

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*

## **Superland Group Holdings Limited**

### **德合集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 368)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of Superland Group Holdings Limited (the “**Company**”) is pleased to announce its audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021, together with the comparative figures for the corresponding year ended 31 December 2020, as follows:

### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	5	<b>798,108</b>	680,212
Cost of services		<b>(695,810)</b>	(587,015)
<b>Gross profit</b>		<b>102,298</b>	93,197
Other income	6	<b>628</b>	15,797
Other (losses)/gains, net		<b>(57)</b>	460
Administrative expenses		<b>(76,547)</b>	(68,792)
Listing expenses		–	(6,888)
Reversal of impairment loss on trade receivables and contract assets, net		<b>676</b>	142
<b>Profit before finance income and costs and income tax expense</b>		<b>26,998</b>	33,916
Finance income		–	1,130
Finance costs		<b>(10,638)</b>	(14,647)
<b>Profit before income tax expense</b>	7	<b>16,360</b>	20,399
Income tax expense	8	<b>(3,763)</b>	(2,350)
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>		<b>12,597</b>	18,049
<b>Earnings per share attributable to owners of the Company</b>			
Basic and diluted (expressed in HK cents per share)	9	<b>1.57</b>	2.61

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		4,472	6,596
Right-of-use assets		6,817	2,278
Investments in insurance contracts		18,180	15,261
Other receivables, deposits and prepayments		22,906	29,480
Deferred income tax assets		938	808
		<u>53,313</u>	<u>54,423</u>
<b>Current assets</b>			
Trade receivables	11	92,059	70,619
Other receivables, deposits and prepayments		17,334	22,001
Contract assets		417,180	309,702
Pledged time deposits		6,611	3,127
Cash and cash equivalents		62,317	54,128
		<u>595,501</u>	<u>459,577</u>
<b>Total assets</b>		<u><b>648,814</b></u>	<u><b>514,000</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		8,000	8,000
Reserves		89,036	88,506
Retained earnings		53,883	41,286
		<u>150,919</u>	<u>137,792</u>
<b>Total equity</b>		<u><b>150,919</b></u>	<u><b>137,792</b></u>

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Lease liabilities		237	1,188
<b>Current liabilities</b>			
Trade payables	12	108,669	68,984
Accruals, retention payables and other liabilities		104,569	57,950
Lease liabilities		6,762	1,182
Contract liabilities		11,539	11,370
Borrowings		265,186	232,906
Current income tax payable		933	2,628
		<u>497,658</u>	<u>375,020</u>
<b>Total liabilities</b>		<u><u>497,895</u></u>	<u><u>376,208</u></u>
<b>Total equity and liabilities</b>		<u><u>648,814</u></u>	<u><u>514,000</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11 July 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Flat A&B, 3/F, Yin Da Commercial Building, 181 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Group provides fitting-out services and repair and maintenance services to residential and commercial properties in Hong Kong. In the opinion of the Directors, the immediate and ultimate parent company of the Company is Fate Investment Company Limited and the controlling shareholder of the Company is Mr. Ng Chi Chiu (“**Mr. Ng**”).

The Company listed (the “**Listing**”) its shares (the “**Shares**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 July 2020 (the “**Listing Date**”).

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

### 3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention except for investments in insurance contracts which are measured at cash surrender value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

#### 4(a). AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has applied the following amended standards for the first time for their annual reporting period commencing 1 January 2021:

<b>Standards</b>	<b>Subject of amendment</b>
HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2
HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions

The management assessed that the amended standards listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

#### 4(b). NEW AND AMENDED STANDARDS AND INTERPRETATION AND ACCOUNTING GUIDELINE WHICH ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP

The following new and amended standards and interpretation and accounting guideline have been issued but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted by the Group.

<b>Standards</b>	<b>Subject of amendment</b>	<b>Effective for accounting year beginning on or after</b>
HKFRS 16 (Amendments)	Covid-19 Related Rent Concessions beyond 2021	1 April 2021
Annual improvements project (Amendments)	Annual Improvements to HKFRSs 2018-2020	1 January 2022
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)	Narrow-scope Amendments Revised Accounting Guideline 5 Merger Accounting for Common	1 January 2022
AG 5 (Revised)	Control Combinations	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HKFRS 17 (Amendments)	Amendments to HKFRS 17	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the new and amended standards and interpretation and accounting guideline when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new and amended standards and interpretation and accounting guideline, none of which is expected to have a significant effect on the consolidated financial statements of the Group.

