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Superland Group Holdings Limited

德合集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 368)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the six months ended 30 June 2022

		Six months ended	
		30 June	
	<i>Notes</i>	2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	311,235	327,838
Cost of services		(274,689)	(292,951)
		<hr/>	<hr/>
Gross profit		36,546	34,887
Other income	5	16	564
Other (losses)/gains, net		(2,815)	(422)
Administrative expenses		(36,586)	(38,496)
		<hr/>	<hr/>
Loss before finance costs and income tax (expense)/credit		(2,839)	(3,467)
Finance costs		(5,808)	(5,348)
		<hr/>	<hr/>
Loss before income tax (expense)/credit		(8,647)	(8,815)
Income tax (expense)/credit	6	(599)	989
		<hr/>	<hr/>
Loss and total comprehensive loss for the period attributable to the owners of the Company	7	(9,246)	(7,826)
		<hr/>	<hr/>
Loss per share attributable to owners of the Company			
Basic and diluted (HK cents)	8	(1.16)	(0.98)
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		As at 30 June 2022 <i>HK\$'000</i> (Unaudited)	As at 31 December 2021 <i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Plant and equipment		3,231	4,472
Right-of-use assets		3,522	6,817
Investments in insurance contracts		34,996	18,180
Other receivables, deposits and prepayments		27,248	22,906
Deferred income tax assets		339	938
		69,336	53,313
Current assets			
Trade receivables	10	110,575	92,059
Other receivables, deposits and prepayments		28,266	17,334
Contract assets		395,088	417,180
Pledged time deposits		3,127	6,611
Cash and cash equivalents		53,405	62,317
		590,461	595,501
Total assets		659,797	648,814
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		8,000	8,000
Reserves		89,036	89,036
Retained earnings		44,637	53,883
Total equity		141,673	150,919

		As at 30 June 2022 <i>Notes</i> HK\$'000 (Unaudited)	As at 31 December 2021 <i>HK\$'000</i> (Audited)
LIABILITIES			
Non-current liability			
Lease liabilities		237	237
Current liabilities			
Trade payables	11	48,097	108,669
Accruals, retention payables and other liabilities		124,735	104,569
Lease liabilities		3,413	6,762
Contract liabilities		8,510	11,539
Borrowings		332,199	265,186
Current income tax payable		933	933
		<u>517,887</u>	<u>497,658</u>
Total liabilities		<u>518,124</u>	<u>497,895</u>
Total equity and liabilities		<u>659,797</u>	<u>648,814</u>

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11 July 2019 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong Special Administrative Region (“**Hong Kong**” or “**HKSAR**”) of the People’s Republic of China is Flat A&B, 3/F, Yin Da Commercial Building, 181 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. The shares (the “**Shares**”) of the Company were listed on the Main Board (“**Main Board**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 July 2020.

The Company is an investment holding company. The Group is principally engaged in the provision of fitting-out services and repair and maintenance services to residential and commercial properties in Hong Kong.

2. BASIS OF PREPARATION

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

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

For the preparation of the condensed consolidated financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s consolidated financial statements for the year ended 31 December 2021.

The condensed consolidated financial statements do not include all the information and disclosures required for a full set of the consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention except for investments in insurance contracts which are measured at the cash surrender value.

Except as described below, the accounting policies applied in the preparation of the condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2021. The adoption of the following new standards and amendments did not have any significant impact on the condensed consolidated financial statements.

	Effective for accounting periods beginning on or after
Property, Plant and Equipment: Proceeds before intended use — Amendments to HKAS 16	1 January 2022
Reference to the Conceptual Framework — Amendments to HKFRS 3	1 January 2022
Onerous Contracts — Cost of Fulfilling a Contract — Amendments to HKAS 37	1 January 2022
Annual Improvements to HKFRS Standards 2018–2020	1 January 2022
Amendments to AG 5 Merger Accounting for Common Control Combinations	1 January 2022

In addition, the HKICPA also published a number of new standards and amendments to standards which are effective for the financial year beginning on or after 1 January 2023 and have not been early adopted by the Group. Management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

4. REVENUE AND SEGMENT INFORMATION

The chairman is identified as the chief operating decision maker (“CODM”) of the Group who reviews the Group’s internal reporting in order to assess performance and allocate resources.

