
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Kingland Group Holdings Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional documents, the applicable laws in Hong Kong and the Cayman Islands and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment of the conditions of the Rights Issue as set out in the section headed “LETTER FROM THE BOARD – Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be Friday, 23 June 2023). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Capitalised terms used in this cover page have the same meanings as defined in this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Friday, 2 June 2023 to Friday, 9 June 2023 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 2 June 2023 to Friday, 9 June 2023 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares and for application is 4:00 p.m. on Wednesday, 14 June 2023. The procedure for acceptance and payment or transfer is set out on pages 15 to 16 of this Prospectus.

31 May 2023

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EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

Expected Timetable	Date 2023
First day of dealing in nil-paid Rights Shares	Friday, 2 June
Designated broker starts to stand in the market to provide matching services for odd lots of the Rights Shares	9:00 a.m. on Monday, 5 June
Latest time for splitting of the PAL	4:30 p.m. on Tuesday, 6 June
Last day of dealing in nil-paid Rights Shares	Friday, 9 June
Latest Time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangement	4:00 p.m. on Wednesday, 14 June
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 14 June
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 16 June
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Monday, 19 June
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Wednesday, 21 June
Latest Time for Termination	Friday, 23 June

EXPECTED TIMETABLE

Expected Timetable	Date 2023
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Wednesday, 28 June
Despatch of refund cheques, if any, if the Rights Issue is terminated, on or before	Thursday, 29 June
Despatch of share certificates of fully-paid Rights Shares	Thursday, 29 June
Expected first day of dealings in fully-paid Rights Shares	Friday, 30 June
Payment of Net Gain to relevant No Action Shareholders (if any)	Friday, 14 July
Designated broker ceases to stand in the market to provide matching services for odd lots of the Rights Shares	4:00 p.m. on Friday, 14 July

All time and dates in this Prospectus are references to Hong Kong local time and dates.

Dates or deadlines stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any further changes to the expected timetable for the Rights Issue will be announced by the Company as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 14 June 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 14 June 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place at or before 4:00 p.m. on Wednesday, 14 June 2023, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the meanings as set out below:

“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 6 April 2023 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Kingland Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued share are listed on the Stock Exchange (stock code: 1751)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this Prospectus
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Director(s)”	director(s) of the Company
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$10,000,000 divided into 200,000,000 Shares (after taking into account the effect of the Share Consolidation) to HK\$20,000,000 divided into 400,000,000 Shares
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate)
“Last Trading Day”	6 April 2023 being the last trading day of the Shares on the Stock Exchange prior to the publication of the Announcement
“Latest Practicable Date”	23 May 2023, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 14 June 2023 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	Friday, 23 June 2023 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement

DEFINITIONS

“Macao”	the Macao Special Administrative Region of the People’s Republic of China
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (if any)
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that has/have not been sold by the Company
“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement

DEFINITIONS

“Placing Agent”	Astrum Capital Management Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 6 April 2023 and entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Monday, 19 June 2023, and ending at the 4:00 p.m. on Wednesday, 21 June 2023
“Placing Shares”	all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macao and Taiwan
“Prospectus”	this prospectus dated 31 May 2023 despatched by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and PAL
“Prospectus Posting Date”	the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 30 May 2023 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

DEFINITIONS

“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 80,640,000 new Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders or subscription pursuant to the Rights Issue, assuming no change in the number of Shares in issue on or before the Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consolidation”	the consolidation of every five (5) issued and unissued Shares of par value HK\$0.01 each into one (1) Share of par value HK\$0.05 each, which was effective on 19 May 2023
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of the Company
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 22 November 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.185 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Cheung Shek On

Mr. Kwok Shun Tim

Independent non-executive Directors:

Mr. Chow Chun To

Mr. Chan Kwok Wing Kelvin

Mr. Tam Tak Kei Raymond

Registered office:

Windward 3, Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Principal place of business in Hong Kong:

Flat B, G/F

Fu Hop Factory Building

209 and 211 Wai Yip Street

Kwun Tong, Kowloon

Hong Kong

31 May 2023

To the Shareholders

Dear Sir or Madam,

RIGHTS ISSUE

ON THE BASIS OF ONE (1) RIGHTS SHARE

FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the announcements of the Company dated 6 April 2023, in relation to, among other things, the Rights Issue. The Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.185 per Rights Share, to raise up to approximately HK\$14.92 million by issuing 80,640,000 Rights Shares to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any). On 6 April 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

The purpose of this Prospectus is to provide you, among other things, details of the Rights Issue, certain financial information and other general information of the Company as required under the Listing Rules.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.185 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	161,280,000 Shares
Number of Rights Shares	:	Up to 80,640,000 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$4,032,000 (assuming no change in the share capital of the Company on or before the Record Date)
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 241,920,000 Shares

As at the Latest Practicable Date, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

As there are no change in the share capital of the Company on or before the Record Date, 80,640,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 50% of the total number of issued Shares; and (ii) 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid rights together with the NQS Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

LETTER FROM THE BOARD

There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up their entitlement under the Rights Issue nor any undertaking from any Shareholders that they will undertake to subscribe for the Rights Shares.

Despite the Rights Issue is conducted on a non-underwritten basis, any Rights Shares not subscribed by the Qualifying Shareholders (i.e., the Unsubscribed Rights Shares), including the NQS Unsold Rights Shares (if any) will be placed by the Placing Agent on the market to independent placees on a best effort basis.

