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Kingland Group Holdings Limited

景聯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1751)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 11 June 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 134,400,000 Placing Shares, to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties at a price of HK\$0.161 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 24 June 2020.

The maximum number of 134,400,000 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the maximum number of 134,400,000 Placing Shares. The aggregate nominal value of the Placing Shares under the Placing (assuming the Placing Shares are placed in full) will be HK\$1,344,000.

Assuming all the Placing Shares to be placed under the Placing Agreement have been placed, the maximum gross proceeds and the maximum net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$21.6 million and approximately HK\$21.2 million, respectively. It is expected that the entire net proceeds will be used for the general working capital of the Group.

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued pursuant to the General Mandate.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

Date: 11 June 2021 (after trading hours)

Issuer: the Company

Placing Agent: Astrum Capital Management Limited

The Placing Agent has conditionally agreed to place up to 134,400,000 Placing Shares, on a best endeavour basis, to the Placees. The Placing Agent will receive a placing commission of 1.5% of the aggregate Placing Price of the Placing Shares actually placed by or on behalf of the Placing Agent pursuant to its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees:

The Placing Shares are to be placed to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. The Placing Agent undertook that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Placing Price:

The Placing Price of HK\$0.161 per Placing Share represents:

- (i) a discount of 19.5% to the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 17.0% to the average closing price of approximately HK\$0.194 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to, among other matters, the prevailing market price of the Shares and the capital requirement for the future development of the Group.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming all the Placing Shares to be placed under the Placing Agreement have been placed, the maximum gross proceeds and the maximum net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$21.6 million and approximately HK\$21.2 million, respectively. On such basis, the net issue price will be approximately HK\$0.158 per Placing Share.

Placing Shares:

The maximum number of 134,400,000 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the maximum number of 134,400,000 Placing Shares. The aggregate nominal value of the Placing Shares under the Placing (assuming the Placing Shares are placed in full) will be HK\$1,344,000.

Ranking:

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Condition of the Placing:

Completion of the Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement on or before 21 June 2021 or such later date as the Company and the Placing Agent may agree in writing (the "**Long Stop Date**").

If the above condition is not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and the Company under the Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of any antecedent breaches of any obligation thereunder).

Completion:

Completion of the Placing shall take place within five Business Days after the fulfilment of the above condition or on such other date as the Company and the Placing Agent may agree in writing.

Mandate to allot and issue the Placing Shares:

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 24 June 2020. Under the General Mandate, the Directors are authorised to allot and issue up to 134,400,000 new Shares. As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate. Therefore, the allotment and issue of the Placing Shares is not subject to the Shareholders' approval.

Force majeure:

If any of the following events occur at any time prior to 10:00 a.m. on the date of completion of the Placing (the "**Placing Completion Date**"), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Placing Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Placing Completion Date, rescind the Placing Agreement without liability to the other parties thereto, and the Placing Agreement shall thereupon cease to have effect and none of the parties thereto shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties of the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of concrete demolition services in Hong Kong and Macau mainly as a subcontractor.

The Board considers that the Placing represents a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$21.6 million and approximately HK\$21.2 million, respectively. The Company intends to use the entire net proceeds for the general working capital of the Group. Assuming the Placing Shares are fully placed, the net placing price will be approximately HK\$0.158 per Placing Share.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any fund-raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing):

	As at the date of this announcement		Immediately upon completion of the Placing	
	No. of Shares	%	No. of Shares	%
Sino Continent Holdings Limited (Note 1)	189,000,000	28.13	189,000,000	23.44
Supreme Voyage Limited (Note 2)	189,000,000	28.13	189,000,000	23.44
Applewood Developments Limited	126,000,000	18.75	126,000,000	15.63
Public Shareholders				
Placees	–	–	134,400,000	16.67
Other public Shareholders	168,000,000	25.00	168,000,000	20.83
Sub-total for public Shareholders	168,000,000	25.00	302,400,000	37.50
Total	672,000,000	100.00	806,400,000	100.00

Notes:

1. Sino Continent Holdings Limited is wholly and beneficially owned by Mr. Cheung Shek On, an executive Director and the chairman of the Board.
2. Supreme Voyage Limited is wholly and beneficially owned by Mr. Chan Yuk Sing, an executive Director.
3. Any discrepancies in the table above between totals and sums of amounts set out in it are due to rounding.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 24 June 2020 at which, among other things, the General Mandate was granted to the Directors
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday, public holiday or any day on which tropical cyclone warning 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 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Kingland Group Holdings Limited, a company with limited liability incorporated under the laws of the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or grant additional 134,400,000 new Shares, representing 20% of the number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors to be procured by or through the Placing Agent under the Placing
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best endeavour basis, on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation to carry out 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 Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 11 June 2021 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.161 per Placing Share
“Placing Shares”	a maximum of 134,400,000 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” the Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board
Kingland Group Holdings Limited
Cheung Shek On
Chairman

Hong Kong, 11 June 2021

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Cheung Shek On (*Chairman and Chief Executive Officer*), Mr. Chan Yuk Sing and Mr. Chen Yeung Tak

Independent Non-executive Directors

Mr. Chow Chun To, Mr. Chan Kwok Wing Kelvin and Mr. Tam Tak Kei Raymond