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Kingland Group Holdings Limited

景聯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1751)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHT

For the six months ended 30 June 2022, the operating results of the Group were as follows:

- Revenue amounted to approximately HK\$31.0 million (2021: approximately HK\$74.5 million), representing a decrease of approximately 58.4% from the corresponding period of last year;
- Net loss amounted to approximately HK\$5.2 million (2021: approximately HK\$19.7 million), representing a decrease of approximately 73.6% from the corresponding period of last year;
- Basic and diluted loss per share based on weighted average number of ordinary shares was approximately HK\$0.64 cents (2021: approximately HK\$2.91 cents loss per share);
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (2021: Nil).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Kingland Group Holdings Limited (“**the Company**”, together with subsidiaries of the Company, the “**Group**”) is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022 (the “**Reporting Period**”), together with the unaudited comparative figures for the corresponding period in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		Six months ended 30 June	
		2022	2021
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	31,042	74,523
Cost of sales		<u>(22,984)</u>	<u>(79,430)</u>
Gross profit/(loss)		8,058	(4,907)
Other income and net gains	4	270	135
(Net impairment losses)/reversal of impairment losses on financial assets and contract assets		(255)	304
Administrative and other operating expenses		<u>(12,812)</u>	<u>(14,808)</u>
Operating loss		(4,739)	(19,276)
Finance costs		<u>(430)</u>	<u>(416)</u>
Loss before income tax	5	(5,169)	(19,692)
Income tax expense	6	<u>–</u>	<u>–</u>
Loss and total comprehensive expense for the period		<u><u>(5,169)</u></u>	<u><u>(19,692)</u></u>
Basic and diluted loss per share (<i>HK cents</i>)	8	<u><u>(0.64)</u></u>	<u><u>(2.91)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June	31 December
		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		12,454	16,046
Right-of-use assets		5,150	8,943
		17,604	24,989
Current assets			
Contract assets		13,864	15,506
Trade and other receivables	9	14,031	18,789
Tax recoverable		113	113
Pledged bank deposit		14,559	14,559
Cash and bank balances		2,421	499
		44,988	49,466
Total assets		62,592	74,455
EQUITY			
Capital and reserves			
Share capital		8,064	8,064
Reserves		4,062	9,231
Total equity		12,126	17,295
LIABILITIES			
Non-current liabilities			
Borrowings		174	514
Other non-current liabilities		856	818
Lease liabilities		2,405	3,727
Government grants		–	80
		3,435	5,139

		30 June	31 December
		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Current liabilities			
Bank overdrafts		9,759	1,814
Borrowings		7,366	8,644
Trade and other payables	10	21,755	32,181
Lease liabilities		3,771	5,223
Government grants		160	160
Amounts due to directors		3,878	3,657
Tax payable		342	342
		<u>47,031</u>	<u>52,021</u>
Total liabilities		<u>50,466</u>	<u>57,160</u>
Total equity and liabilities		<u>62,592</u>	<u>74,455</u>
Net current liabilities		<u>(2,043)</u>	<u>(2,555)</u>
Total assets less current liabilities		<u>15,561</u>	<u>22,434</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 January 2015 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the Company's principal place of business is Flat B, G/F, Fu Hop Factory Building, 209 and 211 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of concrete demolition services in Hong Kong and Macau mainly as a subcontractor.

The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited condensed consolidated financial statements should be read in conjunction with the Group's audited consolidated annual financial statements for the year ended 31 December 2021 (the "Annual Financial Statements").

The unaudited condensed consolidated financial statements for the six months ended 30 June 2022 have not been audited by the Company's independent auditors, but have been reviewed by the Company's audit committee.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2022 are presented in Hong Kong dollars ("HK\$"), which is the same functional currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2022 are consistent with those described in the Annual Financial Statements, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). Amendments to HKFRSs effective for accounting period beginning on or after 1 January 2022 do not have a material impact on the Group.

