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KIDDIELAND

Kiddieland International Limited

童園國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3830)

**ANNOUNCEMENT OF INTERIM RESULTS FOR
THE SIX MONTHS ENDED 31 OCTOBER 2021**

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Kiddieland International Limited (“**Kiddieland**” or the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 October 2021 together with the comparative unaudited figures for the corresponding period in 2020.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 October 2021

		Six months ended 31 October 2021 <i>HK\$'000</i> (unaudited)	Six months ended 31 October 2020 <i>HK\$'000</i> (unaudited)
	<i>Note</i>		
Revenue	5	171,897	222,955
Cost of sales	6	<u>(155,274)</u>	<u>(175,494)</u>
Gross profit		16,623	47,461
Other income		458	175
Other (losses)/gains, net		(110)	243
Selling and distribution expenses	6	(4,131)	(13,561)
Administrative expenses	6	(14,921)	(12,688)
Impairment losses on property, plant and equipment	9	(1,670)	–
Reversals of impairment losses/(impairment losses) on financial assets, net		<u>423</u>	<u>(388)</u>
Operating (loss)/profit		(3,328)	21,242
Finance income		16	2
Finance expenses		<u>(287)</u>	<u>(950)</u>
Finance costs, net		<u>(271)</u>	<u>(948)</u>
(Loss)/profit before taxation		(3,599)	20,294
Income tax credits/(expenses)	7	<u>285</u>	<u>(2,795)</u>
(Loss)/profit for the period		<u>(3,314)</u>	<u>17,499</u>
Other comprehensive income			
<i>Item that may be reclassified to profit or loss:</i>			
Currency translation differences		<u>517</u>	<u>2,586</u>
Total other comprehensive income for the period, net of tax		<u>517</u>	<u>2,586</u>
Total comprehensive (loss)/income for the period		<u>(2,797)</u>	<u>20,085</u>
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company during the period (expressed in HK cents per share)			
Basic and diluted (loss)/earnings per share	8	<u>(0.3)</u>	<u>1.7</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2021

	<i>Note</i>	As at 31 October 2021 <i>HK\$'000</i> (unaudited)	As at 30 April 2021 <i>HK\$'000</i> (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	46,011	50,822
Right-of-use assets		3,008	4,480
Intangible assets		2,442	8,330
Deferred income tax assets		6,723	6,731
Deposits and prepayments		731	720
		<hr/> 58,915 <hr/>	<hr/> 71,083 <hr/>
Current assets			
Inventories		73,899	95,541
Trade and bills receivables	10	58,662	24,935
Other receivables, deposits and prepayments		2,198	4,376
Cash and bank balances		13,034	17,559
		<hr/> 147,793 <hr/>	<hr/> 142,411 <hr/>
Total assets		<hr/> 206,708 <hr/>	<hr/> 213,494 <hr/>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	11	100,000	100,000
Other reserves		6,242	6,242
Exchange reserves		3,465	2,948
Retained earnings		41,227	44,541
		<hr/> 150,934 <hr/>	<hr/> 153,731 <hr/>
Total equity		<hr/> 150,934 <hr/>	<hr/> 153,731 <hr/>

	<i>Note</i>	As at 31 October 2021 HK\$'000 (unaudited)	As at 30 April 2021 HK\$'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		1,618	1,977
Lease liabilities		78	1,533
		<u>1,696</u>	<u>3,510</u>
Current liabilities			
Bank borrowings		16,198	11,435
Trade and bills payables	12	13,376	20,862
Accruals and other payables		19,118	18,914
Contract liabilities		1,103	855
Lease liabilities		2,947	2,843
Income tax payable		1,336	1,344
		<u>54,078</u>	<u>56,253</u>
Total liabilities		<u><u>55,774</u></u>	<u><u>59,763</u></u>
Total equity and liabilities		<u><u>206,708</u></u>	<u><u>213,494</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION OF THE GROUP

Kiddieland International Limited (the “**Company**”) was incorporated in Cayman Islands on 3 June 2016 as an exempted company with limited liability. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacturing and selling of plastic toy products.