## 5. REVENUE AND SEGMENT INFORMATION

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

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

### (a) Disaggregation of revenue

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Fitting-out services	795,051	675,990
Repair and maintenance services	<u>3,057</u>	<u>4,222</u>
	<u><u>798,108</u></u>	<u><u>680,212</u></u>

The Group’s revenue is recognised over time for the year ended 31 December 2021 (2020: same).

### (b) Geographical information

All the revenue and assets are based in Hong Kong for the year ended 31 December 2021 (2020: same).

### (c) Revenue from major customers

Revenue from each major customer which accounted for 10% or more of the Group’s revenue for each of the financial years is set out below:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Customer A	113,566	82,318
Customer B	140,371	N/A*
Customer C	298,382	246,401
Customer D	N/A*	106,246
Customer E	N/A*	71,526
Customer F	<u><u>109,308</u></u>	<u><u>N/A*</u></u>

\* Represent less than 10% of revenue for the respective year.

## 6. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Other income</b>		
Employment Support Scheme ( <i>Note a</i> )	–	12,897
Construction Industry Council's Employment Support Scheme ( <i>Note b</i> )	<b>564</b>	2,820
Others	<b>64</b>	80
	<u><b>628</b></u>	<u>15,797</u>

*Notes:*

- (a) Amount represents wage subsidy granted from the Employment Support Scheme under the Anti-Epidemic Fund. Subsidies are offered to employers who have employed regular employees and paid Mandatory Provident Fund for them.
- (b) Amount represents wage subsidy granted from the Employment Support Scheme for the Construction Sector. Subsidies are offered to construction sector employers who have employed casual employees on a long-term basis.

The Group has fulfilled all attached conditions of the above grants as at the end of each of the reporting periods. The Group has recognised the grants on systematic basis and the unearned portion was recognised as deferred government grants.

## 7. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is stated after charging/(crediting) the following:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Sub-contracting fees	<b>383,268</b>	303,900
Materials costs	<b>241,374</b>	211,935
Consultation services	<b>3,147</b>	5,015
Depreciation on plant and equipment	<b>1,549</b>	2,473
Depreciation on right-of-use assets	<b>5,287</b>	1,901
Employee benefit expenses (including directors' emoluments)	<b>109,865</b>	99,302
Short-term lease expenses	–	613
Write off of plant and equipment	–	1,107
Gain on disposal on a right-of-use asset	–	(74)
	<u>–</u>	<u>(74)</u>

## 8. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax expense		
— Hong Kong profits tax	3,794	2,689
Under/(over) provision in prior year	99	(162)
Deferred income tax	(130)	(177)
	<u>3,763</u>	<u>2,350</u>
Income tax expense	<u>3,763</u>	<u>2,350</u>

In accordance with the two-tiered profits tax regime, Hong Kong profits tax was calculated at 8.25% on the first HK\$2 million and 16.5% on the remaining balance of the estimated assessable profits for the year ended 31 December 2021 (2020: same).

## 9. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares issued during the respective periods. In determining the weighted average number of ordinary shares, 600,000,000 shares of the Company, which resulted from the issue and allotment of shares by the Company in connection with the reorganisation, had been treated as if such shares were issued on 1 January 2019.

	2021	2020
Profit attributable to owners of the Company (HK\$)	12,597,000	18,049,000
Weighted average number of ordinary shares in issue	800,000,000	691,803,279
Basic earnings per share (HK cents per share)	<u>1.57</u>	<u>2.61</u>

### (b) Diluted earnings per share

Diluted earnings per share for the year is the same as basic earnings per share as the potential ordinary shares in relation to the share options granted to the consultant are anti-dilutive and we do not assume any conversation or exercise.

## 10. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividend declared and paid – 2020: HK\$0.22 per share	<u>–</u>	<u>130,000</u>



## 11. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	92,172	71,085
Less: provision for impairment	<u>(113)</u>	<u>(466)</u>
Trade receivables, net	<u><u>92,059</u></u>	<u><u>70,619</u></u>

As at 31 December 2021, the ageing analysis of the trade receivables based on invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1–30 days	49,272	43,288
31–60 days	40,766	27,253
61–90 days	1,880	72
Over 90 days	<u>254</u>	<u>472</u>
	<u><u>92,172</u></u>	<u><u>71,085</u></u>

Trade receivables are due from 30 days to 90 days after invoicing depending on the nature of services. The Group's trade receivables are mainly denominated in Hong Kong Dollars.