4 REVENUE

Revenue and other income and net gains recognised during the period are as follows:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Provision of concrete demolition services	31,042	74,523
	<u>31,042</u>	<u>74,523</u>
Other income and net gains		
Sundry income	30	–
Interest income	–	25
Government grants	80	80
Gain on disposal of property, plant and equipment	160	30
	<u>270</u>	<u>135</u>

The chief operating decision-maker has been identified as the board of the Company. The Board regards the Group's business as a single operating segment and reviews the consolidated financial statements accordingly.

Geographical information

The Group primarily operates in Hong Kong and Macau, and its revenue is derived from the following regions:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue (by location of customers)		
– Hong Kong	31,035	55,682
– Macau	7	18,841
	<u>31,042</u>	<u>74,523</u>

All of the Group's non-current assets are located in Hong Kong for both periods.

5 LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff cost, including directors' remuneration	17,545	46,586
Depreciation of owned assets	3,630	4,281
Depreciation of right-of-use assets	3,793	2,532
	<u>35,968</u>	<u>53,399</u>

6 INCOME TAX EXPENSE

Hong Kong profits tax of the qualifying group entity is calculated at the rate of 8.25% for the first HK\$2 million of estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. Other subsidiaries of the Company are subjected to Hong Kong Profits Tax at the rate of 16.5% for the six months ended 30 June 2022 (2021: 16.5%).

Macau Complementary Tax is levied at a fixed rate of 12% on the taxable income above MOP 600,000 for the six months ended 30 June 2022 and 2021.

No Hong Kong profits tax and Macau Complementary Tax have been provided as the Group had no assessable profits in Hong Kong and Macau for both periods.

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
– Hong Kong	–	–
– Macau	–	–
Deferred tax	–	–
	<u>–</u>	<u>–</u>
Income tax expense	<u>–</u>	<u>–</u>

7 DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 June 2022 (2021: Nil).

8 LOSS PER SHARE

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to owners of the Company (<i>HK\$'000</i>)	(5,169)	(19,692)
Weighted average number of ordinary shares for the purpose of calculating loss per share (<i>in thousand</i>)	806,400	676,455
Basic loss per share (<i>HK cents</i>)	<u>(0.64)</u>	<u>(2.91)</u>

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary share in issue during the six months ended 30 June 2022 (2021: Nil).

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2022 <i>HK\$'000</i> (Unaudited)	At 31 December 2021 <i>HK\$'000</i> (Audited)
	Trade receivables	15,611
Less: allowance for credit losses	<u>(5,622)</u>	<u>(5,420)</u>
	<u>9,989</u>	<u>13,715</u>
Other receivables, deposits and prepayments	<u>4,042</u>	<u>5,074</u>
	<u>14,031</u>	<u>18,789</u>

Notes:

- (a) The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The Group generally allows a credit period of within 60 days. No interest is charged on overdue receivables.
- (b) The ageing analysis of the trade receivables, net of allowance for credit losses based on date of payment certificates issued by customers or invoice date, whichever is applicable, are as follows:

	At 30 June 2022 <i>HK\$'000</i> (Unaudited)	At 31 December 2021 <i>HK\$'000</i> (Audited)
0–30 days	5,576	2,157
31–60 days	1,923	3,500
61–90 days	1,299	851
91–365 days	253	3,656
Over 365 days	<u>938</u>	<u>3,551</u>
	<u>9,989</u>	<u>13,715</u>

10 TRADE AND OTHER PAYABLES

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
Trade payables	12,393	17,113
Accruals and other payables	9,362	15,068
	<hr/> 21,755 <hr/>	<hr/> 32,181 <hr/>

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

	At 30 June 2022 HK\$'000 (Unaudited)	At 31 December 2021 HK\$'000 (Audited)
0–30 days	1,594	333
31–60 days	225	544
61–90 days	277	164
Over 90 days	10,297	16,072
	<hr/> 12,393 <hr/>	<hr/> 17,113 <hr/>

Trade payables are non-interest bearing.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group's principal activity is the provision of concrete demolition service in Hong Kong and Macau mainly as a subcontractor. Our services are mainly required in the removal of pieces or sections of concrete from concrete structures and the demolition of the entire concrete structures or buildings by applying a variety of methods, such as core drilling, sawing and crushing. Our services are required in many different situations including, among others, addition and alteration works and redevelopment projects in buildings, roads, tunnels and underground facilities.

