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Kin Shing Holdings Limited

建成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1630)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board of directors (the “**Board**”) of Kin Shing Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2022 together with the comparative figures in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

		Six months ended 30 September	
		2022	2021
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$’000	HK\$’000
Revenue	3	190,187	289,221
Direct costs		(189,147)	(287,182)
Gross profit		1,040	2,039
Other income	5	5,862	1,618
Other (loss)/gain	6	(6)	3
Impairment losses under expected credit loss model, net of reversal	7	278	138
Administrative expenses		(9,870)	(8,606)
Finance costs	8	(1,542)	(1,408)
Loss before tax		(4,238)	(6,216)
Income tax	9	–	–
Loss and total comprehensive expense for the period		(4,238)	(6,216)
Loss and total comprehensive expense for the period attributable to owners of the Company		(4,238)	(6,216)
Loss per share — Basic and diluted (<i>HK cents</i>)	11	(0.28)	(0.41)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		As at 30 September 2022 (Unaudited) <i>HK\$'000</i>	As at 31 March 2022 (Audited) <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		17,670	23,395
Right-of-use assets		3,495	4,538
		21,165	27,933
Current assets			
Trade and other receivables	12	52,078	56,704
Contract assets		117,662	126,088
Financial assets at fair value through profit or loss		56,134	32,073
Tax recoverable		57	57
Cash and cash equivalents		99,035	136,421
		324,966	351,343
Total assets		346,131	379,276
Current liabilities			
Trade and other payables	13	19,024	58,257
Contract liabilities		26,921	17,005
Amount due to a related company		146,496	145,123
Amount due to a director		37	2
Lease liabilities		2,034	2,018
		194,512	222,405
Net current assets		130,454	128,938
Total assets less current liabilities		151,619	156,871
Non-current liabilities			
Lease liabilities		1,633	2,647
Net assets		149,986	154,224
Capital and reserves			
Share capital		15,000	15,000
Reserves		134,986	139,224
Total equity		149,986	154,224

NOTES

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKFRS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Type of services		
Formwork works	<u>190,187</u>	<u>289,221</u>
Geographical markets		
Hong Kong	<u>190,187</u>	<u>289,221</u>
Timing of revenue recognition		
Over time	<u>190,187</u>	<u>289,221</u>

4. SEGMENT INFORMATION

The Group's reportable and operating segments are as follows:

1. Formwork works — Provision of formwork works and related ancillary works
2. Building construction works — Provision of building construction works
3. Trading and investment business — Investing in financial instruments

Segment revenue and results

Following the changes of reporting structure, the number of operating segments in the Group was increased from two to three during the year ended 31 March 2022 due to the setup of investment committee of the Group. Segment information presented a comparative information in these condensed consolidated financial statements have been restated to reflect the current reporting structure of the Group.

Six months ended 30 September 2022 (unaudited)

	Formwork works HK\$'000	Building construction works HK\$'000	Trading and investment business HK\$'000	Total HK\$'000
Revenue				
External sales and segment revenue	<u>190,187</u>	<u>–</u>	<u>–</u>	<u>190,187</u>
Segment profit/(loss)	<u>11,125</u>	<u>–</u>	<u>(9,509)</u>	<u>1,616</u>
Unallocated income				<u>44</u>
Unallocated expenses				<u>(4,356)</u>
Finance costs				<u>(1,542)</u>
Loss before tax				<u>(4,238)</u>

Six months ended 30 September 2021 (unaudited)

	Formwork works HK\$'000	Building construction works HK\$'000	Trading and investment business HK\$'000 (restated)	Total HK\$'000
Revenue				
External sales and segment revenue	<u>289,221</u>	<u>–</u>	<u>–</u>	<u>289,221</u>
Segment (loss)/profit	<u>(628)</u>	<u>(7)</u>	<u>141</u>	<u>(494)</u>
Unallocated expenses				<u>(4,314)</u>
Finance costs				<u>(1,408)</u>
Loss before tax				<u>(6,216)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit earned by/loss from each segment without allocation of interest income, central administration costs and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

There were no sales transactions between the operating segments.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment.