The condensed consolidated interim financial information is presented in Hong Kong Dollars (“**HK\$**”) unless otherwise stated.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 31 October 2021 is prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting”. It should be read in conjunction with the annual report for the year ended 30 April 2021 (the “**Annual Report**”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those as described in the Annual Report, except for the adoption of new standards, amendments and interpretations of HKFRSs effective for the financial year beginning 1 May 2021.

(a) **New and amended standards, improvements and interpretation of HKFRSs adopted by the Group**

The Group has adopted the following new standards and amendments to standards which are mandatory for the financial year beginning 1 May 2021 and are relevant to its operation:

HKFRS 16 (Amendments)	COVID-19-Related Rent Concession
HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2

The adoption of new standards, amendments and interpretations of HKFRSs does not have a material impact to the Group’s financial performance and positions for the current and prior periods and/or on the disclosure set out in these condensed consolidated financial information.

(b) New and amended standards, improvements and interpretations of HKFRSs not yet adopted by the Group

The following new and amended standards, improvements and interpretations of HKFRSs are not yet effective for annual periods commencing on or after 1 May 2021 and have not been early adopted by the Group:

		Effective for annual periods commencing on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 May 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 May 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 May 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 May 2023
HKAS 16 (Amendments)	Property, Plant and Equipment — Proceeds before Intended Use	1 May 2022
HKAS 37 (Amendments)	Onerous Contracts — Cost of Fulfilling a Contract	1 May 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 May 2022
HKFRS 17	Insurance Contracts	1 May 2023
Annual Improvements Project	Annual Improvements to HKFRSs 2018–2020 Cycle	1 May 2022
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

None of the above new standards and amendments to existing standards is expected to have a significant effect on the consolidated financial statements of the Group.

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Report.

5 SEGMENT INFORMATION

The executive Directors of the Company have been identified as the chief operating decision-makers of the Group who review the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources. The chief operating decision-makers assess the performance of the Toys Business based on a measure of operating results and consider the Toys Business as a single operating segment. Information reported to the chief operating decision-makers for the purposes of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one operating segment — manufacturing and selling of plastic toy products.

For the six months ended 31 October 2021, revenue by geographical areas is as follows:

	Six months ended 31 October 2021 <i>HK\$'000</i> (unaudited)	Six months ended 31 October 2020 <i>HK\$'000</i> (unaudited)
America	107,068	147,523
Europe	55,592	62,230
Asia Pacific and Oceania	9,237	12,923
Africa	—	279
	<u>171,897</u>	<u>222,955</u>

The analysis of revenue by geographical segment is based on the location of customers.

For the six months ended 31 October 2021, there was one (six months ended 31 October 2020: one) customer which individually contributed over 10% of the Group's total revenue. During the period, the revenue contributed from the customer is as follows:

	Six months ended 31 October 2021 <i>HK\$'000</i> (unaudited)	Six months ended 31 October 2020 <i>HK\$'000</i> (unaudited)
Customer A	<u>48,797</u>	<u>60,303</u>

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	Six months ended 31 October 2021 HK\$'000 (unaudited)	Six months ended 31 October 2020 HK\$'000 (unaudited)
Auditor's remuneration		
— Audit services	725	743
— Non-audit services	208	236
Advertising and promotion expenses	1,258	2,262
Amortisation of intangible assets	6,082	6,081
Bank charges	407	708
Commissions	1,093	3,354
Consumables	3,017	3,706
Cost of inventories sold	83,629	98,986
Custom and declaration handling expenses	969	866
Depreciation of property, plant and equipment	6,460	5,242
Depreciation of right-of-use assets	1,519	1,877
Expenses for short-term and low-value operating leases	2,488	2,404
Licenses fees	6,826	10,780
Logistics and warehousing expenses	4,617	11,574
Other taxes	1,085	1,053
Product testing expenses	1,075	687
Repair and maintenance expenses	1,226	1,423
Staff costs, including Directors' emoluments	43,061	41,052
Subcontracting expenses	784	620
Utilities	5,817	5,899
Other expenses	1,980	2,190
	<u>174,326</u>	<u>201,743</u>

During the six months ended 31 October 2020, the Group received subsidies HK\$1,710,000 from the Hong Kong government for paying wages and salaries of Hong Kong employees. In addition, the government of People's Republic of China exempted the employers in the PRC for making contribution for their employees to the government-supervised schemes.