We have been operating in the concrete demolition industry in Hong Kong since 1985. We have also been providing concrete demolition services in Macau since 2006. We are a registered subcontractor for general demolition and others (concrete coring and saw cutting) works under the Subcontractor Registration Scheme of the Construction Industry Council and a Registered Minor Works Contractor at the Buildings Department.

In general, our customers are main contractors in various types of construction and civil engineering projects in Hong Kong and construction projects in Macau. We undertake jobs in both public and private sectors. Public sector jobs refer to jobs which the main contractors are employed by the Hong Kong Government, the Macau Government or their respective related organisations or corporations, while private sector jobs refer to jobs that are not public sector jobs.

The outbreak of the fifth wave of COVID-19 has been gradually slowing down in the first half of 2022. However, the pandemic is still sporadic and various COVID-19 mutant strains have been detected. Looking forward, it is anticipated that the economic uncertainties will persist in the second half of 2022. On one hand, our Group will continuously strengthen cost control measure and resources management. On the other hand, our Group will endeavor to explore potential opportunity in the market in order to enhance our profitability.

FINANCIAL REVIEW

During the Reporting Period, all of the Group's revenue was derived from concrete demolition business in Hong Kong and Macau. The Group's revenue for the Reporting Period was approximately HK\$31.0 million, representing a decrease of approximately 58.4% from approximately HK\$74.5 million for the six months ended 30 June 2021. The decrease is mainly due to the completion of certain sizable projects during the second half of 2021.

The Group recorded a gross profit of approximately HK\$8.1 million for the Reporting Period compared to the gross loss of approximately HK\$4.9 million for the six months ended 30 June 2021. The Group recorded a gross profit margin of 26.1% for the Reporting Period compared to the gross loss margin of 6.6% for the six months ended 30 June 2021. Such increase was mainly due to the significant decrease in direct costs such as machinery rental cost, consumable materials, subcontracting cost and especially the staff cost, which caused by the completion of certain sizable projects with relatively lower margin during the second half of 2021.

Administrative and other operating expenses decreased by approximately HK\$2.0 million (representing a decrease of approximately 13.5%) to approximately HK\$12.8 million for the Reporting Period, compared with approximately HK\$14.8 million for the six months ended 30 June 2021, which mainly due to the decrease in indirect staff cost.

The Group had recognised approximately HK\$0.3 million impairment losses on financial assets and contract assets for the Reporting Period (six months ended 30 June 2021: approximately HK\$0.3 million reversal of impairment losses).

Net loss decreased by approximately HK\$14.5 million to approximately HK\$5.2 million in the Reporting Period compared to approximately HK\$19.7 million in the six months ended 30 June 2021 (representing a decrease of approximately 73.6%). The decrease in net loss was due to the combined effect of the increase in gross profit margin and the decrease in administrative and other operating expenses which caused by the reasons mentioned above.

LIQUIDITY, FINANCIAL RESOURCES

As at 30 June 2022, the Group's current ratio was approximately 1.0 (31 December 2021: approximately 1.0). The Group had total assets of approximately HK\$62.6 million, which is financed by total liabilities and shareholders' equity of approximately HK\$50.5 million and HK\$12.1 million, respectively. As at 30 June 2022, the Group had cash and bank balance of approximately HK\$2.4 million (31 December 2021: approximately HK\$0.5 million). As at 30 June 2022, the Group had interest-bearing debts of approximately HK\$23.5 million, which included bank and other borrowings and lease liabilities (31 December 2021: approximately HK\$19.9 million).