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Segment assets		
Formwork works	190,853	210,570
Building construction works	–	–
Trading and investment business	<u>118,767</u>	<u>128,276</u>
Total segment assets	309,620	338,846
Unallocated	<u>36,511</u>	<u>40,430</u>
Consolidated assets	<u><u>346,131</u></u>	<u><u>379,276</u></u>
Segment liabilities		
Formwork works	48,357	78,620
Building construction works	4	8
Trading and investment business	<u>10</u>	<u>20</u>
Total segment liabilities	48,371	78,648
Unallocated	<u>147,774</u>	<u>146,404</u>
Consolidated liabilities	<u><u>196,145</u></u>	<u><u>225,052</u></u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than tax recoverable and unallocated corporate assets.
- all liabilities are allocated to operating segments other than amount due to a related company, amount due to a director and unallocated corporate liabilities.

5. OTHER INCOME

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Government grants	15,205	–
Fair value changes on financial assets at fair value through profit or loss	(10,558)	–
Interest income from cash and cash equivalents	2	149
Dividends from financial assets at fair value through profit or loss	1,192	–
Rental income	–	1,468
Sundry income	21	1
	<u>5,862</u>	<u>1,618</u>

6. OTHER (LOSS)/GAIN

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net foreign exchange (loss)/gain	<u>(6)</u>	<u>3</u>

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Impairment losses reversed/(recognised) on:		
Trade receivables	(194)	204
Other receivables	616	–
Contract assets	(144)	(66)
	<u>278</u>	<u>138</u>

8. FINANCE COSTS

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest expense on:		
Lease liabilities	169	35
Amount due to a related company	1,373	1,373
	<u>1,542</u>	<u>1,408</u>

9. INCOME TAX

No provision for Hong Kong profits tax has been made in the condensed consolidated interim financial statements for the six months ended 30 September 2022 as the Company and its subsidiaries either had available losses brought forward from prior years to offset the assessable profits generated or did not generate any assessable profits arising in Hong Kong during the respective periods.

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The Directors have determined that no dividend will be paid in respect of the interim period (2021: nil).

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss		
Loss for the purpose of basic loss per share (Loss for the period attributable to owners of the Company)	<u>(4,238)</u>	<u>(6,216)</u>

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,500,000,000</u>	<u>1,500,000,000</u>

The diluted loss per share is equal to the basic loss per share as the Company has no dilutive potential ordinary shares in issue during the periods ended 30 September 2022 and 2021.

12. TRADE AND OTHER RECEIVABLES

	As at 30 September 2022 (Unaudited) <i>HK\$'000</i>	As at 31 March 2022 (Audited) <i>HK\$'000</i>
Trade receivables	39,129	34,394
Less: Allowance for credit losses	<u>(310)</u>	<u>(116)</u>
	38,819	34,278
Prepayments	52	155
Deposits and other receivables	13,659	23,339
Less: Allowance for credit losses	<u>(452)</u>	<u>(1,068)</u>
	52,078	56,704

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aging analysis of the Group's trade receivables net of allowance for credit losses at the end of the reporting period, presented based on the progress payment certificate date:

	As at 30 September 2022 (Unaudited) <i>HK\$'000</i>	As at 31 March 2022 (Audited) <i>HK\$'000</i>
0–30 days	31,932	23,575
31–60 days	5,482	6,856
Over 60 days	<u>1,405</u>	<u>3,847</u>
	38,819	34,278

13. TRADE AND OTHER PAYABLES

	As at 30 September 2022 (Unaudited) <i>HK\$'000</i>	As at 31 March 2022 (Audited) <i>HK\$'000</i>
Trade payables	3,289	13,491
Accruals and other payables		
— Accrued salaries	4,558	21,487
— Accrued sub-contracting fee	2,532	11,063
— Others	8,645	12,216
	<u>19,024</u>	<u>58,257</u>

The following is an aging analysis of the Group's trade payables at the end of the reporting period, presented based on the invoice date:

	As at 30 September 2022 (Unaudited) <i>HK\$'000</i>	As at 31 March 2022 (Audited) <i>HK\$'000</i>
0–30 days	277	5,789
31–60 days	341	1,241
61–90 days	346	3,599
Over 90 days	2,325	2,862
	<u>3,289</u>	<u>13,491</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the six months ended 30 September 2022, there were 21 projects contributing revenue of approximately HK\$190.2 million, whereas revenue of approximately HK\$289.2 million for the corresponding period in 2021 was contributed by 20 projects. The decrease in revenue during the six months ended 30 September 2022 was mainly due to the COVID-19 impact which has resulted in a slowdown in current projects schedule. There were several new projects commenced during the reporting period are still at gearing up stage, the relevant revenue expected to be reported in yearly results.