As substantial business operations of the Group relate to provision of fitting-out and repair and maintenance services, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8. No separate segmental analysis is presented in this announcement.

(a) Disaggregation of revenue

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products of service lines		
— Fitting-out services	309,418	326,839
— Repair and maintenance services	1,817	999
	<u>311,235</u>	<u>327,838</u>

The Group’s revenue is recognised over time for the six months ended 30 June 2022 and 2021.

(b) Geographical information

All the Group’s revenue for the six months ended 30 June 2022 and 2021 and the Group’s assets as at 30 June 2022 and 31 December 2021 are generated and based in Hong Kong.

5. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Subsidy from the Government of the HKSAR	<u>16</u>	<u>564</u>

6. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
— Provision for the period	—	—
Deferred income tax	<u>(599)</u>	<u>989</u>
Income tax (expense)/credit	<u>(599)</u>	<u>989</u>

No Hong Kong profits tax was provided for the six months ended 30 June 2022 as the Group has no estimated assessable profits (six months ended 30 June 2021: Nil) arising in Hong Kong.

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The Group's loss for the period is stated after charging the following:		
Sub-contracting fees	129,394	135,506
Material costs	105,151	123,101
Depreciation		
— plant and equipment	458	442
— right-of-use assets	2,736	1,992
Employee benefit expenses	53,723	52,305
Interest expenses on borrowings	5,725	5,117
Interest elements of lease liabilities	<u>83</u>	<u>231</u>

8. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares issued during the respective periods.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (HK\$)	(9,246,000)	(7,826,000)
Weighted average number of ordinary shares in issue	800,000,000	800,000,000
Basic and diluted loss per share (HK cents)	<u>(1.16)</u>	<u>(0.98)</u>

(b) Diluted loss per share

Diluted loss per share presented is the same as the basic loss per share as there was no potentially dilutive ordinary share outstanding for the six months ended 30 June 2022 (six months ended 30 June 2021: same).

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

10. TRADE RECEIVABLES

The ageing analysis of the trade receivables, based on invoice date, and before impairment losses, is as follows:

	As at 30 June 2022 HK\$'000 (Unaudited)	As at 31 December 2021 HK\$'000 (Audited)
0–30 days	74,601	49,272
31–60 days	26,420	40,766
61–90 days	5,388	1,880
Over 90 days	<u>4,279</u>	<u>254</u>
	<u>110,688</u>	<u>92,172</u>

11. TRADE PAYABLES

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

	As at 30 June 2022 <i>HK\$'000</i> (Unaudited)	As at 31 December 2021 <i>HK\$'000</i> (Audited)
0–30 days	12,587	72,794
31–60 days	11,270	16,642
61–90 days	4,341	5,429
Over 90 days	19,899	13,804
	48,097	108,669

12. CONTINGENCIES

At the end of the reporting period, the Group's contingent liabilities were as follow:

	As at 30 June 2022 <i>HK\$'000</i> (Unaudited)	As at 31 December 2021 <i>HK\$'000</i> (Audited)
Surety bonds (<i>Note</i>)	75,115	55,250

Note: As at 30 June 2022, the Group provided corporate guarantee to surety bonds in respect of 10 (31 December 2021: 7) fitting-out contracts of the Group in its ordinary course of business. The surety bonds are expected to be released in accordance with the terms of the respective fitting-out contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Group for the six months ended 30 June 2022 and 2021 were approximately HK\$311,235,000 and approximately HK\$327,838,000, respectively, and remained fairly stable.

Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2022 and 2021 were approximately HK\$36,546,000 and approximately HK\$34,887,000, respectively and remained relatively stable.

The gross profit margin of the Group for the six months ended 30 June 2022 and 2021 were approximately 11.7% and approximately 10.6%, respectively, and remained fairly stable.