GEARING RATIO

The gearing ratio is calculated based on the total loans and borrowings and lease liabilities divided by total equity as at the respective reporting date. As at 30 June 2022, the Group recorded gearing ratio of approximately 193.6% (31 December 2021: 115.2%).

TREASURY POLICY

The Group adopts a prudent approach in capital management towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Reporting Period. The share capital of the Group only comprises of ordinary shares. As at 30 June 2022, the Company's issued share capital was HK\$8,064,000 (31 December 2021: HK\$8,064,000) and the number of its issued ordinary shares was 806,400,000 (31 December 2021: 806,400,000) of HK\$0.01 each.

CAPITAL COMMITMENTS

As at 30 June 2022, there were no significant capital commitments for the Group (31 December 2021: nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in this announcement, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other plans for material investments or capital assets as of 30 June 2022.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Macau and Hong Kong with most of the Group's monetary assets, liabilities and transactions principally denominated in HK\$ and Macau Pataca ("MOP"). The Group is exposed to currency risk arising from currency exposures primarily with respect to MOP, mainly attributable to the exposure on outstanding receivables and payables denominated in MOP.

Most of the MOP denominated monetary assets and liabilities as at 30 June 2022 are held under the Group's subsidiary in Macau. As MOP is pegged to HK\$, the foreign currency risk is considered insignificant, and hence the Group does not engage in any hedging activity.

CHARGE OVER THE GROUP'S ASSETS

Pledged deposit of approximately HK\$14.6 million has been pledged to banks to secure banking facilities.

As at 30 June 2022, certain of the Group's right-of-use assets with an aggregate carrying amount of approximately HK\$4.1 million (31 December 2021: approximately HK\$5.3 million) was used to secure certain of the lease liabilities of approximately HK\$3.5 million (31 December 2021: approximately HK\$4.9 million). Certain of the Group's property, plant and equipment with an aggregate carrying amount of approximately HK\$0.5 million (31 December 2021: approximately HK\$0.8 million) was used to secure other borrowings of approximately HK\$0.8 million (31 December 2021: approximately HK\$1.2 million).

CONTINGENT LIABILITIES

As at 30 June 2022, there was no significant contingent liabilities for the Group (31 December 2021: Nil).

EMPLOYEES AND EMOLUMENT POLICIES

The Group had 99 full-time employees as at 30 June 2022 (31 December 2021: 100 full-time employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$17.5 million for the Reporting Period as compared to HK\$46.6 million for the six months ended 30 June 2021.

Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wage rates are usually subject to an annual review that are based on performance appraisals and other relevant factors. The Group strongly encourages internal promotion and a variety of job opportunities is offered to the existing staff when it is best suited. Remuneration package is comprised of salary, a performance-based bonus, and other benefits including training and provident funds.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interest and Short Position in Shares, Underlying Shares and Debentures

As at 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in ordinary shares of the Company

Name of director	Nature of interest	Number of shares held/ interested in	Percentage of shareholding
Mr. Cheung Shek On	Interest in a controlled corporation (<i>Note 1</i>)	130,900,000	16.23%
Mr. Chan Yuk Sing	Interest in a controlled corporation (<i>Note 2</i>)	130,900,000	16.23%
Mr. Kwok Shun Tim	Interest in a controlled corporation (<i>Note 3</i>)	126,000,000	15.62%

Notes:

1. Mr. Cheung Shek On (“Mr. Cheung”) beneficially owns 100% of the issued share capital of Sino Continent Holdings Limited (“Sino Continent”) which in turn owns 130,900,000 ordinary shares of the Company. By virtue of the SFO, Mr. Cheung is deemed to be interested in the same number of the Shares held by Sino Continent.
2. Mr. Chan Yuk Sing (“Mr. Chan”) beneficially owns 100% of the issued share capital of Supreme Voyage Limited (“Supreme Voyage”) which in turn owns 130,900,000 ordinary shares of the Company. By virtue of the SFO, Mr. Chan is deemed to be interested in the same number of the Shares held by Supreme Voyage.
3. Mr. Kwok Shun Tim (“Mr. Kwok”) beneficially owns 100% of the issued share capital of Applewood Developments Limited (“Applewood Developments”) which in turn owns 126,000,000 ordinary shares of the Company. By virtue of the SFO, Mr. Kwok is deemed to be interested in the same number of the Shares held by Applewood Developments.