Subscription Price

The Subscription Price is HK\$0.185 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of 70.40% to the theoretical closing price of HK\$0.625 per Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of 69.92% to the theoretical closing price of HK\$0.615 per Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.123 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 70.63% to the theoretical average closing price of HK\$0.630 per Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.126 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days of the Shares up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (iv) a discount of approximately 72.18% to the theoretical average closing price of HK\$0.665 per Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.133 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days of the Shares up to and including the Last Trading Day;
- (v) a discount of approximately 61.30% to the theoretical ex-rights price of approximately HK\$0.478 per Share (after taking into account the effect of the Share Consolidation) as adjusted for the effect of the Rights Issue, based on the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.125 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Announcement of approximately HK\$0.124 per Share) of HK\$0.625 per Share (after taking into account the effect of the Share Consolidation);
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 23.47%, represented by the theoretical diluted price of approximately HK\$0.478 per Share (after taking into account the effect of the Share Consolidation) to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.125 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Announcement of approximately HK\$0.124 per Share) of HK\$0.625 per Share (after taking into account the effect of the Share Consolidation);
- (vii) a discount of approximately 54.32 % to the closing price of HK\$0.405 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (viii) a premium of approximately 262.75% to the audited net asset value per Share of approximately HK\$0.051 (based on the latest published consolidated net asset value of the Group of approximately HK\$8,263,000 as at 31 December 2022 as disclosed in the annual report of the Company for the year ended 31 December 2022 and 161,280,000 Shares (after taking into account the effect of the Share Consolidation) in issue as at the date of the Announcement).

The net price per Rights Share (i.e., Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.169. The estimated net proceeds (assuming no change in the number of Shares in issue on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$13.64 million.

LETTER FROM THE BOARD

In determining the Subscription Price, which represents a discount of 70.40% to the closing price of HK\$0.625 per Share (after taking into account the effect of the Share Consolidation) on the Last Trading Day, the Directors have considered, among other things as mentioned above, market price of the Shares traded on the Stock Exchange from 7 April 2022 to the Last Trading Day, representing approximately twelve months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with closing price ranges between the lowest closing price of HK\$0.600 per Share (after taking into account the effect of the Share Consolidation) on 12 January and 31 March 2023 and the highest closing price of HK\$1.350 per Share (after taking into account the effect of the Share Consolidation) on 10 May 2022. In general, the daily closing price per Share and the monthly average trading volume during the Relevant Period demonstrates a downward trend. The Directors also consider, despite the significant discount to the recent market price of the Shares, the Subscription Price represents a premium of approximately 262.75% to the audited net asset value per Share of approximately HK\$0.051 (based on the latest published consolidated net asset value of the Group of approximately HK\$8,263,000 as at 31 December 2022 as disclosed in the annual report of the Company for the year ended 31 December 2022 and 161,280,000 Shares (after taking into account the effect of the Share Consolidation) in issue as at the date of the Announcement).

The Subscription Price and the subscription rate (i.e. one (1) Rights Share for every two (2) Shares held on the Record Date) was determined with reference to, among others, (i) the market price of the Shares and the monthly average trading volume, which both demonstrate downward trends during the Relevant Period under the prevailing market conditions; (ii) the prevailing market conditions of the capital market in Hong Kong and the impact of COVID-19 pandemic; (iii) the latest business performance and the loss position of approximately HK\$9.03 million for the year ended 31 December 2022 recorded by the Group; and (iv) the reasons for and benefits of Rights Issue as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in this prospectus.

The Directors consider, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group. The Subscription Price which represents a discount to the closing price on the Last Trading Day can attract the Qualifying Shareholders to participate in the Rights Issue.

LETTER FROM THE BOARD

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company has sent the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company has sent copies of the Prospectus to them for their information only, but no PAL has been sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company, and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Having made the enquiries, as at the Record Date, none of the Shareholders as recorded on the register of members of the Company had address(es) which is/are outside Hong Kong. Accordingly, there will be no Non-Qualifying Shareholder for the purpose of the Rights Issue.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue.

Fractional entitlements to the Rights Shares

On the basis of the provisional allotment of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company for its own benefit.

LETTER FROM THE BOARD

Odd lots matching services

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Placing Agent has been appointed as designated broker by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share during the period from 9:00 a.m. on Monday, 5 June 2023 to 4:00 p.m. on Friday, 14 July 2023, both days inclusive. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties. Shareholders who wish to take advantage of this facility should contact Ms. Angie Yeung of the Placing Agent at Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong (telephone number: (852) 3665 8160) within such period.

Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on Wednesday, 14 June 2023. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "Tricor Trust (Hong Kong) Limited – A/C No. 30" and crossed "ACCOUNT PAYEE ONLY". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 14 June 2023, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Tuesday, 6 June 2023 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

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The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" below are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 29 June 2023.