## 12. TRADE PAYABLES

As at 31 December 2021, the ageing analysis of the trade payables by invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1–30 days	72,794	37,903
31–60 days	16,642	6,958
61–90 days	5,429	2,360
Over 90 days	<u>13,804</u>	<u>21,763</u>
	<u><u>108,669</u></u>	<u><u>68,984</u></u>

The trade payables are mainly denominated in Hong Kong Dollars and the carrying amounts approximate their fair values.

### 13. CONTINGENCIES

As at 31 December 2021, the Group's contingent liabilities were as follow:

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Surety bonds ( <i>Note</i> )	<b><u>55,250</u></b>	<u>90,039</u>

*Note:* As at 31 December 2021, the Group provided corporate guarantee (2020: same) to surety bonds in respect of 8 (2020: 9) fitting-out contracts of the Group in its ordinary course of business. The surety bonds are expected to be released in accordance with the term of the respective fitting-out contracts.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The revenue of the Group for the year ended 31 December 2021 and 2020 was approximately HK\$798,108,000 and approximately HK\$680,212,000, respectively, representing an increase of approximately 17.3%.

The increase in revenue was mainly driven by the revenue contribution by on-going projects as the outbreak of the coronavirus pandemic (“**COVID-19**”) was gradually under control before the fifth wave of COVID-19 starting in late December 2021.

#### Gross profit and gross profit margin

The gross profit of the Group for the year ended 31 December 2021 and 2020 was approximately HK\$102,298,000 and approximately HK\$93,197,000, respectively, while the gross profit margin of the Group for the year ended 31 December 2021 and 2020 was approximately 12.8% and approximately 13.7%, respectively.

The increase in gross profit for the year ended 31 December 2021 was primarily due to the increase in revenue as mentioned above while the gross profit margin for the year ended 31 December 2021 remained relatively stable.

#### Other income

The other income of the Group for the year ended 31 December 2021 and 2020 was approximately HK\$628,000 and approximately HK\$15,797,000, respectively, representing a decrease of approximately 96.0%.

The decrease in other income was mainly due to the decrease in subsidy granted under the Employment Support Scheme launched by the Government of Hong Kong Special Administrative Region (“**Hong Kong**” or “**HKSAR**”) of the People’s Republic of China in 2020 which was non-recurring in nature for the year ended 31 December 2021.

#### Other (losses)/gains, net

The net other (losses)/gains of the Group for the year ended 31 December 2021 mainly represented the changes in value of the investments in insurance contracts.

## **Administrative expenses**

The administrative expenses of the Group for the year ended 31 December 2021 and 2020 was approximately HK\$76,547,000 and approximately HK\$68,792,000, respectively, representing an increase of approximately 11.3%.

The increase in administrative expenses was mainly attributable to the increase in employee benefit expenses and general administrative expenses incurred for the year ended 31 December 2021 after the Shares were listed on the Main Board of the Stock Exchange on the Listing Date.

## **Listing expenses**

The listing expenses of the Group represented the non-occurring expenses incurred for the Initial public offering (the “**IPO**”) before the Listing.

## **Finance costs**

The finance costs of the Group for the year ended 31 December 2021 and 2020 was approximately HK\$10,638,000 and approximately HK\$14,647,000, respectively, representing a decrease of approximately 27.4%.

The decrease in finance costs was primarily due to the decrease in overall usage of the bank borrowings and other banking facilities after the Listing.

## **Profit and total comprehensive income for the year attributable to owners of the Company**

As a result of the abovementioned, the profit and total comprehensive income for the year attributable to owners of the Company for the year ended 31 December 2021 and 2020 was approximately HK\$12,597,000 and approximately HK\$18,049,000, respectively, representing a decrease of approximately 30.2%.

Excluding the one off and non-recurring items for the year ended 31 December 2020, i.e., the subsidy granted under the Employment Support Scheme of approximately HK\$15,717,000, listing expenses of approximately HK\$6,888,000 and donation arising from the Listing of HK\$1,000,000, the profit and total comprehensive income for the year attributable to owners of the Company for the year ended 31 December 2020 would be adjusted to approximately HK\$10,220,000.

