 March 2021, government grants of approximately HK\$6.2 million from the employment support scheme have been offset with the

employee costs. The Group recruited and promoted the employees 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

The Group has secured two new public work contracts in June and August 2021 with contract sums of HK\$306.6 million and HK\$467.7 million respectively. Including the other three public contracts awarded at the end of 2020, the Group's capacity is now temporarily full. The Group is committed to boosting the local growth and competitiveness to bolster its expanding operation scale in the next few years.

The 20.3% owned One Belt One Road project in Pakistan completed its third coal transshipment operation season in early May 2022. The coal transshipment operation slowed down in the second half of financial year, mainly due to the soaring price of the imported coal as a result of big drop in global mining during the pandemic, coupled with high sea freight in the post-pandemic economic revival. As a result, approximately 1.7 million tons of coal were transshipped in the third coal transshipment operation season, representing a decrease of approximately 35% as compared to the last season of approximately 2.6 million tons.

Such decrease in the volume of coal transshipped was offset by an increase in charter hire income. Overall, the Group's share of profit of an associate amounted to approximately HK\$14.8 million this year, representing an increase of approximately 12.1% as compared to approximately HK\$13.2 million in the prior year.

During the year ended 31 March 2022, the Group received dividends from River King Management Holdings Limited ("River King" and together with its subsidiaries, the "River King Group") totaling US\$1.9 million (equivalent to approximately HK\$15.0 million). The accumulated dividends in the past three years reach approximately HK\$33.9 million, representing approximately 35% of total investment costs of this project. The Company will continuously monitor the operation of River King Group and recommend cash distribution as appropriate when profit earning is in line with our expectation.

The global pandemic environment brings us challenge, but also opportunity. Apart from the Belt & Road project, the Group continues to seek other investment opportunity aiming to earn reasonable constant return as well as the diversification. The Group's gearing ratio remains low with healthy liquidity. Together with strong working capital management, the Group is ready for any new investment in the future. The Group will continue to assess new investment opportunities in a prudent manner in order to maximize returns for shareholders and promote the Group's long-term business growth.

SIGNIFICANT INVESTMENT

The Group holds a 20.3% equity interest (comprising 2,030 ordinary shares) in River King Group through Rich Partner Global Limited, a direct wholly-owned subsidiary of the Company. The River King Group is principally engaged in a One Belt One Road project involving the bareboat charter hiring and transshipment of coal by vessels owned or built by the River King Group to a coal fired power station located in Pakistan. The Group's total investment in River King up to 31 March 2022 was approximately HK\$96.7 million. No market fair value was available for this private investment as at 31 March 2022. The Group invested in River King with a view to maintaining a sustainable growth and maximizing shareholder return through business diversification. To that end, the Group has been actively involved in the development and operation of the coal transshipment project since its participation. In particular, executive Directors Mr. Lo Yick Cheong and Mr. Lo Yuen Cheong were integral to the successful implementation of the coal transshipment project in early October 2019, following which the financial performance of River King has improved substantially. During the year ended 31 March 2022, the Group's share of results of River King was approximately HK\$14.8 million. Considering the accumulated distributable reserve available of River King, the Group received cash dividends from the project totaling approximately US\$1.9 million (equivalent to approximately HK\$15.0 million) for the year.

Save as aforesaid, the Company did not hold any other significant investment during the year ended 31 March 2022.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 March 2022, 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 year ended 31 March 2022.

CORPORATE GOVERNANCE

The Company has adopted, applied and complied with the code provisions of the New CG Code (as hereinafter defined) for the year ended 31 March 2022, except for provision C.2.1 in respect of the separate roles of the chairman and chief executive officer.

According to provision C.2.1 of the New CG Code, the roles of chairman and chief executive officer should be separate 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.

The Company noted that amendments had been made to the Corporate Governance Code (the "New CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") which came into effect on 1 January 2022 and the requirements under the New CG Code will apply to the Corporate Governance Report of the Company for the financial year commencing on or after 1 January 2022. The Company has not applied any new amendments to the Corporate Governance Code that is not yet effective for the current financial year ended 31 March 2022. The Company will continue to observe and enhance its corporate governance practices to ensure compliance with the New CG Code and align with the latest regulatory developments.

Details of corporate governance principles and practices of the Company will be set out in Annual Report 2021/2022.

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 all the Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 March 2022.

AUDIT COMMITTEE

The Company established the audit committee ("Audit Committee") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the New CG Code. As at the date of this announcement, the Audit Committee comprises of four members, namely Mr. Leung Wai Tat Henry, Ms. Chan Wai Ying, Ms. Chau Wai Yung and Prof. Lo Man Chi.

The Audit Committee has reviewed and discussed the annual results for the year ended 31 March 2022. The figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2022 as set out in this preliminary announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers (“PwC”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this preliminary announcement.

ANNUAL GENERAL MEETING

The notice of the 2022 Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company’s website (www.manking.com.hk) and the Stock Exchange’s website (www.hkexnews.hk). The Annual Report 2021/2022 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, 28 June 2022

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.