No receipt will be issued in respect of any application monies received.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Thursday, 29 June 2023 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. In the event that the Rights Issue is terminated, refund cheques are expected to be posted on or before Thursday, 29 June 2023 by ordinary post, at their own risk, to their registered addresses.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

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Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 6 April 2023(after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Wednesday, 21 June 2023, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

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If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e., 10,000 Shares in one board lot as at the Latest Practicable Date. No new class of securities is to be issued. No part of the securities of the Company is listed or dealt in or on which listing or permission to dealing is being or is proposed to be sought on any other stock exchange.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the Share Consolidation and the Increase in Authorised Share Capital having become effective;

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- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date;
- (iv) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the business day prior to the first day of their dealings;
- (v) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands; and
- (vi) the Placing Agreement not being terminated.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the above conditions are not fulfilled on or before the Latest Time for Termination, the Rights Issue will not proceed. As at the Latest Practicable Date, the above condition (i) is fulfilled and all the other conditions remain unfulfilled.

Placing Agreement for the Unsubscribed Rights Shares and NQS Unsold Rights Shares

Details of the Placing Agreement are summarised as follows:

Date	:	6 April 2023 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Astrum Capital Management Limited

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties.

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- Placing Period : A period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be 19 June 2023, and ending at 4:00 p.m. on 21 June 2023 or such later date as the Company and the Placing Agent may agree in writing.
- Commission and expense : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 3.5% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
- Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
- For the avoidance of doubt, no placee shall become a substantial shareholder of the Company. The Company will continue to comply with the public float requirements under Rule 8.08 of the Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
- Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.

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Conditions of the Placing Agreement : The Placing is conditional upon the fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

In the event that the above condition precedents have not been fulfilled or waived (where applicable) on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof). As at Latest Practicable Date, all the conditions remain unfulfilled.

The terms of the Placing Agreement, including the commission payable, was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

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As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to independent placees on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole:

- (i) the arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company;
- (ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by an independent licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the placing Shares. The Placing Agent and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) are Independent Third Parties; and
- (iii) the Compensatory Arrangements will not only provide an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders, it also provides a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

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

The maximum gross proceeds of the Rights Issue are estimated to be approximately HK\$14.92 million. The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and placing all Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$1.28 million, which are payable by the Company.

The maximum net proceeds of the Rights Issue, after deducting all relevant expenses are estimated to be approximately HK\$13.64 million (assuming no change in the number of Shares in issue on or before the Record Date). The estimated net subscription price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.169. The Company intends to apply the entire net proceeds from the Rights Issue as the general working capital of the Group.

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The Group is principally engaged in the provision of concrete demolition services in Hong Kong and Macao mainly as subcontractor. After being awarded with a job, the Group generally do not receive any sums as prepayment from the customers of the Group. The Group's revenue from contracts is recognised based on the stage of completion of the contracts. The Group usually grants the customers a credit period ranging from 14 to 60 days from the date of issue of invoice.

The customers of the Group usually have the rights to withhold 10% of each progress payment due to us as retention money. Pursuant to the Group's contract, half of the retention money is released upon the Group's submission of the final invoice to the Group's customer and the remaining half of the retention money would be released after three to 12 months.

As at 31 December 2022, the Group's bank and cash balances were approximately HK\$3.56 million, and the number of the Group's full-time employees was 85. Taking into account that (i) the Group's concrete demolition business is labour-intensive; and (ii) the administrative expenses of approximately HK\$25.07 million for the year ended 31 December 2022, the Company intends to apply approximately HK\$13.64 million from the Rights Issue for the general working capital of the Group, so as to accommodate the operating cash expenses of the Company and to respond to any unforeseen need in capital. The Company intends to apply the net proceeds from the Rights Issue for the general working capital of the Group as follows: (i) approximately HK\$8.11 million will be applied for staff costs; and (ii) approximately HK\$5.53 million will be applied for other operating expenses including but not limited to legal & professional, auditor remuneration and other general administration expenses. The net proceeds from the Rights Issue for the general working capital of the Group will be utilised within one year.

In the event that the Rights Issue is under-subscribed, the above use of proceeds will be adjusted by the Company accordingly and the Net Proceeds are expected to be utilised with proportional reductions in the same usage scenarios as above.

The Directors are of the view that (i) net proceeds of the Rights Issue can strengthen the financial position of the Group and provide additional working capital to the Group; and (ii) the Rights Issue also represents good opportunities to broaden the capital base of the Company.

The Board has considered various ways of raising funds and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs.

The Board has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations, which may further deteriorate the Company's cash flow. In addition, debt financing may not be achievable on favourable terms in a timely manner. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while

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it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all Unsubscribed Rights Shares have been placed by the Placing Agent, assuming no change in the shareholding structure of the Company on or before completion of the Rights Issue:

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		(iii) Immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all Unsubscribed Rights Shares have been placed by the Placing Agent	
	<i>Number of issued</i>		<i>Number of issued</i>		<i>Number of issued</i>	
	<i>Shares</i>	<i>Approx. %</i>	<i>Shares</i>	<i>Approx. %</i>	<i>Shares</i>	<i>Approx. %</i>
Mr. Cheung Shek On (Note 1)	26,180,000	16.23	39,270,000	16.23	26,180,000	10.82
Mr. Chan Yuk Sing (Note 2)	26,180,000	16.23	39,270,000	16.23	26,180,000	10.82
Mr. Kwok Shun Tim (Note 3)	25,200,000	15.63	37,800,000	15.63	25,200,000	10.42
Other public Shareholders	83,720,000	51.91	125,580,000	51.91	83,720,000	34.61
Independent placees	–	–	–	–	80,640,000	33.33
Total	161,280,000	100.00	241,920,000	100.00	241,920,000	100.00

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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 26,180,000 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. Mr. Cheung is an executive Director of the Company and hence a connected person of the Company under Chapter 14A of the Listing Rules.
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 26,180,000 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 25,200,000 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. Mr. Kwok is an executive Director of the Company and hence a connected person of the Company under Chapter 14A of the Listing Rules.