During the six months ended 31 October 2021, no similar government subsidies mentioned above has been received.

7 INCOME TAX (CREDITS)/EXPENSES

For the six months ended 31 October 2021 and 2020, Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit. The Group's subsidiaries in the PRC are subject to China enterprise income tax at a rate of 25% on estimated assessable profits. The Group's subsidiary in the U.S. is subject to U.S. corporate income tax at progressive tax rates ranged from 5% to 39% on the estimated assessable profit.

The amount of income tax expenses (credited)/charged to the condensed consolidated interim statement of comprehensive income represents:

	Six months ended 31 October 2021 HK\$'000 (unaudited)	Six months ended 31 October 2020 HK\$'000 (unaudited)
Current income tax		
— Current tax on profit for the period	66	772
Deferred income tax	<u>(351)</u>	<u>2,023</u>
Income tax (credits)/expenses	<u><u>(285)</u></u>	<u><u>2,795</u></u>

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the six months ended 31 October 2021 and 2020.

	Six months ended 31 October 2021 (unaudited)	Six months ended 31 October 2020 (unaudited)
(Loss)/profit attributable to the owners of the Company (HK\$'000)	<u><u>(3,314)</u></u>	<u><u>17,499</u></u>
Weighted average number of ordinary shares in issue (<i>in thousand</i>)	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
Basic (loss)/earnings per share (<i>HK cents</i>)	<u><u>(0.3)</u></u>	<u><u>1.7</u></u>

(b) Diluted (loss)/earnings per share

Diluted loss per share for the period ended 31 October 2021 is the same as basic loss per share as there were no potentially dilutive ordinary shares issued.

Diluted earnings per share for the period ended 31 October 2020 is the same as basic earnings per share as the potential ordinary shares in relation to the share options granted to the employees are anti-dilutive and we do not assume any conversion or exercise.

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000 (unaudited)	Furniture and fixtures HK\$'000 (unaudited)	Office equipment HK\$'000 (unaudited)	Motor vehicles HK\$'000 (unaudited)	Plant and machinery HK\$'000 (unaudited)	Moulds and tools HK\$'000 (unaudited)	Moulds work-in- progress HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Six months ended 31 October 2020								
Net book value								
At beginning of the period	2,457	311	267	107	6,557	27,286	10,662	47,647
Addition	1,725	16	35	-	38	352	4,837	7,003
Depreciation (note 6)	(631)	(56)	(98)	(29)	(690)	(3,738)	-	(5,242)
Transfer upon completion	-	-	-	-	-	4,968	(4,968)	-
Exchange differences	78	10	2	4	167	646	325	1,232
At end of the period	<u>3,629</u>	<u>281</u>	<u>206</u>	<u>82</u>	<u>6,072</u>	<u>29,514</u>	<u>10,856</u>	<u>50,640</u>
Six months ended 31 October 2021								
Net book value								
At beginning of the period	2,958	237	136	60	5,495	32,105	9,831	50,822
Addition	715	14	-	-	-	-	2,322	3,051
Depreciation (note 6)	(1,145)	(47)	(56)	(12)	(466)	(4,734)	-	(6,460)
Transfer upon completion	-	-	-	-	-	4,900	(4,900)	-
Impairment losses	(90)	-	-	-	(175)	(1,146)	(259)	(1,670)
Disposal	-	-	(3)	-	(110)	-	-	(113)
Exchange differences	33	2	1	1	44	213	87	381
At end of the period	<u>2,471</u>	<u>206</u>	<u>78</u>	<u>49</u>	<u>4,788</u>	<u>31,338</u>	<u>7,081</u>	<u>46,011</u>