Other income

The other income of the Group for the six months ended 30 June 2022 and 2021 were approximately HK\$16,000 and approximately HK\$564,000, respectively, representing a decrease of approximately 97.2%.

The decrease in other income was mainly due to the decrease in subsidy granted under the Employment Support Scheme launched by the Government of the HKSAR in 2022.

Other (losses)/gains, net

The net other (losses)/gains of the Group for the six months ended 30 June 2022 and 2021 mainly represented the changes in value of the investments in insurance contracts.

Administrative expenses

The administrative expenses of the Group for the six months ended 30 June 2022 and 2021 were approximately HK\$36,586,000 and approximately HK\$38,496,000, respectively, and remained relatively stable.

Finance costs

The finance costs of the Group for the six months ended 30 June 2022 and 2021 were approximately HK\$5,808,000 and approximately HK\$5,348,000, respectively, and remained fairly stable.

Loss and total comprehensive loss for the period attributable to owners of the Company

As a result of the abovementioned, the loss and total comprehensive loss for the period attributable to owners of the Company for the six months ended 30 June 2022 and 2021 were approximately HK\$9,246,000 and approximately HK\$7,826,000, respectively, representing an increase of approximately 18.1%.

BUSINESS REVIEW AND PROSPECTS

Businesses

The Group is an established contractor based in Hong Kong with over 18 years of operating history providing fitting-out services and repair and maintenance services with the qualifications as a registered electrical contractor, registered subcontractor and registered minor works contractor in Hong Kong.

On 17 July 2020 (the “**Listing Date**”), the Shares were successfully listed on the Main Board of the Stock Exchange, marking an important milestone of the Group.

For the six months ended 30 June 2022, the Group is principally engaged in the provision of fitting-out services and repair and maintenance services to residential and commercial properties in Hong Kong.

As at 30 June 2022, the Group had a total of 50 fitting-out projects on hand, which included fitting-out projects that have commenced but not yet completed and fitting-out projects that have been awarded to the Group but not yet commenced, with an aggregate total contract sum of approximately HK\$3,875 million. Among these projects on hand, 32 projects were with total contract sum of approximately HK\$50 million or above. As at 30 June 2022, the aggregate total contract sum of these 32 projects amounted to approximately HK\$3,555 million (31 December 2021: 25 projects: approximately HK\$2,865 million).

Future prospects and strategies

The economy of Hong Kong was hit hard by the severe fifth wave of COVID-19 outbreak in Hong Kong starting in late 2021. During the period under review, the Group faced a lot of tough challenges, including but not limited to, delays and disruptions to ongoing projects, disruptions to logistics and supply chain, upsurge in costs of raw material and shortage in workforce. In spite of the recent gradual stabilisation of the fifth wave of COVID-19 in Hong Kong, the Group still expects to encounter great challenges for a while.

However, as supported by the 2021 policy address of Hong Kong, the Government of the HKSAR will develop land resources in a persistent manner to satisfy the housing demand. Therefore, the Group expects that the business of the Group will remain stable in the fitting-out industry in Hong Kong in the long term. The Group will devote necessary resources to further increase its market share if appropriate.

The Group's technologies and technical solutions have been launched in the market progressively and successfully. It is the intention of the Board that the Group would be determined and committed to create a one-stop home furnishings solution to serve the industry for the purpose of cost savings and efficiency improvement. The Group will also assess any opportunities arising from the application of the technologies and technical solutions from the general public.

Looking ahead, the Board remains prudent and optimistic about the prospects of the Group's business in the long term. The Group will continue to adopt a very cautious approach to ensure corporate sustainability in 2022. The Group will consider monitoring its working capital management closely. The Group will also closely and carefully monitor the latest development in its core business and the business opportunities arising from its technologies and technical solutions; and the latest development of the epidemic effect and adjust its business strategies from time to time if required.

DEBTS AND CHARGE ON ASSETS

As at 30 June 2022, total debt of the Group, including bank borrowings and lease liabilities, was approximately HK\$335,849,000 (31 December 2021: approximately HK\$272,185,000).