As illustrated in the above table, if the Shareholders elect not to participate in the Rights Issue, their shareholding interests in the Company will be diluted by approximately 33.33%.

FUND RAISING EXERCISE IN THE PAST TWELVE MONTHS

The Company did not raise any funds by issue of equity securities during the twelve months immediately preceding the date of the Announcement and up to the Latest Practicable Date.

LISTING RULES IMPLICATIONS

As the Rights Issue will not increase either the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 7.19A(1) of the Listing Rules.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of the Announcement and up to the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

As at Latest Practicable Date, save for the Rights Issue, the Placing, the Company did not have any plan and had not entered into any negotiation, agreement, arrangement or undertaking to conduct any other corporate action or arrangement that may affect the trading of the Company’s shares in the next 12 months.

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PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. In compliance with the Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention.

Risk relating to the Group

(i) Availability of construction and civil engineering projects in Hong Kong and Macao

The Group's results of operations are affected by the number and availability of construction and civil engineering projects from the public and private sectors in Hong Kong and construction projects from the private sector in Macao, which in turn are affected by various factors, including but not limited to the general economic conditions in Hong Kong and Macao, changes in government policies relating to the Hong Kong and Macao property markets, the general conditions of the property markets in Hong Kong and Macao, and the amount of investment in the construction of new infrastructure and improvement of existing infrastructure. In the event that the availability of concrete demolition jobs decreases as a result of the decrease in the number of private and/or public sector projects in Hong Kong and/or Macao, the Group's businesses and results of operations may be adversely and materially affected.

(ii) The Group's business is subject to the risk of cost overrun and job extension or delay

In pricing a tender or quotation, the Group is required to estimate the job costs based on various factors such as (i) the estimated number and types of workers required; (ii) the estimated number and types of machineries required; and (iii) the need for subcontracting and machinery leasing. Any deviation between the estimated cost by the time the Group submit the tenders or quotations and the actual costs to complete the jobs may adversely affect the Group's financial performance and profitability. For instance, if the actual progress of a project was slower than the Group anticipated, or if there is any delay or extension in the project schedule of main contractor, the Group may have to engage subcontractors and/or lease the required machineries for a longer period, and hence the amounts of subcontracting fees or machinery rental cost incurred may exceed the Group's estimation. Further, in the case of job extension or delay, the Group may experience decrease in revenue derived given that the progress payment to us is based on works done by us on a monthly basis. There is no assurance that the Group would not experience cost overrun and job extension or delay, which may in turn adversely affect the Group's profit margin and operating results.

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(iii) Issue of labour shortage

The construction industry, including the concrete demolition industry in Hong Kong and Macao has been facing the issue of labour shortage. The growing demand for construction works exacerbated the shortage issue and has been pushing up the daily wage of worker in concrete demolition industry in Hong Kong and Macao. If the Group is unable to recruit or retain sufficient workers or fails to effectively manage the staff costs as a result of shortage of local labour supply, the business operations and financial performance of the Group may be materially and adversely affected.

Risk relating to the Share price

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares on the open market and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in Hong Kong could cause the market price of the Shares to change substantially.

Risk relating to the Rights Issue

Under the Placing Agreement, the Placing Agent shall be entitled by notice in writing to the Company to terminate its obligations upon the occurrence of any of the terminating events as stipulated under the Placing Agreement on or before the Latest Time for Termination.

Moreover, should the Rights Issue proceed as intended, the interest of the existing Shareholders will be diluted if they do not or cannot, as the case may be, subscribe for the Rights Shares which they are entitled to.

Economic and political risks

The business operations of the Group are primarily based in Hong Kong, any significant change in the general economic and political developments in Hong Kong may adversely affect the Group's operations and financial position.

Additional risks

Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or otherwise deemed immaterial by the Directors as at the Latest Practicable Date, may also adversely affect the business of the Group in a material aspect.

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WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS

The Shares have been dealt on an ex-rights basis from 22 May 2023. Dealings in the nil-paid rights are expected to take place from 2 June 2023 to 9 June 2023 (both days inclusive). Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the satisfaction of the condition as set out in the paragraph headed “Conditions of the Rights Issue” in this Prospectus. Accordingly, the Rights Issue may or may not proceed.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid rights is advised to exercise caution when dealing in the Shares and/or the nil-paid rights.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid rights up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus. In the event that any inconsistency between English and Chinese version of this Prospectus, the English will prevail.

