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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 2024

FINANCIAL HIGHLIGHT

For the six months ended 30 June 2024, the operating results of the Group were as follows:

- Revenue amounted to approximately HK\$60.2 million (2023: approximately HK\$55.5 million), representing an increase of approximately 8.5% from the corresponding period of last year;
- Net profit amounted to approximately HK\$9.8 million (2023: approximately HK\$5.1 million), representing an increase of approximately 92.2% from the corresponding period of last year;
- Basic and diluted earning per share based on weighted average number of ordinary shares was approximately HK\$4.05 cents (2023: approximately HK\$2.26 cents);
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: 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 2024 (the “**Reporting Period**”), together with the unaudited comparative figures for the corresponding period in 2023, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	60,196	55,467
Cost of sales		(34,160)	(36,570)
Gross profit		26,036	18,897
Other income and net gains	4	1,430	101
Net impairment losses on financial assets and contract assets		(2,443)	(534)
Administrative and other operating expenses		(14,663)	(12,811)
Operating profit		10,360	5,653
Finance costs		(552)	(597)
Profit before income tax	5	9,808	5,056
Income tax expense	6	–	–
Profit and total comprehensive income for the period		9,808	5,056
Basic and diluted earning per share (HK cents)	8	4.05	2.26

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		3,443	4,611
Right-of-use assets		8,358	8,357
		<u>11,801</u>	<u>12,968</u>
Current assets			
Contract assets		19,487	16,762
Trade and other receivables	9	25,516	15,094
Pledged bank deposit		15,072	14,757
Cash and bank balances		8,360	11,882
		<u>68,435</u>	<u>58,495</u>
Total assets		<u>80,236</u>	<u>71,463</u>
EQUITY			
Capital and reserves			
Share capital	11	12,096	12,096
Reserves		21,097	11,289
Total equity		<u>33,193</u>	<u>23,385</u>
LIABILITIES			
Non-current liabilities			
Other non-current liabilities		691	742
Lease liabilities		3,103	3,845
		<u>3,794</u>	<u>4,587</u>

		30 June	31 December
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Current liabilities			
Bank overdrafts		9,834	9,651
Borrowings		1,496	2,732
Trade and other payables	10	23,792	23,245
Lease liabilities		4,725	4,250
Amounts due to directors		3,402	3,613
		43,249	43,491
Total liabilities		47,043	48,078
Total equity and liabilities		80,236	71,463
Net current assets		25,186	15,004
Total assets less current liabilities		36,987	27,972

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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 2024 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 2023 (the "Annual Financial Statements").

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except otherwise indicated.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 have not been audited by the Company's independent auditors, but have been reviewed by the Company's audit committee.

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 2024 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 2024 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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Provision of concrete demolition services	<u>60,196</u>	<u>55,467</u>
Other income and net gains		
Sundry income	74	–
Interest income	481	21
Government grants	–	80
Gain on disposal of property, plant and equipment	<u>875</u>	<u>–</u>
	<u>1,430</u>	<u>101</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. Since this is the only operating segment of the Group, no further analysis for segment information is provided.

Geographical information

The Group primarily operates in Hong Kong and Macau, and its revenue is only derived from Hong Kong for both periods.

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

5 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff cost, including directors' remuneration	24,770	21,256
Depreciation of owned assets	1,948	3,249
Depreciation of right-of-use assets	<u>2,299</u>	<u>2,038</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 2024 (2023: 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 2024 and 2023.

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.

7 DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 June 2024 (2023: Nil).

8 EARNING PER SHARE

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to owners of the Company (<i>HK\$'000</i>)	9,808	5,056
Weighted average number of ordinary shares for the purpose of calculating earning per share (<i>in thousand</i>)	241,920	223,724
Basic earning per share (<i>HK cents</i>)	<u>4.05</u>	<u>2.26</u>

The diluted earning per share is equal to the basic earning per share as there were no dilutive potential ordinary share in issue during the six months ended 30 June 2024 (2023: Nil).

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
	Trade receivables	26,161
Less: allowance for credit losses	<u>(7,525)</u>	<u>(5,220)</u>
	18,636	8,921
Other receivables, deposits and prepayments	<u>6,880</u>	<u>6,173</u>
	<u>25,516</u>	<u>15,094</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 invoice date, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
0–30 days	5,212	1,302
31–60 days	6,945	5,232
61–90 days	–	1,144
91–365 days	6,479	1,243
	<u>18,636</u>	<u>8,921</u>

10 TRADE AND OTHER PAYABLES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Trade payables	14,730	16,354
Accruals and other payables	9,062	6,891
	<u>23,792</u>	<u>23,245</u>

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

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
0–30 days	2,787	781
31–60 days	184	948
61–90 days	111	1,856
Over 90 days	11,648	12,769
	<u>14,730</u>	<u>16,354</u>

Trade payables are non-interest bearing.