As at 30 June 2022, the Group's banking facilities were secured/guaranteed by:

- (i) Personal guarantee provided by a Director, Mr. Ng Chi Chiu (“**Mr. Ng**”);
- (ii) Corporate guarantee provided by the Group;

- (iii) Properties held by two Directors, Mr. Ng and Ms. Zhao Haiyan Chloe (“**Ms. Zhao**”), and related companies;
- (iv) Investments in insurance contracts of approximately HK\$34,996,000 (31 December 2021: approximately HK\$18,180,000); and
- (v) Pledged time deposits of approximately HK\$3,127,000 (31 December 2021: approximately HK\$6,611,000).

In addition, as at 30 June 2022, the Group provided corporate guarantee to surety bonds and a personal guarantee was provided by a Director, Ms. Zhao, in relation to a lease agreement.

The bank borrowings of the Group bear interest at floating rates that are market dependent. The Group currently does not have any interest rate hedging policy while the Group pays vigilant attention to and monitors interest rate risks continuously and cautiously.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Shares were successfully listed on the Main Board of the Stock Exchange on the Listing Date and there has been no change in capital structure of the Group since then.

As at 30 June 2022, the Company’s issued capital was HK\$8,000,000 and the number of its issued ordinary shares was 800,000,000 of HK\$0.01 each.

The principal liquidity and working capital requirements of the Group primarily related to the Group’s operating expenses. Historically, the Group had met its working capital and other liquidity requirements principally through a combination of cash generated from the Group’s operations and bank borrowings. After the Listing, the Group expects to fund its working capital and other liquidity requirements with a combination of various sources, including but not limited to cash generated from the Group’s operations, bank borrowings, the net proceeds from the initial public offering (the “**IPO**”) as well as other external equity and debt financings as and when appropriate.

As at 30 June 2022, the Group had pledged time deposits of approximately HK\$3,127,000 (31 December 2021: approximately HK\$6,611,000). Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents and pledged time deposits. Total capital is calculated as “total equity” as shown in the condensed consolidated statement of financial position, plus net debt. As at 30 June 2022, the gearing ratio of the Group was approximately 66.3% (31 December 2021: approximately 57.4%). As at 30 June 2022, the current ratio of the Group was approximately 1.1 (31 December 2021: approximately 1.2).

FOREIGN EXCHANGE EXPOSURE

Most of the income, expenditures, assets and liabilities of the Group are denominated in Hong Kong Dollars, being the functional currency of the Group, and hence, the Group does not have any material foreign exchange risk exposure. With the insignificant portion of monetary transactions, assets and liabilities of the Group being denominated in foreign currencies, for the six months ended 30 June 2022, the Group did not employ any financial instruments for hedging purpose. The Group monitors its foreign currency exposure closely and will consider adopting hedging policy should the need arises.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 268 (31 December 2021: 264) employees. The remuneration package the Group offered to its employees includes salary, discretionary year-end bonus and other cash subsidies. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees. The Group determines the salary of its employees mainly based on their qualifications, experiences and performance. The Group carries out regular review on the performance of employees to determine any salary adjustments, bonuses and promotions.

For the six months ended 30 June 2022, the employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$53,033,000 (six months ended 30 June 2021: approximately HK\$52,305,000).

USE OF PROCEEDS

Upon the Listing, the net proceeds raised from the IPO was approximately HK\$79.4 million, after deducing the underwriting fees and commissions and other relevant listing expenses. The net IPO proceeds will be used according to the manner as set out in the section headed "Future plans and use of proceeds" in the prospectus (the "**Prospectus**") of the Company dated 30 June 2020.

An analysis of the utilisation of the net IPO proceeds up to 30 June 2022 is set out below:

	Net IPO proceeds	Utilised amounts since the Listing Date to 30 June 2022	Unutilised amounts as at 30 June 2022	Expected timeline of full utilisation of unutilised amounts as at 30 June 2022
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Payment of upfront costs for new projects	29.2	(29.2)	–	
Obtaining surety bonds	42.3	(28.4)	13.9	Fourth quarter of 2022
General working capital	7.9	(7.9)	–	
	<u>79.4</u>	<u>(65.5)</u>	<u>13.9</u>	

The Directors regularly evaluate the Group's business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group. As at the date of this announcement, the Directors do not anticipate any change to the plan as to the use of proceeds and the unutilised net IPO proceeds will be applied in the manner consistent with the proposed allocations.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS

Saved as disclosed elsewhere in this announcement, for the six months ended 30 June 2022, the Group did not have any significant investments, material acquisitions or disposals.