The Group primarily focused in the Hong Kong market during both the six months ended 30 September 2022 and 2021.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$1.0 million or 49.0% from approximately HK\$2.0 million for the six months ended 30 September 2021 to approximately HK\$1.0 million for the six months ended 30 September 2022. The Group's gross profit margin decreased from approximately 0.7% for the six months ended 30 September 2021 to approximately 0.5% for the six months ended 30 September 2022. The decrease in gross profit and the gross profit margin was mainly attributable to (i) an increase of labour cost of skillful workers, (ii) an increase of subcontracting costs due to an increase in market demand of experienced subcontractors; and (iii) a fierce competition for new formwork works contract in the market.

Other income

Other income increased by approximately HK\$4,244,000 from approximately HK\$1,618,000 for the six months ended 30 September 2021 to approximately HK\$5,862,000 for the six months ended 30 September 2022, representing an increase of approximately 262.3%. Such change was mainly attributable to the receipt of Government grants under the Anti-epidemic Fund of approximately HK\$15.2 million and the fair value loss on the securities investment of approximately HK\$10.6 million during the reporting period.

Other loss

Other loss increased by approximately HK\$9,000 from other gain approximately HK\$3,000 for the six months ended 30 September 2021 to other loss approximately HK\$6,000 for the six months ended 30 September 2022. Such change was mainly attributable to the net foreign exchange.

Administrative expenses

Administrative expenses increased from approximately HK\$8.6 million for the six months ended 30 September 2021 to approximately HK\$9.9 million for the six months ended 30 September 2022, representing an increase of approximately 14.7%. Such increase was mainly attributable to the increase the expenses for rental equipment.

Income tax

No income tax has been recognised for the six months ended 30 September 2022 and 30 September 2021.

Loss attributable to owners of the Company

As a result of the foregoing, the loss attributable to owners of the Company amounted to approximately HK\$4.2 million for the six months ended 30 September 2022 as compared to the loss attributable to owners of the Company of approximately HK\$6.2 million for the six months ended 30 September 2021, representing a decrease of approximately 31.8%. The decrease in loss for the six months ended 30 September 2022 was mainly attributable to the net increase of other income which included an increase of receipt of Government grants under the Anti-epidemic Fund of approximately HK\$15.2 million and the increase of fair value loss on the securities investment of approximately HK\$10.6 million.

Interim dividend

The Board has resolved not to recommend the declaration of any interim dividend for the six months ended 30 September 2022 (2021: nil).

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources

As at 30 September 2022, the Group had cash and cash equivalents of approximately HK\$99.0 million as compared with HK\$136.4 million as at 31 March 2022, representing a decrease of approximately 27.4%. The decrease was mainly due to acquisition of securities investment and the increase amount of direct cost during the six months ended 30 September 2022.

The Group has no bank borrowing as at 30 September 2022 (31 March 2022: Nil). The gearing ratio is calculated based on the amount of total debts, which include amount due to a related company, amount due to a director and lease liabilities, divided by total equity. The gearing ratio of the Group as at 30 September 2022 was approximately 100.1% (31 March 2022: approximately 97.1%).

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the senior management and executive directors closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledge of assets

At 30 September 2022, the Group did not pledge its assets.

Capital commitments

As at 30 September 2022, the Group had no material capital commitments.

Contingent liabilities

As at 30 September 2022, the Group had no material contingent liabilities.

