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Super Strong Holdings Limited

宏強控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8262)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Super Strong Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2019, which have been audited and agreed by the auditor of the Company, together with the audited comparative figures for the year ended 30 June 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

		2019	2018
	Notes	HK\$'000	HK\$'000
Revenue	3	507,796	498,638
Direct costs		(455,991)	(458,470)
Gross profit		51,805	40,168
Interest revenue		380	370
Other incomes, gains and losses		2,309	(4,208)
Administrative expenses		(33,935)	(27,618)
Profit from operation		20,559	8,712
Finance costs		(353)	(159)
Loss/(gain) on disposal of subsidiaries		(197)	2,490
Profit before tax		20,009	11,043
Income tax expenses	4	(4,006)	(2,703)
Profit and total comprehensive income for the year	5	16,003	8,340
Profit and total comprehensive income/ (expense) for the year attributable to:			
Owners of the Company		16,120	8,325
Non-controlling interests		(117)	15
		16,003	8,340
Earnings per share	7		
Basic (HK cents)		2.02	1.04
Diluted (HK cents)		2.01	1.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	<i>Notes</i>	2019 HK\$'000	2018 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		1,739	993
Goodwill		–	4,895
Other intangible assets		–	3,666
Deferred tax assets		170	39
Deposits and prepayments		12,094	11,328
		14,003	20,921
Current assets			
Trade receivables	8	45,680	43,103
Other receivables, deposits and prepayments		1,034	2,401
Contract assets		51,916	65,623
Pledged bank balances		64,543	62,060
Bank balances and cash		93,097	89,573
		256,270	262,760
Current liabilities			
Trade payables	9	22,563	17,504
Other payables, retention payables and accrued charges		71,997	81,481
Contract liabilities		1,935	2,295
Tax payable		4,599	1,032
Bank borrowings		5,000	8,540
		106,094	110,852
Net current assets		150,176	151,908
Total assets less current liabilities		164,179	172,829

		2019	2018
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		–	605
Other payable		–	294
		<u>–</u>	<u>899</u>
Net assets		<u>164,179</u>	<u>171,930</u>
Capital and reserves			
Share capital	10	8,000	8,000
Reserves		<u>156,179</u>	<u>158,516</u>
Equity attributable to owners of the Company		164,179	166,516
Non-controlling interests		<u>–</u>	<u>5,414</u>
Total equity		<u>164,179</u>	<u>171,930</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Attributable to owners of the Company					Subtotal HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital	Share premium	Capital contribution	Share options reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
At 1 July 2017	8,000	40,903	11,572	–	93,379	153,854	–	153,854
Profit and total comprehensive income for the year	–	–	–	–	8,325	8,325	15	8,340
Acquisition of a subsidiary	–	–	–	–	–	–	5,399	5,399
Recognition of equity-settled share-based payments	–	–	–	4,337	–	4,337	–	4,337
Share options forfeited	–	–	–	(688)	688	–	–	–
At 30 June 2018	8,000	40,903	11,572	3,649	102,392	166,516	5,414	171,930
Profit and total comprehensive income/(expense) for the year	–	–	–	–	16,120	16,120	(117)	16,003
Recognition of equity-settled share-based payments	–	–	–	1,543	–	1,543	–	1,543
Share options forfeited	–	–	–	(1,408)	1,408	–	–	–
Disposal of a subsidiary	–	–	–	–	–	–	(5,297)	(5,297)
Final dividend paid	–	–	–	–	(20,000)	(20,000)	–	(20,000)
At 30 June 2019	8,000	40,903	11,572	3,784	99,920	164,179	–	164,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. GENERAL

Super Strong Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 22 September 2015 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) on 30 March 2016 (the “**Listing**”). The registered office of the Company is located at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is located at Unit D, 3/F., Freder Centre, 3 Mok Chong Street, Tokwawan, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are the provision of property construction and building management services in Hong Kong.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 July 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRSs**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years except as stated below.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the consolidated financial statements as follows:

	30 June 2018 HK\$’000
Increase in contract assets	65,623
Decrease in amounts due from customers for contract work	(65,623)
Increase in contract liabilities	2,295
Decrease in amount due to customers for contract work	<u>(2,295)</u>

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from construction and building management services. An analysis of the Group's revenue is as follow:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Construction services	436,947	490,580
Building management services	<u>70,849</u>	<u>8,058</u>
Revenue from contracts with customers	<u>507,796</u>	<u>498,638</u>

Segment information

For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group, which are prepared based on the same accounting policies. Accordingly, the Group presents only one single operating segment and no further analysis is presented.