The suppressed sales coupled with a reduced gross profit margin have brought in decline financial results for the Group for the six months ended 31 October 2021. The Group performed an impairment assessment and identified the recoverable amounts of property, plant and equipment fell below the carrying amounts. Accordingly, the Group recognised an impairment loss of property, plant and equipment for approximately HK\$1,670,000 to the interim condensed consolidated statement of comprehensive income for the six months ended 31 October 2021.

10 TRADE AND BILLS RECEIVABLES

	As at 31 October 2021 <i>HK\$'000</i> (unaudited)	As at 30 April 2021 <i>HK\$'000</i> (audited)
Trade and bills receivables	59,092	26,061
Less: loss allowance	(430)	(1,126)
	<u>58,662</u>	<u>24,935</u>

The gross amounts of trade and bills receivables are denominated in the following currencies:

	As at 31 October 2021 <i>HK\$'000</i> (unaudited)	As at 30 April 2021 <i>HK\$'000</i> (audited)
US\$	59,092	25,366
RMB	–	695
	<u>59,092</u>	<u>26,061</u>

The Group grants credit periods to customers ranged from 0 to 180 days. As at 31 October 2021, the ageing analysis of trade and bills receivables in gross amount based on invoice date is as follows:

	As at 31 October 2021 <i>HK\$'000</i> (unaudited)	As at 30 April 2021 <i>HK\$'000</i> (audited)
Up to 3 months	56,562	23,800
Over 3 months	2,530	2,261
	<u>59,092</u>	<u>26,061</u>

11 SHARE CAPITAL

	Number of ordinary shares (in thousand) (unaudited)	Nominal value HK\$'000 (unaudited)
Authorised ordinary shares at HK\$0.1 each: As at 31 October 2021 and 30 April 2021	10,000,000	1,000,000
Ordinary shares issued and fully paid: As at 31 October 2021 and 30 April 2021	1,000,000	100,000

12 TRADE AND BILLS PAYABLES

Trade and bills payables are denominated in the following currencies:

	As at 31 October 2021 HK\$'000 (unaudited)	As at 30 April 2021 HK\$'000 (audited)
US\$	424	7,669
HK\$	9,953	9,943
RMB	2,999	3,250
	13,376	20,862

As at 31 October 2021, the ageing analysis of trade and bills payables based on invoice date is as follows:

	As at 31 October 2021 HK\$'000 (unaudited)	As at 30 April 2021 HK\$'000 (audited)
Within 1 month	3,470	10,545
1 to 2 months	4,731	9,445
2 to 3 months	4,860	430
Over 3 months	315	442
	13,376	20,862

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As mentioned in “Outlook/future Prospects and Strategies” section in 2021 annual report, transportation cost has become as one of the biggest concerns of the importers around the world, especially to our target customers as our ride-on toys are relative bulky in nature or relatively lower value in term of physical size. Ocean freight costs on certain routes have risen by as much as 500% during year 2021. With such high freight rates and shipping congestion issues caused customers hanging back from placing bulk orders and shipping schedule delay during the six months ended 31 October 2021. Accompanying with the continuing impacts of COVID outbreak, Financial year 2022 would be an even much more challenging year for our Group. The Group’s unaudited revenue for the six months ended 31 October 2021 (the “**Review Period**”) was approximately HK\$171.9 million, which was decreased by 22.9% as compared to the corresponding period last year (the “**Last Period**”) (2020: HK\$223.0 million). The loss attributable to equity shareholders for the Review Period amounted to approximately HK\$3.3 million (2020: net profit of HK\$17.5 million).

