

TARGET

Intelligence Report

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KIN SHING HOLDINGS LTD
THE BLAME IS CLEAR:
THE HONGKONG GOVERNMENT WITH
THE ABSENCE OF RECEIPT OF WAGE SUBSIDIES !

On Tuesday, November 26, 2024, Management of Kin Shing Holdings Ltd (建成控股有限公司), (Code: 1630, Main Board, The Stock Exchange of Hongkong Ltd), caused to make the following announcement, headlined: **‘POSITIVE PROFIT ALERT.’**

The Chairman of the Board of Directors as well as being an Executive Director of the Company, Mr Leung Chi Kit (梁志杰), by Order of The Board of Directors, informed the Company’s shareholders of the following intelligence:

‘This announcement is made by Kin Shing Holdings Limited (the “Company,” together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

‘The board of directors of the Company (the “Board”) announces to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the period ended 30 September 2024 (the “Period”) and the information currently available to the Board, the Group will record a profit after tax for the Period of approximately HK\$9.5 million as compared to a loss of approximately HK\$6.5 million for the corresponding period in 2023.

‘Such turnabout from loss to profit was mainly due to an unrealised fair value gain on financial assets at fair value through profit or loss, time deposit interest income and dividend income received on Trading and Investment business segment recorded a gain of approximately HK\$19.7 million as compared to a loss of approximately HK\$5.2 million for the corresponding period in 2023.

‘The information contained in this announcement is based on the unaudited consolidated management accounts of the Group and other information currently available to the Board, which have not been reviewed by the Company’s audit committee or audited by the Company’s auditor. The Company is still in the process of finalising the unaudited consolidated results of the Group for the Period and is expected to publish the interim results announcement for the Period on 29 November 2024.

‘Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.’

On or about Tuesday, June 25, 2024, Mr Leung Chi Kit had caused to publish and to disseminate in The Hongkong Special Administrative Region (HKSAR) of The People’s Republic of China (PRC), a public announcement, headlined: ***‘PROFIT WARNING.’***

Clearly, the situation at Kin Shing Holdings Ltd had changed, very materially, between Tuesday, June 25, 2024, and Tuesday, November 26, 2024.

THE GENERAL INFORMATION OF KIN SHING HOLDINGS LTD

At Page 73 of the 2024 Annual Report of Kin Shing Holdings Ltd, under the heading, ***‘GENERAL INFORMATION,’*** one was informed as to the business of the Company:

*‘The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 6 April 2016. Its parent and ultimate holding company is Five Continental Enterprise Limited (五洲企業有限公司), a company incorporated in the British Virgin Islands and controlled by Mr. Leung Chi Kit, Mr. Chow Siu Yu (周兆裕) and Ms. Tso Yuk Ching (曹玉清). The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 June 2017. The addresses of the registered office and the principal place of business of the Company are disclosed in the “**Corporate Information**” section to the annual report.*

‘The Group is principally engaged in the provision of formwork works, building construction works and trading and investment business.

*The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.’*

At Page Four of the 2024 Annual Report of the Company, Mr Leung Chi Kit, as Chairman of the Board of Directors, had this to impart to his shareholders:

‘REVIEW

‘The total revenue of our Group increased by approximately HK\$769.8 million or 162.1% from approximately HK\$474.8 million for the year ended 31 March 2023 to approximately HK\$1.2 billion for the year ended 31 March 2024. The increase of the revenue was mainly due to the Group

had been awarded several large tenders in early 2023 and these contracts are currently at peak construction levels.

'On the other hand, our Group's gross profit increased by approximately HK\$16.3 million or 106.5% from approximately HK\$15.3 million for the year ended 31 March 2023 to approximately HK\$31.6 million for the year ended 31 March 2024. The increase in absolute amount of gross profit was due to (i) the sharp increase of the total revenue, (ii) the price of wood materials and steel had returned to a reasonable price level since the market supply returned stable during the reporting period and (iii) the Group has started to employ imported workers to alleviate the cost of labour. Overall, the Group still suffers in a low gross profit margin which was mainly resulted from the increase in wages of experienced workers due to limited supply of experienced workers in the market, the additional costs caused by ... [CLICK TO ORDER FULL ARTICLE](#)

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