(ii) Short positions in ordinary shares of the Company

Save as disclosed above, as at 30 June 2022, there is no interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO).

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as the Directors are aware, as at 30 June 2022, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

(i) Long positions in ordinary shares of the Company:

Name of shareholder	Nature of interest	Number of shares held/ interested in	Long/short position	Percentage of total issued share capital of the Company
Sino Continent	Beneficial owner	130,900,000	Long	16.23%
Supreme Voyage	Beneficial owner	130,900,000	Long	16.23%
Applewood Developments	Beneficial owner	126,000,000	Long	15.62%
Ms. Luk Pui Kei Peggy (Note 1)	Interest of spouse	130,900,000	Long	16.23%
Ms. Cho Bik Nung (Note 2)	Interest of spouse	130,900,000	Long	16.23%
Ms. Yip Nga Wan (Note 3)	Interest of spouse	126,000,000	Long	15.62%

Notes:

1. Ms. Luk Pui Kei Peggy, the spouse of Mr. Cheung, is deemed under the SFO to be interested in all the shares in which Mr. Cheung is deemed to be interested.
2. Ms. Cho Bik Nung, the spouse of Mr. Chan, is deemed under the SFO to be interested in all the shares in which Mr. Chan is deemed to be interested.
3. Ms. Yip Nga Wan, the spouse of Mr. Kwok, is deemed under the SFO to be interested in all the shares in which Mr. Kwok is deemed to be interested.

(ii) Short positions in shares of the Company:

Save as disclosed above, as at 30 June 2022, the Directors are not aware of any other persons/entities who had, or were deemed or taken to have any interests or short position in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules. In the opinion of the Board, the Company has complied with the CG Code during the Reporting Period except the following deviation:

Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cheung Shek On is the Chairman and the chief executive officer of our Company. In view that Mr. Cheung has been operating and managing our Group since our establishment, our Board believes that it is in the best interest of our Group to have Mr. Cheung taking up both roles for effective management and business development. In addition, major decisions are made after consultation with the Board and appropriate Board committees, as well as senior management. The Board is therefore of the view that there are adequate safeguards in place to ensure the balance of power and authority within the Company.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors (the "Code of Conduct") in respect of the shares of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Reporting Period.

INTERIM DIVIDENDS

The Board did not recommend payment of interim dividend to shareholders of the Company for the Reporting Period.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 22 November 2016 (the “Share Option Scheme”). The principal terms of the Share Option Scheme is summarised in Appendix IV to the Prospectus and are in accordance with the requirements under Chapter 17 of the Listing Rules.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme and there was no share option outstanding as at 30 June 2022.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) on 22 November 2016 with its written terms of reference in compliance with D3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, nominate and monitor external auditors and to provide advices and comments to the Board on matters related to corporate governance. The Audit Committee consists of three members, namely Mr. Chow Chun To, Mr. Chan Kwok Wing Kelvin and Mr. Tam Tak Kei Raymond, all being independent non-executive Directors.

The Group’s unaudited condensed consolidated financial statements for the Reporting Period have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the for the Reporting Period comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

By order of the Board
Kingland Group Holdings Limited
Cheung Shek On
Chairman

Hong Kong, 19 August 2022

As at the date of this announcement, the executive Directors are Mr. Cheung Shek On and Mr. Kwok Shun Tim; and the independent non-executive Directors are Mr. Chow Chun To, Mr. Chan Kwok Wing Kelvin and Mr. Tam Tak Kei Raymond.