There was no formal plan authorised by the Board for any significant investments, material acquisitions or disposals as at 30 June 2022 and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other future plans for material investments or capital assets for the six months ended 30 June 2022.

CAPITAL COMMITMENTS

As at 30 June 2022, the Group did not have any significant capital commitments (31 December 2021: Nil).

CONTINGENT LIABILITIES

Save as disclosed elsewhere in this announcement, as at 30 June 2022, the Group did not have any significant contingent liabilities (31 December 2021: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, there have been no other material events occurring after the reporting period and up to the date of this announcement.

CORPORATE GOVERNANCE AND OTHER INFORMATION

RESIGNATION OF EXECUTIVE DIRECTOR

Ms. Ho Nga Ling (“**Ms. Ho**”) and the Company have mutually decided not to renew Ms. Ho’s service contract with the Company following the expiry of the term, due to Ms. Ho’s wishes to devote more time to other business engagements. Ms. Ho has resigned as an executive Director with effect from 31 August 2022.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend to the shareholders (the “**Shareholders**”) of the Company for the six months ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

For the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any other listed securities of the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

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. All the Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code throughout the six months ended 30 June 2022.

CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, for the six months ended 30 June 2022, the Company had complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as stated in the Listing Rules.

In respect of code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, having considered the nature and extent of the Group’s operations, and Mr. Ng’s in-depth knowledge and experience in the industry and familiarity with the operations of the Group, that all major decisions are made in consultation with members of the Board and relevant Board committees, and that there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Group and that it is in the best interest of the Group to have Mr. Ng taking up both roles. As such, the roles of the chairman and chief executive officer of the Group are not being separated pursuant to the requirement under the code provision C.2.1 of the CG Code.

SHARE OPTIONS

Share Option Scheme

The Company’s share option scheme (the “**Share Option Scheme**”) was conditionally adopted on 16 June 2020 and shall be valid until 15 June 2030. The Share Option Scheme is established to recognise and acknowledge the contributions the eligible participants have had or may have made to the Group. The Share Option Scheme will provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivating the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules. Further details of the Share Option Scheme were set forth in the section headed “Statutory and general information — D. Share Option Scheme” in Appendix IV to the Prospectus.

The Company granted 4,000,000 share options at an exercise price HK\$0.712 per Share on 1 April 2021 to a consultant of the Company under the Share Option Scheme.

All of these 4,000,000 share options were lapsed for the six months ended 30 June 2022.

REVIEW OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The condensed consolidated financial statements have not been audited or reviewed by the Company’s auditors, but have been reviewed by the Audit Committee. The Audit Committee has reviewed with the management of the Company on the accounting principles and practices adopted by the Group, the interim report and the interim results announcement of the Group for the six months ended 30 June 2022, and is of the view that such results comply with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.superland-group.com. The interim report of the Company for the six months ended 30 June 2022 will be despatched to the Shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my sincere appreciation to our Shareholders, customers, suppliers, sub-contractors, bankers and professional parties for their continuous support, as well as our management team and staff for their hard work and contributions during the period.

By Order of the Board
Superland Group Holdings Limited
Mr. Ng Chi Chiu

Chairman, chief executive officer and executive Director

Hong Kong, 31 August 2022

As at the date of this announcement, the executive Directors are Mr. Ng Chi Chiu, Ms. Zhao Haiyan Chloe and Ms. Ho Nga Ling; the non-executive Director is Mr. Chan Ming Yim; and the independent non-executive Directors are Dr. Ho Chung Tai Raymond, Mr. Yip Chun On and Prof. Chau Kwong Wing.

Please also refer to the published version of this announcement on the Company’s website at www.superland-group.com.