OPERATING RESULTS

Revenue

Revenue generated from North America decreased by 28.1% to approximately HK\$105.6 million in the Review Period (2020: HK\$146.8 million). Both average selling price and sales orders had decreased. The decrease was mainly attributed to the decrease in revenue from a top developed country in the region and the switching of product mix to products with relatively lower unit price. In addition, as the shipping crisis, namely, the high freight rates, the backlogs at U.S. ports, rail yards and trucking companies expected to derail the holiday toy sales, thus, it mostly hurt the sales performance to North America.

On the other hand, revenue generated from Europe decreased by 10.6% to approximately HK\$55.6 million in the Review Period (2020: HK\$62.2 million). The sales orders from European markets had decreased while the average selling price was relatively stable. The revenue decrease was mainly attributed to the sluggish economy in several developing countries in Eastern Europe.

Revenue generated from 6V rechargeable battery powered ride-ons, which are the relatively high unit price products, decreased from approximately HK\$35.2 million to approximately HK\$27.0 million in the Review Period. Thus, the average selling price in the Review Period is lower than that in the Last Period.

As a result of the above, the Group’s overall revenue decreased by 22.9% to approximately HK\$171.9 million in the Review Period (2020: HK\$223.0 million).

Gross Profit

The Group's gross profit decreased by 65.1% to approximately HK\$16.6 million in the Review Period (2020: HK\$47.5 million). The decrease was attributed to (i) the 22.9% decrease in revenue discussed above; (ii) the currency appreciation of RMB against US\$. As much of our cost is expensed in RMB, our overall production costs increased in the Review Period; (iii) the raw material price inflation affected by the aggressive monetary and fiscal policies from Western countries; and (iv) the absence of social insurance exemption from the government of People's Republic of China as compared to the Last Period. The gross profit margin of the Review Period decreased to 9.7% as compared to 21.3% of the Last Period.

Selling and Distribution Expenses

Selling and distribution expenses dramatically decreased by 69.9% to approximately HK\$4.1 million in the Review Period (2020: HK\$13.6 million). The decrease was in line with the decrease in revenue. In addition, with such an unreasonable and extremely high freight cost mentioned above, the Group decided to stop the domestic business with one of the largest retailer in the U.S. and switching back the shipment to FOB term, i.e., title of goods is transferred to customers once the goods are on board, during the Review Period. Thus, our Group does not have to bear the ocean freight costs for the sales. Therefore, the logistics and warehousing expenses dramatically decreased by 60.3% during the Review Period.

Administrative Expenses

Administrative expenses, including the net impairment losses on financials assets and property, plant and equipment, increased by 23.7% to approximately HK\$16.2 million in the Review Period (2020: HK\$13.1 million). The increase was mainly attributed to (i) the increase in staff costs; (ii) the absence of government subsidies received relating the Employment Support Scheme ("ESS") implemented by the Government of the HKSAR; and (iii) the impairment losses on property, plant and equipment.

Finance Costs

Net finance costs decreased by 66.7% to approximately HK\$0.3 million in the Review Period (2020: HK\$0.9 million). The decrease was attributed to the decrease in average bank borrowings level after receiving the cash proceeds from the disposal of the PRC subsidiary on March 2021.

Income Tax Expenses

The Group recorded income tax credits (net of tax expenses) of approximately HK\$0.3 million for the Review Period whilst the Group recorded income tax expenses of HK\$2.8 million for the Last Period.

The income tax credits for the Review Period were mainly attributable to the operating loss recorded in the Review Period. On the other hand, the income tax expenses for the Last Period were attributable to the operating profit recorded in the Last Period.

Net Profit

As mentioned above, due to the dramatic decrease in revenue of approximately HK\$51.1 million, together with the 8.0% currency appreciation of RMB and absence of government subsidies from the Hong Kong government and the government of PRC, the Group recorded a net loss of approximately HK\$3.3 million for the Review Period (2020: net profit of HK\$17.5 million).

Foreign Currency Exposure

The Group's sales and purchases are mainly denominated in Hong Kong and US Dollar. And for production factory located in the PRC, expenses incurred there are denominated in Renminbi.