Geographical information

No geographical information is presented as the Group's revenue are all derived from Hong Kong based on the location of services delivered and the Group's non-current assets are physically located in Hong Kong.

Timing of revenue recognition

All timing of revenue recognition is over time for the year ended 30 June 2019 and 2018.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Customer A	124,120	48,575*
Customer B	6,183*	54,184
Customer C	4,894*	50,360
Customer D	168,397	35,749*
Customer E	<u>15,123*</u>	<u>129,583</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective year.

4. INCOME TAX EXPENSE

	2019 HK\$'000	2018 HK\$'000
Hong Kong Profits Tax:		
Current year	4,198	2,790
Overprovision in prior years	—	(61)
	<u>4,198</u>	<u>2,729</u>
Deferred taxation – current year	(192)	(26)
	<u>4,006</u>	<u>2,703</u>

5. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	2019 HK\$'000	2018 HK\$'000
Auditor's remuneration	850	1,000
Depreciation of plant and equipment	379	257
Amortisation of other intangible assets	373	60
Directors' remuneration	5,255	9,874
Other staff costs:		
Salaries and other benefits	87,333	31,697
Equity-settled share option expense	57	69
Retirement benefit schemes contributions	3,285	1,483
Total staff costs*	<u>95,930</u>	<u>43,123</u>
Lease payments under operating leases in respect of office premises	<u>2,414</u>	<u>1,573</u>

* The staff costs were expensed in direct costs and administrative expenses amounting to HK\$78,042,000 (2018: HK\$28,871,000) and HK\$17,888,000 (2018: HK\$14,252,000) respectively.

6. DIVIDENDS

The 2018 final dividend of HK2.5 cents per ordinary share, in an aggregate amount of HK\$20,000,000 has been declared and paid during 2019.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 30 June 2019 of HK2.5 cents per ordinary share, in an aggregate amount of HK\$20,000,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS PER SHARE

Basic earnings per share

The calculation of the basic and diluted earning per share is based on the following:

	2019 HK\$'000	2018 HK\$'000
Earnings for the purpose of calculating basic and diluted earning per share	<u>16,120</u>	<u>8,325</u>

Number of shares

	2019 '000	2018 '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings for share	800,000	800,000
Effect of dilutive potential ordinary shares – arising from share options	<u>759</u>	<u>1,494</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per shares	<u>800,759</u>	<u>801,494</u>

8. TRADE RECEIVABLES

	2019 HK\$'000	2018 HK\$'000
Trade receivables	50,542	49,627
Less: allowance for bad and doubtful debts	<u>(4,862)</u>	<u>(6,524)</u>
	<u>45,680</u>	<u>43,103</u>

The Group allows a credit period of 30 to 60 days to its customers for construction works, and allows no credit to its customers for building management services. An ageing analysis of the trade receivables, presented based on the invoice date at the end of the reporting period, is as follows:

	2019 HK\$'000	2018 HK\$'000
0 – 30 days	40,863	34,007
31 – 60 days	–	4,860
61 – 180 days	3,015	3,222
181 – 365 days	1,802	125
Over 365 days	<u>–</u>	<u>889</u>
	<u>45,680</u>	<u>43,103</u>

9. TRADE PAYABLES

The credit period granted to the Group by suppliers and subcontractors is 30 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 – 30 days	22,481	17,216
31 – 60 days	3	288
61 – 180 days	–	–
Over 180 days	79	–
	<hr/>	<hr/>
Total	22,563	17,504
	<hr/> <hr/>	<hr/> <hr/>

10. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 July 2017, 30 June 2018 and 30 June 2019	2,000,000,000	20,000
	<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid:		
At 1 July 2017, 30 June 2018 and 30 June 2019	800,000,000	8,000
	<hr/> <hr/>	<hr/> <hr/>

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

BUSINESS REVIEW AND OUTLOOK

During the year, the Group has maintained its active participation in the industry by running over 25 construction projects. We have received some additional variation orders in some projects and also performed tight cost control resulting an improvement of gross profits margins. Reversal of previous doubtful debt has contributed sundry income which has been partly set off by the increased consolidated expenses coming from the disposed subsidiary. As a result, the Group has out-performed last year's performance, achieving HK\$16.0 million profit and total comprehensive income for the year (2018: HK\$8.3 million).

