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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 2021**

**FINANCIAL PERFORMANCE HIGHLIGHTS**

Revenue	HK\$276.6 million
Profit attributable to owners of the Company	HK\$15.7 million
Basic earnings per share	HK3.75 cents
Equity attributable to owners of the Company per share	HK\$0.60
Final dividend per share	HK3 cents

## RESULTS

The board of directors (the “Board”) of Man King Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2021 together with the comparative figures for the corresponding period for the year ended 31 March 2020 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	276,552	231,661
Cost of services		<u>(247,153)</u>	<u>(214,024)</u>
Gross profit		29,399	17,637
Other income	4	1,946	2,502
Other gains/(losses), net	5	176	(937)
Administrative expenses		<u>(27,119)</u>	<u>(25,047)</u>
Operating profit/(loss)		4,402	(5,845)
Finance costs		(97)	(198)
Share of profit of an associate		<u>13,161</u>	<u>8,715</u>
Profit before income tax	6	17,466	2,672
Income tax (expense)/credit	7	<u>(1,722)</u>	<u>277</u>
<b>Profit for the year</b>		<b>15,744</b>	<b>2,949</b>
<b>Other comprehensive loss</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive loss of an associate		<u>(676)</u>	<u>–</u>
<b>Total comprehensive income for the year attributable to the owners of the Company</b>		<b><u>15,068</u></b>	<b><u>2,949</u></b>
<b>Earnings per share for profit attributable to the owners of the Company:</b>			
Basic and diluted per share (HK cents)	9	<u>3.75</u>	<u>0.70</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 2021**

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>10,905</b>	12,058
Right-of-use assets		<b>1,993</b>	607
Investment in an associate		<b>98,820</b>	105,220
		<b>111,718</b>	117,885
<b>Current assets</b>			
Inventories		<b>3,356</b>	4,477
Contract assets	<i>10</i>	<b>42,520</b>	49,775
Trade and other receivables	<i>11</i>	<b>25,409</b>	41,436
Amounts due from joint operations		<b>14,882</b>	19,556
Tax recoverable		–	957
Financial assets at fair value through profit or loss		<b>5,650</b>	3,537
Pledged bank deposits		<b>5,206</b>	5,206
Cash and cash equivalents		<b>107,102</b>	54,506
		<b>204,125</b>	179,450
<b>Total assets</b>		<b>315,843</b>	297,335

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		4,198	4,198
Share premium and other reserves		105,897	106,573
Retained earnings		143,469	127,725
		<hr/>	<hr/>
<b>Total equity</b>		<b>253,564</b>	238,496
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		605	–
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current liabilities</b>			
Contract liabilities		7,398	3,356
Trade and other payables	<i>12</i>	36,348	36,160
Amounts due to other partners of joint operations		13,864	14,422
Bank borrowings		1,634	3,805
Lease liabilities		1,400	604
Tax payable		1,030	492
		<hr/>	<hr/>
		<b>61,674</b>	58,839
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total liabilities</b>		<b>62,279</b>	58,839
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total equity and liabilities</b>		<b>315,843</b>	297,335
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The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 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.

#### (a) Amended standards adopted by the Group

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 April 2020:

Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform — Phase 1
HKFRS 3 (Amendments)	Definition of a Business

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) *New and amended standards issued but not yet adopted by the Group*

The following new standards and amendments to standards have been issued but are not yet effective for the financial period of the Group beginning on 1 April 2020 and have not been early adopted by the Group:

		<b>Effective for accounting periods beginning on or after</b>
HKFRS 16 (Amendments)	Covid-19 Related Rent Concessions	1 June 2020
HKFRS 9, HKAS 39, and HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2	1 January 2021
HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements Project	Annual Improvements to HKFRSs 2018 to 2020 Cycle	1 January 2022
HKFRS 3 (Amendment)	Reference to the Conceptual Framework	1 January 2022
HKAS 16 (Amendment)	Proceeds before Intended Use	1 January 2022
HKAS 37 (Amendment)	Onerous Contracts — Costs of Fulfilling a Contract	1 January 2022
Accounting Guideline 5 (revised)	Revised accounting guideline 5 merger accounting for common control combinations	1 January 2022
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
Hong Kong Interpretations 5 (2020)	Hong Kong Interpretation 5 (2020) presentation of financial statements-classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendment)	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will apply the above new standard, revised framework and amendments to standards when they become effective. No new standard, revised framework and amendments to standards is expected to have a significant effect on the consolidated financial statements of the Group.