By Order of the Board
Kingland Group Holdings Limited
CHEUNG Shek On
Chairman and Executive Director

1. FINANCIAL SUMMARY OF THE GROUP

The audited financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022 were disclosed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.kinglandgroup.com.hk). Set out below are links to the relevant financial reports of the Company:

- (i) The annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 65 to 128):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802885.pdf>

- (ii) The annual report of the Company for the year ended 31 December 2021 published on 28 April 2022 (pages 63 to 124):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800592.pdf>

- (iii) The annual report of the Company for the year ended 31 December 2020 published on 29 April 2021 (pages 64 to 124):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900713.pdf>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 March 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

(a) Interest-bearing borrowings

The Group had aggregate outstanding borrowings of approximately HK\$5,083,000 comprising:

- (i) Two secured bank borrowings with aggregate amount of approximately HK\$4,738,000 with effective interest rate at range from 3.4% to 5.6% per annum. One of the Company's bank borrowing is secured by a pledged deposit of approximately HK\$4,136,000 as issued by the Company and another is guaranteed by personal, provided by the Director, Mr. Cheung Shek On of HK\$5,000,000 and the former Director and a director of a principal subsidiary of the Group, Mr. Chan Yuk Sing of HK\$5,000,000.
- (ii) Two unguaranteed other borrowings of approximately HK\$345,000 with a fixed interest rate of 5.7% per annum. One of the other borrowings is unsecured and another is secured by motor vehicles with carrying amount of approximately HK\$96,000.

(b) Lease liabilities

The Group had lease liabilities of approximately HK\$8,760,000 in respect of finance leases for certain rental property, motor vehicles and machinery. As at 31 March 2023, lease liabilities of approximately HK\$3,911,000 were secured by the Company's motor vehicles, plant and machinery with carrying amount of approximately HK\$4,404,000 and among the secured lease liabilities, of approximately HK\$76,000 were guaranteed by the Company, of approximately HK\$1,877,000 were guaranteed by the Director, Mr. Cheung Shek On, and of approximately HK\$1,430,000 were guaranteed by the former Director and a director of a principal subsidiary of the Group, Mr. Chan Yuk Sing.

(c) Bank overdraft

The Group had unguaranteed bank overdraft of approximately HK\$9,704,000. The Group had a fixed deposit amounted to approximately HK\$10,439,000 is pledged as collateral for the bank overdraft.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 31 March 2023, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade payables), acceptance credits, or any guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including the existing cash and bank balances, available facilities and the estimated net proceeds from the Rights Issue and the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm there had been no material adverse change in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECT

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

During the year ended 31 December 2022, the Group's revenue was mainly derived from concrete demolition business in Hong Kong and Macao. The Group's revenue for the year ended 31 December 2022 was approximately HK\$75.7 million, representing a decrease of approximately 25.6% from approximately HK\$101.7 million for the year ended 31 December 2021. The decrease is mainly due to the completion of certain sizable projects during the second half of the year ended 31 December 2021.

In general, the Group's customers are main contractors in various types of construction and civil engineering projects in Hong Kong and construction projects in Macao. The Group undertakes 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 Macao Government or their respective related organisations or corporations, while private sector jobs refer to jobs that are not public sector jobs.

In the year of 2022, the Group experienced a significant increase in profit margin due to the completion of certain sizable projects with relatively lower profit margins in the second half of 2021. Looking forward, it is anticipated that there will still be challenges in the year 2023. On one hand, our Group will continuously strengthen cost control measure and resources management. On the other hand, our Group will endeavour to explore potential opportunity in the market in order to enhance our profitability.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared based on the notes set forth below to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group as at 31 December 2022 as if Rights Issue had completed on 31 December 2022.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group upon the completion of the Rights Issue or at any future dates.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share (after taking into account the effect of the Share Consolidation) as at 31 December 2022	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share (after taking into account the effect of the Share Consolidation) immediately after the completion of the Rights Issue
<i>HK\$'000</i> <i>(Note 1)</i>	<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i>	<i>HK\$</i> <i>(Note 3)</i>	<i>HK\$</i> <i>(Note 4)</i>
Based on 80,640,000 Rights Shares to be issued at the Subscription Price of HK\$0.185 per Rights Share	8,263	13,640	21,903	0.05
	<u>8,263</u>	<u>13,640</u>	<u>21,903</u>	<u>0.05</u>

Notes:

- The amount of audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022 is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2022 of approximately HK\$8,263,000 as the Group has no intangible assets as at 31 December 2022 which is extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2022.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

2. The estimated net proceeds from the Rights Issue are based on 80,640,000 Rights Shares (assuming no change in the number of Shares on or before the Record Date and taking into account the effect of the Share Consolidation) to be issued on the basis of one Rights Share for every two Shares at the Subscription Price of HK\$0.185 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,278,000 which is directly attributable to the Rights Issue to be incurred by the Company.
3. The unaudited consolidated net tangible assets attributable to owners of the Company per Share (after taking into account the effect of the Share Consolidation) as at 31 December 2022 is calculated based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022 of approximately HK\$8,263,000 and 161,280,000 Shares (after taking into account the effect of the Share Consolidation). The 161,280,000 Shares is calculated based on the consolidation of every five issued Shares of par value HK\$0.01 each into one Share of par value HK\$0.05 each for 806,400,000 Shares (without taking into account the effect of the Share Consolidation) in issue as at 31 December 2022.
4. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share (after taking into account the effect of the Share Consolidation) immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022 of approximately HK\$21,903,000 and 241,920,000 Shares (after taking into account the effect of the Share Consolidation) in issue assuming the Share Consolidation and the Rights Issue had been completed on 31 December 2022, which comprises (i) 161,280,000 Shares (after taking into account the effect of the Share Consolidation) before the Rights Issue and (ii) 80,640,000 Rights Shares to be issued under the Rights Issue.
5. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2022.

B. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Kingland Group Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Kingland Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Director**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2022, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of the Company’s prospectus dated 31 May 2023, in connection with the proposed rights issue of the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed rights issue on the Group’s financial position as at 31 December 2022 as if the proposed rights issue had taken place at 31 December 2022. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial information for the year ended 31 December 2022, in respect of which an annual report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7, “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*”, issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 31 December 2022 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Hong Kong, 31 May 2023

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued and fully paid share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue will be as follows:

i. As at the Latest Practicable Date:

<i>Authorised:</i>		<i>HK\$</i>
400,000,000	Shares of HK\$0.05 each	20,000,000.00
 <i>Issued and paid-up share capital:</i>		
161,280,000	Shares of HK\$0.05 each	8,064,000.00

ii. Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Issue and no further issue or repurchase of Shares from the Latest Practicable Date up to completion of the Rights Issue):

<i>Authorised:</i>		<i>HK\$</i>
400,000,000	Shares of HK\$0.05 each	20,000,000.00
 <i>Issued and paid-up share capital:</i>		
161,280,000	Shares of HK\$0.05 each	8,064,000.00
80,640,000	Rights Shares to be allotted and issued upon completion of the Rights Issue of HK\$0.05 each	4,032,000.00
<hr/>		<hr/>
241,920,000	Shares in issue immediately after completion of the Rights Issue of HK\$0.05 each	12,096,000.00
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All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

i. Directors and chief executive's interests in the Company and its associated corporations

As at the Latest Practicable Date, 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 the 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, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Shares and underlying Shares

Name of Director	Capacity/ Nature of interest	Number of underlying Shares (Note 1)	Approximate percentage of the total issued Shares
Mr. Cheung Shek On	Interest in a controlled corporation (Note 2)	26,180,000 (L)	16.23%
Mr. Kwok Shun Tim	Interest in a controlled corporation (Note 3)	25,200,000 (L)	15.63%

Notes:

1. “L” denotes long position.
2. 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 26,180,000 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.
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 25,200,000 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.

Save as disclosed above, 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).

ii. Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as the Directors are aware, 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 which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO:

Name of shareholder	Capacity/ Nature of interest	Number of underlying Shares (Note 1)	Approximate percentage of the total issued Shares
Sino Continent	Beneficial owner	26,180,000 (L)	16.23%
Mr. Chan Yuk Sing	Interest in a controlled corporation (Note 2)	26,180,000 (L)	16.23%
Supreme Voyage Limited	Beneficial owner	26,180,000 (L)	16.23%
Applewood Developments	Beneficial owner	25,200,000 (L)	15.63%
Ms. Luk Pui Kei Peggy (Note 3)	Interest of spouse	26,180,000 (L)	16.23%
Ms. Cho Bik Nung (Note 4)	Interest of spouse	26,180,000 (L)	16.23%
Ms. Yip Nga Wan (Note 5)	Interest of spouse	25,200,000 (L)	15.63%

Notes:

1. "L" denotes long position.
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 26,180,000 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. 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.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 December 2022 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or might compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group after the date falling two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date:

- (i) the Placing Agreement; and
- (ii) the placing agreement dated 11 June 2021 entered into between the Company and Astrum Capital Management Limited in relation to the placing of up to 134,400,000 Shares on a best effort basis, at the placing price of HK\$0.161 per placing share. For further details, please refer to the announcement of the Company dated 11 June 2021.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion, letter or advice contained in this Prospectus:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified Public Accountant

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Board of Directors	<i>Executive Directors</i>
	Mr. Cheung Shek On
	Mr. Kwok Shun Tim
	<i>Independent Non-Executive Directors</i>
	Mr. Chow Chun To
	Mr. Chan Kwok Wing Kelvin
	Mr. Tam Tak Kei Raymond
Registered office	Windward 3, Regatta Office Park P.O. Box 1350 Grand Cayman, KY1-1108 Cayman Islands
Principal place of business in Hong Kong	Flat B, G/F. Fu Hop Factory Building 209 and 211 Wai Yip Street Kwun Tong, Kowloon Hong Kong

Authorised representatives	Mr. Cheung Shek On Mr. Chen Yeung Tak
Company secretary	Mr. Chen Yeung Tak
Financial Adviser	Gransing Securities Co., Limited Unit 4103, 41/F Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Auditors and reporting accountants	HLB Hodgson Impey Cheng Limited Certified Public Accountant 31/F, Gloucester Tower The Landmark 11 Pedder Street, Central Hong Kong
Legal adviser to the Company as to Hong Kong laws	David Fong & Co. Unit A, 12/F, China Overseas Building 139 Hennessy Road, Wanchai Hong Kong
Placing Agent	Astrum Capital Management Limited Room 2704, Tower 1 Admiralty Centre 18 Harcourt Road, Admiralty Hong Kong
Principal bankers	Bank of China 1 Garden Road, Central OCBC Wing Hang Bank Limited 161 Queen's Road Central Hong Kong
Hong Kong share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Principal share registrar and transfer office in Cayman Islands	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park P.O. Box 1350 Grand Cayman, KY1-1108 Cayman Islands
Stock Code	1751
Company Website	www.kinglandgroup.com.hk

11. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and placing all Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$1.28 million, which are payable by the Company.

