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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 2021**

**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.**

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*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 2021, which have been audited and agreed by the auditor of the Company, together with the audited comparative figures for the year ended 30 June 2020 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 30 June 2021*

	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	3	138,692	217,287
Direct costs		<u>(137,715)</u>	<u>(196,212)</u>
<b>Gross profit</b>		<b>977</b>	21,075
Interest revenue		<b>986</b>	965
Other incomes, gains and (losses)		<b>(7,716)</b>	5,267
Administrative expenses		<u><b>(16,638)</b></u>	<u>(24,586)</u>
<b>(Loss)/profit from operation</b>		<b>(22,391)</b>	2,721
Finance costs		<b>(172)</b>	(244)
Loss on disposal of subsidiaries		<u><b>(1,119)</b></u>	<u>—</u>
<b>(Loss)/profit before tax</b>		<b>(23,682)</b>	2,477
Income tax credit/(expense)	4	<u><b>735</b></u>	<u>(443)</u>
<b>(Loss)/profit and total comprehensive (expense)/ income for the year</b>	5	<u><u><b>(22,947)</b></u></u>	<u><u>2,034</u></u>
<b>(Loss)/profit and total comprehensive (expense)/ income for the year attributable to:</b>			
Owners of the Company		<b>(22,474)</b>	2,363
Non-controlling interests		<u><b>(473)</b></u>	<u>(329)</u>
		<u><u><b>(22,947)</b></u></u>	<u><u>2,034</u></u>
<b>(Loss)/earnings per share</b>	7		
Basic (HK cents)		<u><u><b>(2.81)</b></u></u>	<u><u>0.30</u></u>
Diluted (HK cents)		<u><u><b>(2.81)</b></u></u>	<u><u>0.30</u></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2021*

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Non-current assets</b>			
Plant and equipment		<b>940</b>	1,117
Right-of-use assets		<b>1,368</b>	2,650
Deferred tax assets		<b>50</b>	103
Deposits and prepayments		<b>49,414</b>	12,206
		<b>51,772</b>	16,076
<b>Current assets</b>			
Trade receivables	8	<b>10,405</b>	4,795
Other receivables, deposits and prepayments		<b>20,317</b>	33,443
Contract assets		<b>28,701</b>	35,456
Land for sale under development		–	5,136
Tax recoverable		<b>2,792</b>	–
Pledged bank balances		<b>10,758</b>	15,859
Bank balances and cash		<b>54,780</b>	131,444
		<b>127,753</b>	226,133
<b>Current liabilities</b>			
Trade payables	9	<b>6,595</b>	5,326
Other payables, retention payables and accrued charges		<b>31,584</b>	59,023
Contract liabilities		<b>5,353</b>	5,480
Tax payable		–	5,117
Bank borrowings		<b>5,000</b>	5,000
Lease liabilities		<b>1,293</b>	1,698
		<b>49,825</b>	81,644
<b>Net current assets</b>		<b>77,928</b>	144,489
<b>Total assets less current liabilities</b>		<b>129,700</b>	160,565

		2021	2020
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<u>91</u>	<u>979</u>
<b>Net assets</b>		<u><b>129,609</b></u>	<u>159,586</u>
<b>Capital and reserves</b>			
Share capital	10	8,000	8,000
Reserves		<u>121,609</u>	<u>143,511</u>
Equity attributable to owners of the Company		129,609	151,511
Non-controlling interests		<u>–</u>	<u>8,075</u>
<b>Total equity</b>		<u><b>129,609</b></u>	<u>159,586</u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share premium	Capital contribution	Share options reserve	Retained profits	Subtotal		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2019	8,000	40,903	11,572	3,784	99,920	164,179	–	164,179
Profit and total comprehensive income/(expense) for the year	–	–	–	–	2,363	2,363	(329)	2,034
Recognition of equity-settled share-based payments	–	–	–	1,369	–	1,369	–	1,369
Share options forfeited	–	–	–	(168)	168	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	4	4
Contribution by non-controlling interests	–	–	–	–	3,600	3,600	8,400	12,000
Final dividend paid	–	–	–	–	(20,000)	(20,000)	–	(20,000)
At 30 June 2020	<u>8,000</u>	<u>40,903</u>	<u>11,572</u>	<u>4,985</u>	<u>86,051</u>	<u>151,511</u>	<u>8,075</u>	<u>159,586</u>
At 1 July 2020	<b>8,000</b>	<b>40,903</b>	<b>11,572</b>	<b>4,985</b>	<b>86,051</b>	<b>151,511</b>	<b>8,075</b>	<b>159,586</b>
Loss and total comprehensive expense for the year	–	–	–	–	(22,474)	(22,474)	(473)	(22,947)
Recognition of equity-settled share-based payments	–	–	–	572	–	572	–	572
Disposal of subsidiaries	–	–	–	–	–	–	(7,602)	(7,602)
At 30 June 2021	<u><b>8,000</b></u>	<u><b>40,903</b></u>	<u><b>11,572</b></u>	<u><b>5,557</b></u>	<u><b>63,577</b></u>	<u><b>129,609</b></u>	<u><b>–</b></u>	<u><b>129,609</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