Facing with the keen competition and uncertainties in the economic environment, the Group continues to maintain a healthy liquidity position in its operation by keeping a particularly low level of debts.

Looking forward, the Directors consider that the future opportunities which the Group faces will be affected by the condition of the property market in Hong Kong. The recent political tension in Hong Kong has fueled uncertainty in Hong Kong property market and it will unavoidably slow down the property transactions or giving pricing pressure to property market. It will in turn affect the construction business in Hong Kong. Bearing in mind with the latest environment, we will apply a particularly prudence view in tendering projects. On the other hand, construction works in the newly formed joint venture will expect to start in the coming months, which will contribute additional turnover to our Group in the coming years.

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$498.6 million for the year ended 30 June 2018 to approximately HK\$507.8 million for the year ended 30 June 2019, representing an increase of approximately 1.8%. The increase was mainly attributable to additional revenue from a subsidiary, which had been acquired on 25 May 2018, a date close to year-end for the year ended 30 June 2018, and was subsequently disposed on 14 February 2019 for the year ended 30 June 2019.

Direct Cost

Our direct costs decreased from approximately HK\$458.5 million for the year ended 30 June 2018 to approximately HK\$456.0 million for the year ended 30 June 2019, representing a decrease of approximately 0.5%. Such decrease was mainly attributable to the decrease in construction costs and labour costs during the year ended 30 June 2019.

Gross Profit

Gross profit of the Group increased by approximately 28.9% from approximately HK\$40.2 million for the year ended 30 June 2018 to approximately HK\$51.8 million for the year ended 30 June 2019. The overall gross profit margin increased from approximately 8.1% for the year ended 30 June 2018 to approximately 10.2% for the year ended 30 June 2019. Such increase was mainly attributable to the improvement of gross profit margin of certain projects, in which the Group has received some additional variation orders and also performed tight cost control in operation during the year ended 30 June 2019.

Administrative Expenses

Administrative expenses mainly consist of staff costs, rental expenses, donation and professional fees. Administrative expenses of the Group increased by approximately 22.8% from approximately HK\$27.6 million for the year ended 30 June 2018 to approximately HK\$33.9 million for the year ended 30 June 2019. The increase was mainly attributable to additional expenses from a subsidiary, which had been acquired on 25 May 2018, a date close to year-end for the year ended 30 June 2018, and was subsequently disposed on 14 February 2019 for the year ended 30 June 2019.

Income Tax Expense

Income tax expense of the Group increased by approximately 48.1% from approximately HK\$2.7 million for the year ended 30 June 2018 to approximately HK\$4.0 million for the year ended 30 June 2019. The increase was mainly due to the increase in the Group's taxable profit.

Profit and Total Comprehensive Income for the year ended 30 June 2019 attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company increased by approximately 94.0% from approximately HK\$8.3 million for the year ended 30 June 2018 to approximately HK\$16.1 million for the year ended 30 June 2019. The increase was mainly due to the improvement of gross profit margin of certain projects during the year ended 30 June 2019.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the year ended 30 June 2019. As at 30 June 2019, the Group had bank balances and cash of approximately HK\$93.1 million (30 June 2018: approximately HK\$89.6 million) and pledged bank balances of approximately HK\$64.5 million (30 June 2018: approximately HK\$62.1 million). The total interest-bearing borrowings of the Group as at 30 June 2019 was approximately HK\$5.0 million (30 June 2018: approximately HK\$8.5 million), and the current ratio as at 30 June 2019 was approximately 2.4 times (30 June 2018: approximately 2.4 times).