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. CHEUNG Shek On (“Mr. Cheung”), aged 61 is an executive Director, chairman and the chief executive officer of our Group. He joined the Group since its establishment in 1985, and has been a director of Kingland Concrete Drilling Company Limited since 16 July 1985 (except for the periods from 16 August 1989 to 30 November 1989 and from 31 March 2005 to 30 June 2005). Mr. Cheung is responsible for the overall management and administration of our business operations. He is also a director of Platinum Faith Limited, Alpha Eastern Holdings Limited and Kingland (Sino) Company Limited. Mr. Cheung has more than 30 years of experience in the concrete demolition industry.

Mr. KWOK Shun Tim (“Mr. Kwok”), aged 48, is an executive Director and vice chairman of the Group. Mr. Kwok is the founder and chief executive officer of Gransing Financial Group Limited and is responsible for overall corporate strategy and business development. Mr. Kwok has gained solid experiences in the field of securities and investment in the past and he played different important roles for the projects in the primary market of Hong Kong and the mergers and acquisitions exercises within the region. Mr. Kwok had served at various established enterprises including China Aerospace International Holdings Limited, Tianjin Jinran Public Utilities Company Limited and China CBM Group Company Limited.

Mr. Kwok obtained his Bachelor's degree in Business Administration in accounting from the Hong Kong University of Science and Technology. Mr. Kwok further obtained a Master of Science degree in China Business Studies from the Hong Kong Polytechnic University and a Master of Laws degree in International Economic Law from the City University of Hong Kong. Mr. Kwok is an associate of Hong Kong Institute of Certified Public Accountants, a fellow member of the Hong Kong Securities and Investment Institute, and a fellow member of the Association of Chartered Certified Accountants.

Independent non-executive Directors

Mr. CHOW Chun To (“Mr. Chow”), aged 40, has joined the Group as an independent non-executive Director since November 2016. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

Mr. Chow has more than 14 years of experience in accounting and auditing. He worked at PCP CPA Limited as an accountant III from June 2006 to June 2007. He then joined HLB Hodgson Impey Cheng (currently known as HLB Hodgson Impey Cheng Limited) as an accountant I in June 2007 until December 2007. In February 2008, Mr. Chow joined Deloitte Touche Tohmatsu as an associate and was promoted to a senior in October 2008 until he left the company in April 2011. Mr. Chow worked as a financial manager at Chiho-Tiande (HK) Limited, a wholly-owned subsidiary of ChihoTiande Group Limited (currently known as Chiho Environmental Group Limited) (stock code: 976), the issued shares of which are listed on the Stock Exchange, between May 2011 and May 2013. He then worked as a financial controller at JC Group Holdings Limited (currently known as Tonking New Energy Group Holdings Limited) (stock code: 8326), the issued shares of which are listed on the Stock Exchange, from May 2013 to September 2014. Mr. Chow worked as the financial controller at In Construction Holdings Limited (stock code: 1500), the issued shares of which are listed on the Stock Exchange, between September 2014 and February 2017. He was an independent non-executive director of Geotech Holdings Ltd. (stock code: 1707) and AV Promotions Holdings Limited (stock code: 8419) from September 2017 to January 2019 and from December 2017 to July 2019 respectively. He was the company secretary of K Group Holdings Limited (stock code: 8475), the issued shares of which are listed on GEM of the Stock Exchange. Mr. Chow was appointed as an independent non-executive director of Quantong Holdings Limited (currently known as “China Hongbao Holdings Limited”) (stock code: 8316), the issued shares of which are listed on GEM of the Stock Exchange, in January 2022.

Mr. Chow obtained a Bachelor of Arts degree in accountancy from The Hong Kong Polytechnic University in December 2006 and has been a member of the Hong Kong Institute of Certified Public Accountants since July 2013.

Mr. CHAN Kwok Wing Kelvin (“Mr. Chan”), aged 69, has joined the Group as an independent non-executive Director since May 2020. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

Mr. Chan obtained a degree of Bachelor of Arts from the University of Toronto in July 1979 and degree of Master of Philosophy in Town Planning from the University of London in July 1985. He also obtained a Certificate in Urban Design from the University of Hong Kong in June 1992 and a Post-Graduate Diploma in Photography from the School of Professional and Continuing Education of the University of Hong Kong in June 2016. He was elected as a member of the Hong Kong Institute of Planners in June 1986 and a member of the Royal Town Planning Institute in June 1986.

From October 1979 to July 1980, Mr. Chan worked with Ng Chun Man & Associates as town planner. From July 1980 to July 1981, he worked with Hong Kong Prisons Department (currently known as Hong Kong Correctional Services Department) as executive officer. From July 1981 to December 2013, he worked with the Planning Department of the Hong Kong Government, with his last position as chief town planner. Since January 2010, Mr. Chan has been a director of several limited companies, which are mainly engaged in provision of corporate services and properties and investment holding.

Since August 2019, Mr. Chan has served in S&T Holdings Limited (stock code: 3928) (“**S&T Holdings**”), the issued shares of which are listed on the Main Board of the Stock Exchange, as an independent non-executive director. He is also the chairman of the remuneration committee and a member of the audit and nomination committee of S&T Holdings.