11 SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Authorised		
As at 1 January 2023 of HK\$0.01 each	1,000,000,000	10,000
Additional authorised share capital (<i>Note (a)</i>)	1,000,000,000	10,000
Share consolidation (<i>Note (a)</i>)	<u>(1,600,000,000)</u>	<u>–</u>
As at 31 December 2023 and 30 June 2024 of HK\$0.05 each	<u>400,000,000</u>	<u>20,000</u>
Issued and fully paid		
As at 1 January 2023 of HK\$0.01 each	806,400,000	8,064
Share consolidation (<i>Note (a)</i>)	(645,120,000)	–
Issue of shares in respect of rights issue (<i>Note (b)</i>)	<u>80,640,000</u>	<u>4,032</u>
As at 31 December 2023 and 30 June 2024 of HK\$0.05 each	<u>241,920,000</u>	<u>12,096</u>

Notes:

- (a) Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company on 17 May 2023, i) increase in authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 shares to HK\$20,000,000 divided into 2,000,000,000 shares by the creation of additional 1,000,000,000 new unissued shares; and ii) every five issued and unissued shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.05 each, the changes took effect on 17 May 2023.
- (b) On 6 April 2023, the Board proposed to conduct the rights issue on the basis of one rights shares (“Rights Share(s)”) for every two shares held on the record date of 30 May 2023 at the subscription price of HK\$0.185 per Rights Share (“Rights Issue”), to raise gross proceeds up to approximately HK\$14.9 million, and after deduction of right issue expenses of approximately HK\$1.1 million, by way of issuing up to 80,640,000 Rights Shares. The proposed Rights Issue was completed on 29 June 2023. Details of the Rights Issue are set forth in the announcement dated 6 April 2023, 28 April 2023, 16 June 2023 and 28 June 2023, and prospectus dated 31 May 2023.

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 first half of the 2024 was full of challenges. The global economy suffered significantly due to prolonged high interest rates and geopolitical tensions. Despite the hurdles, we successfully improved our performance by prioritising projects with enhanced profitability and implementing cost control measures and resource management. Looking forward, our Group will strive to keep improving our performance and profitability and will continue to leverage our solid portfolio of recurring clients, highly experienced management team, and the extensive network of our management to maintain a competitive edge in the market.

FINANCIAL REVIEW

During the Reporting Period, all of our Group's revenue was derived from concrete demolition business in Hong Kong. The Group's revenue for the Reporting Period was approximately HK\$60.2 million, representing an increase of approximately 8.5% from approximately HK\$55.5 million for the six months ended 30 June 2023. The increase is mainly due to the revenue from certain sizable ongoing projects undertook during the Reporting Period and the completion of a sizable project during the Reporting Period.

The Group's gross profit increased from approximately HK\$18.9 million for the six months ended 30 June 2023 to approximately HK\$26.0 million for the Reporting Period, and the gross profit margin increased from approximately 34.1% for the six months ended 30 June 2023 to approximately 43.2% for the Reporting Period. Such increase was mainly due to the increase in revenue and the decrease in direct cost, especially the consumables, the depreciation expenses and the transportation cost.

Administrative and other operating expenses increased to approximately HK\$14.7 million for the Reporting Period, by approximately HK\$1.9 million or 14.8%, from approximately HK\$12.8 million for the six months ended 30 June 2023. The increase was mainly due to the increase in staff cost.

The Group had recognised approximately HK\$2.4 million net impairment losses on financial assets and contract assets for the Reporting Period (six months ended 30 June 2023: approximately HK\$0.5 million).

Net profit of the Group increased by approximately HK\$4.7 million, or 92.2%, from approximately HK\$5.1 million for the six months ended 30 June 2023 to approximately HK\$9.8 million for the Reporting Period.