As at 30 June 2019, the Group had total assets of approximately HK\$270.3 million (30 June 2018: approximately HK\$283.7 million), which is financed by total liabilities and shareholders' equity of approximately HK\$106.1 million (30 June 2018: approximately HK\$111.8 million) and approximately HK\$164.2 million (30 June 2018: approximately HK\$171.9 million), respectively.

GEARING RATIO

The gearing ratio is calculated based on the total loans and borrowings (interest-bearing bank borrowings) divided by total equity as at the respective reporting date. As at 30 June 2019, the Group recorded gearing ratio of approximately 3.0% (30 June 2018: approximately 5.0%), which remained low as the Group had adequate bank balances and cash after the Listing.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 30 June 2019. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors 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

As at 30 June 2019, the Group pledged its bank deposits to a bank of approximately HK\$64.5 million (30 June 2018: approximately HK\$62.1 million) as collateral to secure bank facilities granted to the Group.

As at 30 June 2019, the Group pledged its deposits paid for a life insurance policy with an aggregate net book value of approximately HK\$9.2 million (30 June 2018: approximately HK\$9.0 million) as collateral to secure bank facilities granted to the Group. Also, the performance bonds granted by the banks are secured by the project proceeds from certain construction contracts of the Group.

Save as disclosed above, the Group did not have any charges on its assets.

FOREIGN EXCHANGE EXPOSURE

All of the revenue-generating operations and borrowings of the Group were transacted in Hong Kong Dollars which is the functional currency of all the group entities. For the year ended 30 June 2019, there was no significant exposure to foreign exchange rate fluctuations and the Group had not maintained any hedging policy against the foreign currency risk. The management will consider hedging significant currency exposure should the need arise.

CAPITAL STRUCTURE

As at 30 June 2019, the Company's issued share capital was HK\$8,000,000 and the number of its issued ordinary shares was 800,000,000 of HK\$0.01 each. There was no change in capital structure during the year ended 30 June 2019.

COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of its office premises. The Group's operating lease commitments amounted to approximately HK\$2.3 million as at 30 June 2019 (30 June 2018: approximately HK\$2.9 million). As at 30 June 2019, the Group did not have any capital commitment (30 June 2018: Nil).

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed in note 3 on P.7 of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 17 March 2016 (the "**Prospectus**") and in this announcement, the Group did not have other plans for material investments or capital assets as of 30 June 2019.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 14 February 2019, King Victory Investment Limited as the Vendor, a wholly-owned subsidiary of the Company and Ms. Ng Lai Ching as the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, which represented approximately 49.06% of the entire issued share capital of the disposed company, at a cash consideration of HK\$9,800,000.

CONTINGENT LIABILITIES

As at 30 June 2019, performance guarantee of approximately HK\$13.0 million (30 June 2018: HK\$47.5 million) are given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and their customers for construction work. The Group has contingent liabilities to indemnify the banks for any claims from customers under the guarantee due to the failure of the Group's performance. The performance guarantee will be released upon completion of the contract works.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group employed a total of 62 employees (30 June 2018: 76 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$95.9 million for the year ended 30 June 2019 (30 June 2018: approximately HK\$43.1 million). The increase was mainly attributable to additional costs from a subsidiary which had been acquired on 25 May 2018, a date close to year-end for the year ended 30 June 2018, and was subsequently disposed on 14 February 2019 during the year ended 30 June 2019.

The Group promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of training courses. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual contribution.

SIGNIFICANT INVESTMENTS HELD

Except for investment in its subsidiaries, the Group did not hold any significant investments during the year ended 30 June 2019.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the year ended 30 June 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2019.

CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") in Appendix 15 of the GEM Listing Rules.

The Company had not complied with Provision A.2.1 of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules as Mr. Kwok Tung Kwok ("**Mr. Kwok**") was both the Chairman and Chief Executive Officer of the Company. Mr. Kwok has resigned as the Chief Executive Officer of the Company with effect from 9 August 2019 in order to comply with the relevant provision and Mr. Ko Chun Hay Kelvin ("**Mr. Ko**") has been appointed as the Chief Executive Officer of the Company with effect from 9 August 2019 and will remain as an executive Director of the Company.