Foreign exchange risk

The Group mainly operates in Hong Kong and the majority of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the six months ended 30 September 2022.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the reporting period, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

Name of the investment	Number of	Percentage of	Investment	Fair value	Change in	Size as	Total
	shares held	shareholding		as at	fair value	compared to	amount of
	as at	as at	Costs	as at	for the	the Group's	dividends
	30 September	30 September	Investment	30 September	period ended	total assets	received
	2022	2022	Costs	2022	30 September	as at	for the
		%	HK\$'000	HK\$'000	2022	30 September	period ended
					HK\$'000	2022	30 September
						%	2022
							HK\$'000
Hong Kong Exchanges and Clearing Limited (Stock code: 388) (“HKEX”)	100,000	0.0079	32,449	26,960	(6,304)	7.79	345
China Construction Bank Corporation (Stock code: 939) (“CCB”)	1,000,000	0.0004	5,028	4,540	(600)	1.31	153
China Mobile Limited (Stock code: 941) (“CM”)	75,000	0.0004	3,890	3,742	(319)	1.08	313
BOC Hong Kong (Holdings) Limited (Stock code: 2388) (“BOC”)	300,000	0.0028	8,400	7,845	(1,065)	2.27	205
CLP Holdings Limited (Stock code: 0002) (“CLP”)	50,000	0.0020	3,849	2,968	(850)	0.86	63
Swire Properties Limited (Stock code: 1972) (“Swire”)	100,000	0.0017	1,918	1,690	(256)	0.49	64
New World Development Company Limited (Stock code: 0017) (“NWD”)	30,000	0.0012	884	669	(286)	0.19	17
Ping An Insurance (Group) Company of China Limited (Stock code: 2318) (“Ping An”)	150,000	0.0014	6,427	5,880	(674)	1.70	32
HKT Trust and HKT Limited (Stock code: 6823) (“HKT”)	200,000	0.0010	2,044	1,840	(204)	0.53	–

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 31 May 2017 (the “Prospectus”), the Group does not have other plans for material investments and capital assets.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 23 May 2017. The principal terms of the Share Option Scheme are summarised in Appendix V to the Prospectus. The Share Option Scheme is an incentive scheme established to recognise and motivate the contributions that employees (full-time and part-time), Directors, suppliers, customers, advisers or service providers of the Group have made or may make to the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 23 May 2017, and there is no outstanding share option as at 30 September 2022.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group employed 902 employees in Hong Kong (30 September 2021: 1,152 employees). The decrease in the number of employees was mainly due to the final construction stage of a formwork works project which generated a large portion of revenue during the period ended 30 September 2021 and the Group has deployed some of the employees as 95% of the project is being completed in the reporting period. Remuneration packages are reviewed based on their performance and experience of the employees and the prevailing industry practice. The Group may pay a discretionary bonus to its employees based on individual performance in recognition of their contribution and hard work. In addition to salary payments and discretionary bonuses, the Group also provides eligible staff other employment benefits such as provident fund and educational subsidies. The total remuneration cost recognised to profit or loss for the six months ended 30 September 2022 was approximately HK\$125.6 million when compared to approximately HK\$145.2 million for the six months ended 30 September 2021.

USE OF PROCEEDS FROM THE COMPANY’S INITIAL PUBLIC OFFERING

The shares of the Company (the “**Shares**”) have been listed and traded on the Main Board of the Stock Exchange since 16 June 2017 (the “**Listing**”). The net proceeds (after deducting the underwriting fees, commissions and all related expenses) from the Listing amounted to approximately HK\$75.0 million. After the Listing, these net proceeds have been and will be utilised in accordance with the future plans and use of proceeds as set out in the Prospectus.

Details of the utilisation of the net proceeds raised by the Company from the date of listing up to 30 September 2022 are stated below:

	Planned use of net proceeds <i>HK\$ million</i>	Amount utilised up to 31 March 2022 <i>HK\$ million</i>	Amount utilised during the period ended 30 September 2022 <i>HK\$ million</i>	Amount utilised up to 30 September 2022 <i>HK\$ million</i>	Unutilised balance up to 30 September 2022 <i>HK\$ million</i>	Expected timeline
Acquire additional machineries and equipment	32.8	31.9	0.5	32.4	0.4	End of 2022
Purchase aluminum formwork systems	21.3	21.3	–	21.3	–	
Invest in human resources	9.6	9.6	–	9.6	–	
Additional rental expense for leasing of a warehouse	4.3	4.3	–	4.3	–	
General working capital	7.0	7.0	–	7.0	–	
Total	<u>75.0</u>	<u>74.1</u>	<u>0.5</u>	<u>74.6</u>	<u>0.4</u>	

The unutilised amount of the net proceeds of approximately HK\$0.4 million has been deposited into licensed banks in Hong Kong.