Since Hong Kong Dollar remains pegged to US Dollar, the Group does not foresee a substantial exposure in this area, and will closely monitor the trend of Renminbi to see if any action is required.

As at 31 October 2021, the Group had not entered into any financial instrument for the hedging of foreign currency.

OUTLOOK/FUTURE PROSPECTS AND STRATEGIES

While the pandemic continues to linger around the globe, in the past few months a new after effect has emerged that has taken many by surprise. Freight rates have escalated substantially and the availability of containers has become extremely scarce and hard to get. The Company, like many others, rely on containers and sea freight as the only viable means to export the goods to the overseas customers. Although the Group is not responsible to either obtain the containers or pay for the freight, this new shipping disruption phenomenon has adversely impacted the sales since the beginning of the summer.

Many countries outside of China are still dealing with restrictions, a reduced workforce and minimal production. The consequence is that many containers are not turned around fast enough. Massive workforce disruptions due to coronavirus restrictions in North America affected not only ports, but cargo depots all across the country as well as inland transport lines. Without adequate staffing, containers started to pile up.

With difficulties obtaining containers, customers had reduced their shipping demands and many orders were deferred during the peak production season this year. Shipping was generally delayed by a few months and the filling of retail shelves was less than efficient. As the bottleneck has eventually eased and shipments beginning to flow again, with the elevated freight rates many retailers would have no choice but to raise retail prices. The late arrival of goods coupled with the higher retail prices will only translate to heavier than expected inventories as the Management anticipates many of the customers will be sitting on after the Christmas holidays.

Freight rates are not believed to come down any time soon, and with the excessive inventory that retailers have accumulated this year, the Company will be embracing a very challenging 2022. The strong RMB against US\$ and the price increase in many of the raw materials are going to remain obstacles that the Group faces. Business will largely depend on how the shipping crisis develops and remains unpredictable. The Management views the new year as a time to primarily manage cost savings and exploit some new targeted markets where opportunities may still be present.

OTHER INFORMATION

Purchase, Sale or Redemption of Listed Securities

During the six months ended 31 October 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Significant Investment Held

Except for investments in subsidiaries, the Group did not hold any significant investment during the six months ended 31 October 2021.

Interim Dividend

The Board has resolved not to declare any interim dividend in respect of the six months ended 31 October 2021.

Events after the Reporting Period

As of the date of this announcement, there is no significant event occurring after 31 October 2021.

Corporate Governance Code

Throughout the six months ended 31 October 2021, the Company had complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

Code for Dealing in Company's Securities by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"). Having made specific enquiry to each of the Directors, all the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 31 October 2021.

Audit Committee

The Audit Committee of the Company has reviewed with the management the interim results for the six months ended 31 October 2021, the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including a review of the unaudited interim financial information.

Publication of Interim Results Announcement and Interim Report

This announcement is published on the website of the Hong Kong Stock Exchange at (www.hkexnews.hk) and that of the Company at (www.kiddieland.com.hk). The interim report of the Company for the six months ended 31 October 2021 will be despatched to the shareholders of the Company and made available on the website of the Hong Kong Stock Exchange and that of the Company in due course.

Appreciation

On behalf of the Board, I would like to take this opportunity to thank all our shareholders, business partners, customers, suppliers, bankers, the management and staff for their support and contribution to the Group and its business throughout the period.

By Order of the Board
Kiddieland International Limited
Lo Hung
Chairman

Hong Kong, 17 December 2021

As at the date of this announcement, the Board comprises Mr. LO Shiu Kee Kenneth, Ms. LO Shiu Shan Suzanne, Ms. SIN LO Siu Wai Sylvia, Mr. LO Hung and Ms. LEUNG Siu Lin Esther as the Executive Directors and Mr. MAN Ka Ho Donald, Mr. CHENG Dominic and Mr. LEUNG Kwok Wai Gary as the Independent Non-executive Directors.