LIQUIDITY, FINANCIAL RESOURCES

As at 30 June 2024, the Group's current ratio was approximately 1.6 (31 December 2023: approximately 1.3). The Group had total assets of approximately HK\$80.2 million, which is financed by total liabilities and shareholders' equity of approximately HK\$47.0 million and HK\$33.2 million, respectively. As at 30 June 2024, the Group had cash and bank balance of approximately HK\$8.4 million (31 December 2023: approximately HK\$11.9 million). As at 30 June 2024, the Group had interest-bearing debts of approximately HK\$19.1 million, which included bank and other borrowings and lease liabilities (31 December 2023: approximately HK\$20.5 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 2024, the Group recorded gearing ratio of approximately 57.5% (31 December 2023: approximately 87.6%).

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 AND FUND RAISING ACTIVITIES

The share capital of the Group only comprises of ordinary shares. As at 30 June 2024, the Company's issued share capital was HK\$12,096,000 (31 December 2023: HK\$12,096,000) and the number of its issued ordinary shares was 241,920,000 (31 December 2023: 241,920,000 of HK\$0.05 each) of HK\$0.05 each.

On 17 May 2023, the Company implemented the increase in authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 shares to HK\$20,000,000 divided into 2,000,000,000 shares by the creation of additional 1,000,000,000 new unissued shares.

On 17 May 2023, the Company implemented the share consolidation on the basis that every five issued and unissued shares of HK\$0.01 each were consolidated into one consolidated share of the Company of HK\$0.05 each.

On 29 June 2023, the Company completed a rights issue and issued 80,640,000 rights shares at a subscription price of HK\$0.185 per rights share on the basis of one rights share for every two existing shares held by the qualifying shareholders on the record date (the "Rights Issue"), and the net proceeds of the Rights Issue, after deducting the related expenses, were approximately HK\$13.8 million. Details of the Rights Issue are set forth in the announcement dated 6 April 2023, 28 April 2023, 16 June 2023 and 28 June 2023, and prospectus dated 31 May 2023.

CAPITAL COMMITMENTS

As at 30 June 2024, there were no significant capital commitments for the Group (31 December 2023: approximately HK\$0.5 million).

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 2024.

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 2024 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\$15.1 million has been pledged to banks to secure banking facilities (31 December 2023: approximately HK\$14.8 million).

As at 30 June 2024, certain of the Group's right-of-use assets with an aggregate carrying amount of approximately HK\$4.6 million (31 December 2023: approximately HK\$3.3 million) was used to secure certain of the lease liabilities of approximately HK\$3.8 million (31 December 2023: approximately HK\$2.7 million).

CONTINGENT LIABILITIES

As at 30 June 2024, there was no significant contingent liabilities for the Group (31 December 2023: Nil).

EMPLOYEES AND EMOLUMENT POLICIES

The Group had 90 full-time employees as at 30 June 2024 (31 December 2023: 85 full-time employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$24.8 million for the Reporting Period as compared to HK\$21.3 million for the six months ended 30 June 2023.

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 2024, 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 C3 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>)	39,270,000	16.23%

Note:

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 39,270,000 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.

(ii) *Short positions in ordinary shares of the Company*

Save as disclosed above, as at 30 June 2024, 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 2024, 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	39,270,000	Long	16.23%
Mr. Chan Yuk Sing	Interest in a controlled corporation (<i>Note 1</i>)	39,269,000	Long	16.23%
Supreme Voyage	Beneficial owner	39,269,000	Long	16.23%
Mr. Kwok Shun Tim	Interest in a controlled corporation (<i>Note 2</i>)	37,800,000	Long	15.63%
Applewood Developments	Beneficial owner	37,800,000	Long	15.63%
Ms. Luk Pui Kei Peggy (<i>Note 3</i>)	Interest of spouse	39,270,000	Long	16.23%
Ms. Cho Bik Nung (<i>Note 4</i>)	Interest of spouse	39,269,000	Long	16.23%
Ms. Yip Nga Wan (<i>Note 5</i>)	Interest of spouse	37,800,000	Long	15.63%

Notes:

1. Mr. Chan Yuk Sing (“**Mr. Chan**”) beneficially owns 100% of the issued share capital of Supreme Voyage Limited (“**Supreme Voyage**”) which in turn owns 39,269,000 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.
2. Mr. Kwok Shun Tim (“**Mr. Kwok**”) holds more than one-third of the voting power at general meetings of Applewood Developments Limited (“**Applewood Developments**”) which in turn owns 37,800,000 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.
3. 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.
4. 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.
5. 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 2024, 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 (the “**CG Code**”) as set out in Appendix C1 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 C3 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 2024.

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 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 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, 22 August 2024

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