REVIEW

The total revenue of our Group decreased by approximately HK\$99.0 million or 34.2% from approximately HK\$289.2 million for the six months ended 30 September 2021 to approximately HK\$190.2 million for the six months ended 30 September 2022. Our Group's loss attributable to owners of the Company decreased by approximately HK\$2.0 million or 31.8% to approximately HK\$4.2 million, compared to approximately HK\$6.2 million for the corresponding period of 2021. The decrease in loss was mainly due to the receipt of Government grants under the Anti-epidemic Fund and the increase of fair value loss on the securities investment during the six months ended 30 September 2022.

The revenue generated from the private sector projects accounted for approximately HK\$170.8 million for the six months ended 30 September 2022 (six months ended 30 September 2021: approximately HK\$274.8 million), which represents approximately 89.8% of the total revenue of the Group (six months ended 30 September 2021: approximately 95.0%). The revenue generated from the public sector projects accounted for approximately HK\$19.4 million for the six months ended 30 September 2022 (six months ended 30 September 2021: approximately HK\$14.4 million), which represents approximately 10.2% of the total revenue of the Group (six months ended 30 September 2021: approximately 5.0%).

The continuation of the novel Coronavirus (COVID-19) epidemic and the overall economic environment in Hong Kong during the six months ended 30 September 2022 continuously brought negative impacts to the Group, such as the gross profit margin, cash flow, operational effectiveness, delay in commencement of new projects being awarded to the Group and completion progress on certain final stage projects. During the six months ended 30 September 2022, the Group had been awarded four new contracts with total contract sum of approximately HK\$242.9 million during the period under review.

OUTLOOK AND PROSPECT

The total revenue of the Group has decreased, as the performance of the Group is affected by the competitive building formwork industry. The market share of the Group has decreased since the infrastructure formwork market players responsible for the aforesaid infrastructure formwork works also compete with the building formwork market players for new tenders in the building formwork industry. As a result, the profit margin of new building formwork contracts awarded has reduced.

In view of the aforesaid, in addition to adjusting the profit margin in bidding new contracts, the Group will continue to try its best endeavour to explore new customers, implement stringent cost control measures on existing projects, strengthen the effectiveness of project management and improve the efficiency of work flow throughout the construction process in order to maintain the competitiveness for the best interests of the Group.

As disclosed in the 2022 Annual Report, to diversify the business scope in different kinds of construction projects and to cope with the increasing supply in public housing units in coming future, the Group has also engaged in formwork works for construction of public housing. During the six months ended 30 September 2022, the Group has generated revenue from three formwork works contract for public housing approximately HK\$7.5 million.

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) set out in Appendix 10 of the Rules governing the listing of securities on the Stock Exchange (the “**Listing Rules**”). On specific enquiries made, all Directors of the Company have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 September 2022.

Corporate Governance Practices

In the opinion of the Directors, the Company has complied with all relevant code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules during the six months ended 30 September 2022.

Details of the Company’s corporate governance policies and practices had been discussed in the Company’s 2022 annual report.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee consists of three Independent Non-executive Directors, namely, Mr. Lam Kai Yeung, Mr. Wong Yuk Lun, Alan and Mr. Lam Wai Hung. Mr. Lam Kai Yeung is the chairman of the Audit Committee.

The Audit Committee has approved and reviewed with the management of the Company the accounting principles and policies adopted by the Group, and the financial information of the Group and the interim results announcement of the Company for the six months ended 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities during the six months ended 30 September 2022.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 September 2022 and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement will be published on the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.kinshingholdings.com.hk). The interim report for the six months ended 30 September 2022 containing all the information required by the Listing Rules will be available at the same website of the Company and the Hong Kong Exchanges and Clearing Limited and despatched to the Company's shareholders in due course.

By order of the Board
Kin Shing Holdings Limited
Leung Chi Kit
Chairman and Executive Director

Hong Kong, 30 November 2022

As at the date of this announcement, Mr. Leung Chi Kit, Ms. Tso Yuk Ching, Mr. Chow Dik Cheung, Mr. Chan Sik Mau and Mr. Chiu Sin Nang Kenny are the Executive Directors; and Mr. Lam Kai Yeung, Mr. Wong Yuk Lun, Alan and Mr. Lam Wai Hung are the Independent Non-executive Directors.