Save as disclosed, during the year ended 30 June 2019, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the shares of the Company (the "**Code of Conduct**"). The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the year ended 30 June 2019.

SHARE OPTION SCHEME

The shareholders of the Company approved and adopted the Share Option Scheme by way of written resolutions on 9 March 2016. 26,500,000 share options were outstanding as at 30 June 2018. No share options were exercised, 19,800,000 share options were granted and 10,200,000 share options were cancelled/lapsed during the year ended 30 June 2019. 36,100,000 share options were outstanding as at 30 June 2019.

Details of the movements of share options granted, exercised or cancelled/lapsed during the period and outstanding as at 30 June 2019 are as follows:

Grantee	Date of grant of share options	Exercise price of share options HK\$	Closing price immediately before date of grant HK\$	Exercise period (both dates inclusive)	At 1 July 2018	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Outstanding at 30 June 2019
Mr. Kwok Tung Keung	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	13,000,000	–	–	(5,100,000)	7,900,000
	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	–	7,900,000	–	–	7,900,000
Mr. Ko Chun Hay Kelvin	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	13,000,000	–	–	(5,100,000)	7,900,000
	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	–	7,900,000	–	–	7,900,000
Mr. Woo See Shing	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	–	3,000,000	–	–	3,000,000
Other employee	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	500,000	–	–	–	500,000
	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	–	1,000,000	–	–	1,000,000
Total					<u>26,500,000</u>	<u>19,800,000</u>	<u>–</u>	<u>(10,200,000)</u>	<u>36,100,000</u>

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) with its written terms of reference in compliance with paragraphs C3.3 and C3.7 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group, nominate and monitor external auditors and to provide advices and comments to the Board on matters related to corporate governance. The Audit Committee currently consists of three members, namely Mr. Donald William Sneddon, Mr. So Chi Wai and Ms. Wong Shuk Fong, all being independent non-executive Directors of the Company. Ms. Wong Shuk Fong currently serves as the chairman of the Audit Committee.

The Group’s unaudited consolidated quarterly, interim results and audited consolidated annual results for the year ended 30 June 2019 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Friday, 1 November 2019, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

DIVIDEND

The Board recommended the payment of a final dividend of HK2.5 cents per share for the year ended 30 June 2019 (30 June 2018: HK2.5 cents per share) subject to shareholders' approval at the annual general meeting.

The proposed final dividend will be payable to Shareholders whose names appeared on the register of members of the Company on Monday, 11 November 2019, and are expected to be paid on or about Friday, 15 November 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 29 October 2019 to Friday, 1 November 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 28 October 2019.

Subject to the approval of the shareholders of the Company at the AGM, the register of members of the Company will be closed from Friday, 8 November 2019 to Monday, 11 November 2019, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 7 November 2019.

EVENTS AFTER THE REPORTING PERIOD

On 8 August 2019, a wholly owned subsidiary of the Company, King Victory Investment Limited, (“**KV**”) has entered into the JV Agreement with an independent third party, More Wealth Development Limited (“**MW**”) to form a new joint venture company, Big Bull Financial Services Company Limited (“**JV Company**”), to jointly carry out the business of the development and gardening of the land being owned by MW in Sai Kung, New Territories, Hong Kong, (the “**Lands**”) and operation of leisure paradise. Pursuant to which, the issued share capital of the JV Company is owned as to 65% by KV and 35% by MW, respectively. Upon completion, the JV Company has been accounted as a subsidiary of the Group.

APPRECIATION

The Board would like to extend its sincere thanks to our shareholders, customers, subcontractors and business partners for their continuous support to the Group. We would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year.

By Order of the Board
Super Strong Holdings Limited
Kwok Tung Keung
Chairman

Hong Kong, 23 September 2019

As at the date of this announcement, the executive directors are Mr. Kwok Tung Keung and Mr. Ko Chun Hay Kelvin, the non-executive Director is Mr. Woo See Shing and the independent non-executive Directors are Mr. Donald William Sneddon, Mr. So Chi Wai and Ms. Wong Shuk Fong.

This announcement will remain on the GEM's website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.wmcl.com.hk.