### **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 2021 and 2020, 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 2021 and 2020, the Group's non-current assets are all located in Hong Kong except for the investments in an associate. The Group's associate is incorporated in Hong Kong and principally domiciled and operating in Pakistan.

#### 4. OTHER INCOME

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Management fee income	1,177	1,024
Dividend income from financial assets at FVTPL	234	297
Bank interest income	126	434
Interest income from debt investment at amortised cost	–	124
Others	409	623
	<u>1,946</u>	<u>2,502</u>

#### 5. OTHER GAINS/(LOSSES), NET

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Fair value changes of financial assets at FVTPL	74	(788)
Net exchange gain/(loss)	98	(149)
Gain on disposal of property, plant and equipment	4	–
	<u>176</u>	<u>(937)</u>

#### 6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Employee benefit expenses ( <i>Note</i> )	57,926	72,677
Auditor's remuneration	1,260	1,380
Depreciation of property, plant and equipment	5,407	5,237
Depreciation of right-of-use assets	1,408	1,387
Written off of property, plant and equipment	188	1
Cost of construction materials	16,527	18,940
Subcontracting charges	176,226	124,594

*Note:* For year ended 31 March 2021, the government grants of HK\$6,229,000 (2020: Nil) from the employment support schemes have been offset in "employee benefit expenses".

## 7. INCOME TAX EXPENSE/(CREDIT)

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Current year	<b>1,552</b>	500
Under/(over)provision in prior years	<b>170</b>	(376)
	<b>1,722</b>	124
Deferred taxation	<b>–</b>	(401)
	<b>1,722</b>	(277)

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the year.

## 8. DIVIDEND

A final dividend for the year ended 31 March 2021 of HK3 cents (2020: Nil) per ordinary share, totaling approximately HK\$12,595,000 based on 419,818,000 shares (2020: Nil) 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:

	<b>2021</b>	2020
Profit attributable to owners of the Company ( <i>HK\$'000</i> )	<b>15,744</b>	2,949
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<b>419,818</b>	419,818
Basic and diluted earnings per share ( <i>HK cents</i> )	<b>3.75</b>	0.70

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 2021 and 2020 as the Group had no potentially dilutive ordinary shares in issue during these years.



## 10. CONTRACT ASSETS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current		
Unbilled revenue of civil engineering works	33,594	41,424
Retention receivables of civil engineering works	<u>8,926</u>	<u>8,351</u>
	<u><u>42,520</u></u>	<u><u>49,775</u></u>
Retention receivables of civil engineering works		
Due within one year	2,536	3,180
Due after one year	<u>6,390</u>	<u>5,171</u>
	<u><u>8,926</u></u>	<u><u>8,351</u></u>

## 11. TRADE AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	<u>15,505</u>	<u>18,872</u>
Other receivables, deposits and prepayments:		
— Deposits	4,833	4,721
— Other receivables	1,248	745
— Prepaid expenses	<u>3,823</u>	<u>17,098</u>
	<u><u>9,904</u></u>	<u><u>22,564</u></u>
	<u><u>25,409</u></u>	<u><u>41,436</u></u>

Trade debtors are normally due within 0–60 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0–30 days	14,945	16,694
31–60 days	418	2,178
Over 60 days	<u>142</u>	<u>—</u>
	<u><u>15,505</u></u>	<u><u>18,872</u></u>

## 12. TRADE AND OTHER PAYABLES

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	<b>13,029</b>	15,789
Retention payables	<b>16,517</b>	11,445
Other payables and accruals:		
— Accrued wages and other staff benefits	<b>1,766</b>	4,073
— Accrued operating expenses	<b>116</b>	99
— Other payables	<b>4,920</b>	4,754
	<b>36,348</b>	36,160

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

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

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0–30 days	<b>6,891</b>	7,292
31–60 days	<b>4,751</b>	8,338
61–90 days	<b>492</b>	5
Over 90 days	<b>895</b>	154
	<b>13,029</b>	15,789

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

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Due within one year	<b>2,792</b>	3,319
Due after one year	<b>13,725</b>	8,126
	<b>16,517</b>	11,445

## **DIVIDEND**

The Board recommends the payment of a final dividend of HK3 cents (2020: Nil) per ordinary share to be payable to shareholders whose names appear in the register of members of the Company on Friday, 3 September 2021.

Subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on Monday, 23 August 2021 (the "2021 Annual General Meeting"), it is expected that the payment of final dividend will be made to the Company's shareholders on or around Friday, 17 September 2021.

## **CLOSURES OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the 2021 Annual General Meeting, the register of members of the Company will be closed from Wednesday, 18 August 2021 to Monday, 23 August 2021, 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 2021 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 Tuesday, 17 August 2021.

The proposed final dividend is subject to the approval of the shareholders at the 2021 Annual General Meeting. The record date for the proposed final dividend is on Friday, 3 September 2021. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 3 September 2021 if and only if the proposed final dividend is approved by the shareholders at the 2021 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, 2 September 2021.

## **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 2021, 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\$600.8 million. Subsequent to 31 March 2021, the Group has secured one public sector contract with a contract sum of approximately HK\$203.8 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 2021, the Company received cash dividend from this One Belt One Road project totaling US\$2.4 million (equivalent to approximately HK\$18.9 million).

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue for the year ended 31 March 2021 was approximately HK\$276.6 million, representing an increase of approximately 19.4% from approximately HK\$231.7 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\$11.9 million for three new public sector projects commenced during the year ended 31 March 2021;
- (ii) higher revenue of approximately HK\$59.5 million for five projects in progress during the year ended 31 March 2021; and
- (iii) lower revenue of approximately HK\$6.6 million and HK\$19.9 million for a project completed during the year ended 31 March 2021 and a project completed before 31 March 2020, respectively.

## **Gross profit and gross profit margin**

The Group's gross profit for the year ended 31 March 2021 was approximately HK\$29.4 million, representing an increase of approximately 66.7% from approximately HK\$17.6 million in the same period of the last financial year.

The gross profit margin increased from approximately 7.6% for the year ended 31 March 2020 to approximately 10.6% for the year ended 31 March 2021.

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

## **Other income**

Other income was approximately HK\$1,946,000 and HK\$2,502,000 for the years ended 31 March 2021 and 2020, respectively. The decrease was mainly due to the decrease in bank interest income.

## **Other gains/(losses), net**

Other gains/(losses), net switched from a loss of approximately HK\$937,000 for the year ended 31 March 2020 to a gain of approximately HK\$176,000 for the year ended 31 March 2021, primarily due to an increase in fair value of financial assets at fair value through profit or loss of approximately HK\$862,000 and the increase in net exchange gain of approximately HK\$247,000.

## **Administrative expenses**

Administrative expenses for the year ended 31 March 2021 were approximately HK\$27.1 million, representing an increase of 8.3% from approximately HK\$25.1 million in the last financial year. This was mainly attributable to the increase in provision for long service payments for the year.

## **Finance costs**

During the year ended 31 March 2021, bank loan interest expenses were approximately HK\$62,000 (2020: HK\$160,000) and interest expenses on the lease liabilities were approximately HK\$35,000 (2020: HK\$38,000). Therefore, total finance costs were approximately HK\$97,000 (2020: HK\$198,000).

## **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 2021 was approximately HK\$13.2 million (2020: HK\$8.7 million).

### **Income tax (expense)/credit**

The Group recorded income tax expense of approximately HK\$1,722,000 for the year ended 31 March 2021 (2020: tax credit of HK\$277,000).

### **Profit for the year**

For the year ended 31 March 2021, the Group recorded a net profit of approximately HK\$15.7 million, as compared to a net profit of approximately HK\$2.9 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 nearly at the completion stage and the increase in share of profit of an associate.

### **Liquidity and Financial Resources**

As at 31 March 2021, the Group had cash and cash equivalents of approximately HK\$107.1 million (2020: HK\$54.5 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.

As at 31 March 2021, the Group had a total of interest bearing bank borrowing of approximately HK\$1.6 million (2020: HK\$3.8 million).

The Group has available unutilised bank borrowing facilities of approximately HK\$20.7 million as at 31 March 2021 (2020: HK\$54.5 million).