## 1. GENERAL INFORMATION

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 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 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 2020. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); 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.

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 services. An analysis of the Group’s revenue is as follow:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Construction services	<u>138,692</u>	<u>217,287</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 2021 and 2020.

## 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:

	2021 HK\$'000	2020 HK\$'000
Customer A	13,338*	44,325
Customer B	13,540*	30,560
Customer C	6,042*	75,102
Customer D	22,768	175*
Customer E	17,855	100*

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## Construction service fee income

The Group provides construction service to the customers. When the progress towards complete satisfaction of the performance obligations of a construction contract can be measured reasonably, revenue from the contract and the contract costs are recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract. This method provides the most reliable estimate of the percentage of completion.

When the progress towards complete satisfaction of the performance obligations of a construction contract cannot be measured reasonably, revenue is recognised only to the extent of contract costs incurred that is expected to be recoverable.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

The contract price is allocated to the performance obligations based on the relative stand-alone selling prices of the performance obligations. The stand-alone selling prices are determined by applying the expected cost plus a margin approach.

#### 4. INCOME TAX (CREDIT)/EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Current year	33	383
Overprovision in prior years	<u>(821)</u>	<u>(7)</u>
	(788)	376
Deferred taxation – current year	<u>53</u>	<u>67</u>
	<u><u>(735)</u></u>	<u><u>443</u></u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

The income tax (credit)/expense for the year can be reconciled to the (loss)/profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
(Loss)/profit before taxation	<u>(23,682)</u>	<u>2,477</u>
Tax at the domestic tax rate	(3,907)	244
Tax effect of expenses not deductible for tax purpose	2,182	963
Tax effect of income not taxable for tax purpose	(523)	(915)
Tax effect of estimated tax losses not recognised	2,665	178
Tax effect of utilisation of tax losses not previously recognised	(321)	–
Overprovision in prior years	(821)	(7)
Others	<u>(10)</u>	<u>(20)</u>
Income tax (credit)/expense	<u><u>(735)</u></u>	<u><u>443</u></u>



## 5. (LOSS)/PROFIT FOR THE YEAR

	2021 HK\$'000	2020 HK\$'000
The Group's (loss)/profit for the year is stated after charging/ (crediting) the following:		
Auditor's remuneration	755	750
Directors' remuneration	3,514	5,294
Other staff costs:		
Salaries and other benefits	17,388	19,556
Equity-settled share option expense	36	45
Retirement benefit schemes contributions	610	678
Total staff costs*	<u>21,548</u>	<u>25,573</u>
Depreciation of plant and equipment	521	622
Depreciation of right-of-use assets	1,876	958
Gain on disposal of plant and equipment	(9)	(1)
Gain on lease termination	(1)	–
Loss on disposal of subsidiaries	<u>1,119</u>	<u>–</u>

\* The staff costs were expensed in direct costs and administrative expenses amounting to HK\$14,568,000 (2020: HK\$16,225,000) and HK\$6,980,000 (2020: HK\$9,348,000) respectively.

## 6. DIVIDENDS

No dividend was proposed for the years ended 30 June 2021 and 30 June 2020.