Mr. TAM Tak Kei Raymond (“**Mr. Tam**”), aged 60, has joined the Group as an independent non-executive Director since May 2020. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

Mr. Tam obtained a Bachelor of Arts degree in Accounting with Computing from University of Kent at Canterbury, the United Kingdom in July 1985. He has been a member of The Institute of Chartered Accountants in England and Wales since August 1990 and an associate of the Hong Kong Society of Accountants since January 1995.

Mr. Tam acted as the financial controller at international law firms for 9 years and has over 30 years of professional accounting experience and is currently the finance director of a Hong Kong based auction company and the company secretary of Tian Lun Gas Holdings Limited (stock code: 1600). Mr. Tam also acted as the company secretary of Branding China Group Limited (currently known as BC Technology Group Limited) (stock code: 863) during the period from April 2012 to April 2018, and was an independent non-executive director of Li Bao Ge Group Limited (stock code: 1869) during the period from June 2016 to February 2020. He was also an independent non-executive director of Green Economy Development Limited (formerly known as Vision Fame International Holding Limited) (stock code: 1315) during the period from December 2011 to February 2023. The shares of the above-mentioned four companies are listed on the Main Board of the Stock Exchange.

Mr. Tam acts as an independent non-executive director of Yunhong Guixin Group Holdings Limited (formerly known as MEIGU Technology Holding Group Limited) (stock code: 8349) since December 2016, the issued shares of which are listed on the GEM of the Stock Exchange. He is an independent non-executive director, the chairman of the audit committee and a member of the nomination committee of CNQC International Holdings Limited (stock code: 1240) since 11 September 2012, the issued shares of which are listed on the Main Board of the Stock Exchange.

Senior Management

Mr. MAK Banna (“Mr. Mak”), aged 59, is the chief technical officer of our Group principally responsible for the overall operation of our concrete demolition business including tendering and work processing, quality control and work safety supervision. Mr. Mak first joined our Group in July 1996 as a project manager and was subsequently promoted to the current position in December 2012. Mr. Mak is also a director of Kingland (Sino) Company Limited and Kingland Concrete Drilling Company Limited.

Mr. Mak has been a member of the Chartered Institute of Building since May 1995 and a member of the Hong Kong Institution of Engineers since June 1995. He was registered as a Registered Professional Engineer in September 1998.

Mr. CHEN Yeung Tak (“Mr. Chen”), aged 38, is the company secretary of the Company. He has over 14 years of experience in auditing, accounting and financial management. He is responsible for the financial and strategic planning of our Group. Mr. Chen joined the Group on March 2015 and served as financial controller before his appointment as an executive Director during the period from May 2020 to June 2022. Prior to joining the Group, Mr. Chen was employed, among others, by (i) Fung, Yu & Co. CPA Limited from July 2006 to December 2010 with his last position as an assistant manager; (ii) Deloitte Touche Tohmatsu as a senior auditor from January 2011 to October 2012; and (iii) Blue River Holdings Limited (formerly known as PYI Corporation Limited) (stock code: 0498), the issued shares of which are listed on the Main Board of the Stock Exchange, from February 2013 to February 2015 with his last position as an accounting manager. Mr. Chen is currently an independent non-executive director of each of Gain Plus Holdings Limited (stock code: 9900), DT Capital Limited (stock code: 356) and Welli Holdings Limited (stock code: 2372). The shares of the above-mentioned three companies are listed on the Main Board of the Stock Exchange. Since March 2022, he has been appointed as an independent director of Onion Global Limited (stock code: NYSE: OG), a company listed on the New York Stock Exchange. Between December 2017 and November 2021, Mr. Chen was an independent non-executive director of AV Promotions Holdings Limited (stock code: 8419), the issued shares of which are listed on GEM of the Stock Exchange.

Mr. Chen obtained a bachelor's degree in Accountancy (honours) from The Hong Kong Polytechnic University in December 2006. Mr. Chen has been a member and a fellow of the Hong Kong Institute of Certified Public Accountants since January 2011 and September 2021, respectively.

Business address of the Directors

The business address of the Directors is same as the Company's principal place of business in Hong Kong at Flat B, G/F, Fu Hop Factory Building, 209 and 211 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

13. 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 Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 of the Listing Rules. 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. As at the Latest Practicable Date, 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 background, directorship and past directorship (If any) of each of the members of the Audit Committee are set out in the section headed "12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY" in this appendix.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "9. EXPERT AND CONSENT" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kinglandgroup.com.hk) for the period of 14 days from the date of this Prospectus:

- (i) the annual reports of the Company for the three years ended 31 December 2020, 2021 and 2022 respectively;

- (ii) all material contracts referred to in the paragraph headed “8. MATERIAL CONTRACTS” in this appendix;
- (iii) the letter from the Board, the text of which is set out on pages 9 to 28 of this Prospectus;
- (iv) the accountant’s report on the unaudited pro forma financial information of the Group issued by HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix II to this Prospectus;
- (v) the written consent referred to in the paragraph headed “9. EXPERT AND CONSENT” in this appendix; and
- (vi) the Prospectus Documents.

16. LANGUAGE

In case of any inconsistency between the English and Chinese versions of this Prospectus and the accompanying PAL, the English version will prevail.

17. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

18. MISCELLANEOUS

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) As at the Latest Practicable Date, there is no material foreign exchange exposure to the Company. Therefore, no financial instrument was made to hedge such exposure.