Excluding the one off and non-recurring items for the year ended 31 December 2021, i.e., the subsidy granted under the Employment Support Scheme of approximately HK\$564,000, the profit and total comprehensive income for the year attributable to owners of the Company for the year ended 31 December 2021 would be adjusted to approximately HK\$12,033,000, representing an increase of approximately 17.7% as compared to the adjusted one for the year ended 31 December 2020.

## **BUSINESS REVIEW AND PROSPECTS**

### **Businesses**

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

On 17 July 2020, the Shares were successfully listed on the Main Board of the Stock Exchange, marking an important milestone of the Group.

For the year ended 31 December 2021, the Group is principally engaged in the provision of fitting-out services and repair and maintenance services for residential and commercial properties in Hong Kong.

As at 31 December 2021, the Group had a total of 43 fitting-out projects on hand, which included fitting-out projects that have commenced but not yet completed and fitting-out projects that have been awarded to the Group but not yet commenced, with an aggregate total contract sum of approximately HK\$3,221 million. Among these projects on hand, 25 projects were with total contract sum of approximately HK\$50 million or above. As at 31 December 2021, the aggregate total contract sum of these 25 projects amounted to approximately HK\$2,865 million (31 December 2020: 23 projects : approximately HK\$2,597 million).

### **Future prospects and strategies**

The onslaught of the fifth wave of COVID-19 has dealt a blow to Hong Kong. It is unavoidable that the overall economy of Hong Kong in the short term will be greatly affected by the fifth wave of COVID-19 starting in late December 2021. As such, the Group's business needs to encounter challenges for a while.

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

Having launched certain of the Group's technologies and technical solutions in the market successfully, it is the intention of the Board that the Group would be determined and committed to commercialise the Group's existing technologies and technical solutions. The Group intends to solidify and realise the development of its technologies and technical solutions for serving both the industry participants and the end users in the market once the total solution development is mature. Given the Group's great and developed network in the value chains of the industries and the market, the realisation and commercialisation of the Group's technologies and technical solutions will create new opportunities for the Group to work more closely with its strategic partners and enhance the overall cost savings effect.

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

#### **DEBTS AND CHARGE ON ASSETS**

As at 31 December 2021, total debt of the Group, including bank borrowings and lease liabilities, was approximately HK\$272,185,000 (31 December 2020: approximately HK\$235,276,000).

As at 31 December 2021, the Group's banking facilities were secured/guaranteed by:

- (i) Personal guarantee provided by a Director, Mr. Ng;
- (ii) Corporate guarantees provided by the Group;
- (iii) Properties held by two Directors, Mr. Ng and Ms. Zhao Haiyan Chloe ("**Ms. Zhao**"), and related companies;
- (iv) Investments in insurance contracts of approximately HK\$18,180,000 (31 December 2020: approximately HK\$15,261,000); and
- (v) Pledged time deposits of approximately HK\$6,611,000 (31 December 2020: approximately HK\$3,127,000).

In addition, as at 31 December 2021, the Group provided corporate guarantee to surety bonds and a personal guarantee was provided by a Director, Ms. Zhao, in relation to a lease agreement.

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

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

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

As at 31 December 2021, the Company's issued capital was HK\$8,000,000 and the number of its issued ordinary shares was 800,000,000 of HK\$0.01 each.

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

As at 31 December 2021, the Group had pledged time deposits of approximately HK\$6,611,000 (31 December 2020: approximately HK\$3,127,000). Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents and pledged time deposits. Total capital is calculated as "total equity" as shown in the consolidated statement of financial position, plus net debt. As at 31 December 2021, the gearing ratio of the Group was approximately 57.4% (31 December 2020: approximately 56.4%). As at 31 December 2021, the current ratio of the Group was approximately 1.2 (31 December 2020: approximately 1.2).

## **FOREIGN EXCHANGE EXPOSURE**

Most of the income, expenditures, assets and liabilities of the Group are denominated in Hong Kong Dollars, being the functional currency of the subsidiaries now comprising the Group, and hence, the Group does not have any material foreign exchange risk exposure. With the insignificant portion of monetary transactions, assets and liabilities of the Group being denominated in foreign currencies, for the year ended 31 December 2021, the Group did not employ any financial instruments for hedging purpose. The Group monitors its foreign currency exposure closely and will consider adopting hedging policy should the need arises.

## EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2021, the Group employed a total of 264 (31 December 2020: 254) employees. The remuneration package the Group offered to its employees includes salary, discretionary year-end bonus and other cash subsidies. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees. The Group determines the salary of its employees mainly based on their qualifications, experiences and performance. The Group carries out regular review on the performance of employees to determine any salary adjustments, bonuses and promotions.

For the year ended 31 December 2021, the employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$109,865,000 (2020: approximately HK\$99,302,000).

## USE OF PROCEEDS

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

An analysis of the utilisation of the net IPO proceeds up to 31 December 2021 is set out below:

	Net IPO proceeds	Utilised amounts since the Listing Date to 31 December 2021	Unutilised amounts as at 31 December 2021	Expected timeline of full utilisation of unutilised amounts as at 31 December 2021
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Payment of upfront costs for new projects	29.2	(29.2)	–	
Obtaining surety bonds	42.3	(22.7)	19.6	Fourth quarter of 2022
General working capital	7.9	(7.9)	–	
	<u>79.4</u>	<u>(59.8)</u>	<u>19.6</u>	



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

### **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS**

Saved as disclosed elsewhere in this announcement, for the year ended 31 December 2021, the Group did not have any significant investments, material acquisitions or disposals.

There was no formal plan authorised by the Board for any significant investments, material acquisitions or disposals as at 31 December 2021 and up to the date of this announcement.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have other future plans for material investments or capital assets for the year ended 31 December 2021.

### **CAPITAL COMMITMENTS**

As at 31 December 2021, the Group did not have any significant capital commitments.

### **CONTINGENT LIABILITIES**

Save as disclosed elsewhere in this announcement, as at 31 December 2021, the Group did not have any significant contingent liabilities.

### **EVENTS AFTER THE REPORTING PERIOD**

There have been no other material events occurring after the reporting period and up to the date of this announcement.

### **DIVIDENDS**

The Board does not recommend the payment of a final dividend to the shareholders of the Company (the “**Shareholders**”) for the year ended 31 December 2021.

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

During the year ended 31 December 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any other listed securities of the Company.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) as its own code of conduct for dealing in securities of the Company by the Directors. All the Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code during the year ended 31 December 2021.

## **CORPORATE GOVERNANCE PRACTICES**

Save as disclosed below, during the year ended 31 December 2021, the Company had complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules.

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

In respect of code provisions A.6.7 and E.1.2 of the CG Code, independent non-executive Directors and other non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of the Shareholders while the chairman of the Board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. Due to prior or unexpected business engagements, Mr. Yip Chun On, the chairman of the audit committee, and Prof. Chau Kwong Wing, chairman of the remuneration committee, were unable to attend the annual general meeting (the “**2020 AGM**”) of the Company held on 17 June 2021. All the remaining Directors were present at the 2020 AGM to maintain an ongoing dialogue and communicate with the Shareholders.

## SHARE OPTIONS

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

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

None of these 4,000,000 share options was exercised, expired or lapsed for the year ended 31 December 2021. All these 4,000,000 share options remained outstanding as at 31 December 2021.

## AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the Company was established with its written terms of reference in compliance with the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Yip Chun On, Dr. Ho Chung Tai Raymond and Prof. Chau Kwong Wing, to review matters regarding internal controls, risk management and financial reporting of the Group. The Audit Committee had reviewed the Group's annual results for the year ended 31 December 2021 and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

## ANNUAL GENERAL MEETING

It is proposed that the annual general meeting (the "**2021 AGM**") of the Company for the year ended 31 December 2021 will be held on a date to be fixed by the Board, and a notice convening the 2021 AGM will be published and despatched to the Shareholders in due course.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2021 as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this annual results announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.superland-group.com](http://www.superland-group.com). The annual report of the Company for the year ended 31 December 2021 will be despatched to the Shareholders and published on the above websites in due course.

## **APPRECIATION**

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

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

*Chairman, chief executive officer and executive Director*

Hong Kong, 30 March 2022

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

*Please also refer to the published version of this announcement on the Company's website at [www.superland-group.com](http://www.superland-group.com).*