### **Capital Structure and Gearing Ratio**

As at 31 March 2021, total equity was approximately HK\$253.6 million (2020: HK\$238.5 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, was approximately 0.6% as at 31 March 2021 (2020: 1.6%).

### **Pledge of Assets**

As at 31 March 2021, bank deposits of the Group of approximately HK\$5.2 million (2020: HK\$5.2 million) were 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 of approximately HK\$3,348,000 (2020: HK\$3,348,000) has been placed and pledged to the insurance institutions to secure obligations under the performance bonds issued by the institution to customers of the Group.

### **Capital Commitments**

The Group had no capital commitments as at 31 March 2021 (2020: 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 2021, the Group had outstanding performance bonds issued by banks of approximately HK\$5.2 million (2020: HK\$5.2 million) and issued by insurance institutions of approximately HK\$3,348,000 (2020: HK\$3,348,000).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2021, the Group had an aggregate of 123 full-time employees (2020: 120 full-time employees). Employee costs excluding directors' emoluments totalled approximately HK\$49.1 million for the year ended 31 March 2021 (2020: HK\$64.1 million). 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**

In the last interim report, we have highlighted the increase in funding for Public Works by the HKSAR Government would benefit the local construction industry. During the financial year and up to the date of this announcement, the Group's order book has secured four public works contracts (three in last quarter of 2020 and one in second quarter of 2021) with total shared contract sum of approximately HK\$606.3 million. In view of the above, the Group requires more internal resources to handle these new projects simultaneously, and the gross profit margin may be varied subject to the different work phases of each project in the coming years. The recent substantial spending of the Government on public works may overheat the market and drive up the cost of materials and labour which may affect the Group's future performance and the industry in which it operates. We believe that these uncertainties will continue to impact on the local construction industry in the remaining period of the financial year.

The 20.3% owned One Belt One Road project (the "Project") in Pakistan continues to perform well during its second coal transshipment operation season ending in April 2021 amid the impact of Covid-19. Over 2.61 million tons of coal were transshipped, representing an increase of approximately 15% as compared to the last season of 2.27 million tons. The Group expects a steady increase in coal transshipment volume after the pandemic is under control. The Group has been getting closely involved in the management of the Project to optimise its operation efficiency aiming at diversification and stable income for the Group in the long term. As at 31 March 2021, the Group's accumulated share of results and reserves attributable to its investment in the Project was approximately HK\$21.0 million and cash dividends of totaling US\$2.4 million (equivalent to approximately HK\$18.9 million) has been distributed, indicating an encouraging dividend payout ratio of approximately 90.0%. The Group continues to recommend cash distribution from the Project as appropriate when profit earning is in line with our expectation.

The safety, health and wellbeing of our employees and stakeholders remain of paramount importance and we continue to work in line with the Government guidance and guidelines in respect of Covid-19. The Group's 12-month rolling accident incident rate as at 31 March 2021 has achieved its commitment of zero amid the unsatisfactory safety statistic figure in its industry.

## **SIGNIFICANT INVESTMENT**

The Group holds a 20.3% equity interest (comprising 2,030 ordinary shares) in River King Management Holdings Limited ("River King" and together with its subsidiaries, the "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 2021 was approximately HK\$96.7 million. No market fair value was available for this private investment as at 31 March 2021. 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 2021, the Group's share of results of River King was approximately HK\$13.2 million. Considering the accumulated distributable reserve available of River King, the Group received cash dividends from the project totaling US\$2.4 million (equivalent to approximately HK\$18.9 million).

Save as aforesaid, the Company did not hold any other significant investment during the year ended 31 March 2021.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

During the year ended 31 March 2021, 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 2021.



## **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 Listing Rules for the year ended 31 March 2021, 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 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.

Details of corporate governance principles and practices of the Company will be set out in Annual Report 2020/2021.

## **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 2021.

## **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 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 2021. The figures in respect of the Group’s unaudited 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 2021 as set out in this announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, Certified Public Accountants of Hong Kong (“PwC”), to the amounts set out in the Group’s 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 announcement.

## **ANNUAL GENERAL MEETING**

The notice of the 2021 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](http://www.manking.com.hk)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The Annual Report 2020/2021 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, 21 June 2021

*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.*