## 7. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share is based on the following:

### (Loss)/earnings

	2021 HK\$'000	2020 HK\$'000
(Loss)/earnings for the purpose of calculating basic and diluted earning per share	<u>(22,474)</u>	<u>2,363</u>

### Number of shares

	2021 '000	2020 '000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/earnings per shares	<u>800,000</u>	<u>800,000</u>

## 8. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	14,194	5,251
Less: allowance for bad and doubtful debts	<u>(3,789)</u>	<u>(456)</u>
	<u><b>10,405</b></u>	<u><b>4,795</b></u>

The Group allows a credit period of 30 to 60 days to its customers for construction works. An ageing analysis of the trade receivables, presented based on the invoice date at the end of the reporting period, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 30 days	7,657	4,795
31 – 60 days	886	–
61 – 180 days	<u>1,862</u>	<u>–</u>
	<u><b>10,405</b></u>	<u><b>4,795</b></u>

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly. Approximately 74% (2020: 100%) of trade receivables as at 30 June 2021, that are neither past due nor impaired have good credit quality. These customers have no default of payment in the past.

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK\$2,748,000 (2020: HK\$nil) which are past due at the end of the reporting period, for which the Group has not provided for impairment loss. The directors of the Company consider that these receivables are still recoverable as there has not been a significant change in credit quality of these customers and there are continuous subsequent settlements from these customers. The Group does not hold any collateral over these balances.

The movements in the allowance for doubtful debts during the year are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Balance at beginning of year	456	4,862
Impairment losses recognised	3,399	63
Reversal of impairment losses	<u>(66)</u>	<u>(4,469)</u>
Balance at end of year	<u><b>3,789</b></u>	<u><b>456</b></u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Within 90 days past due	Over 90 days past due	Over 180 days past due	Over 1 year past due	Total
At 30 June 2021						
Weighted average expected loss rate	0%	20%	50%	100%	100%	
Receivable amount (HK\$'000)	7,657	1,107	3,725	1,315	390	14,194
Loss allowance (HK\$'000)	–	221	1,863	1,315	390	3,789
At 30 June 2020						
Weighted average expected loss rate	0%	0%	0%	0%	100%	
Receivable amount (HK\$'000)	4,795	–	–	–	456	5,251
Loss allowance (HK\$'000)	–	–	–	–	456	456

## 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:

	2021 HK\$'000	2020 HK\$'000
0 – 30 days	3,328	2,992
31 – 60 days	–	–
61- 180 days	2,995	–
Over 180 days	272	2,334
Total	6,595	5,326

## 10. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount HK\$'000</b>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 July 2019, 30 June 2020 and 30 June 2021	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 1 July 2019, 30 June 2020 and 30 June 2021	<u>800,000,000</u>	<u>8,000</u>

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

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes bank borrowings, and equity of the Group, comprising issued share capital and reserves. Management of the Group reviews the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through issue of new shares, raise of new borrowings or repayment of existing borrowings.

## **BUSINESS REVIEW AND OUTLOOK**

During the year, the Group has submitted 58 tenders for construction projects in Hong Kong with total sum of HK\$5,363 million. On the other hand, we run about 33 construction projects. Majority of those projects have been substantially completed in previous years. In this final stages of completion, we mainly performed subsequent followed-up works. We start a new construction project in Tung Street during the year and we expect to start to run another 4 new committed projects, with total sum of about HK\$360 million in the coming years.

The market competition in construction market is particularly keen. Although the success rate of our tenders is low, we will still keep a reasonable profit margins for the tenders to avoid taking up any risky projects to affect the financial position of the Group. Facing with keen competition and uncertainties in the economic environment, the Group continues to maintain a healthy financial position in its account by keeping a particularly low level of debt.

Looking forward, the Directors consider that the future business opportunities which the Group faced will be affected by the performance of the property market in Hong Kong. COVID-19 effect has fueled uncertainties in Hong Kong property market and it will unavoidably affect the property construction market. The Group has entered into a turning point by increasingly participating in the investment role of the project, instead of merely taking up a property construction project. In addition, we started to set-up joint venture company for new businesses in financial investment and the Directors are full of confidence to lead the Group into its new realm.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue decreased from approximately HK\$217.3 million for the year ended 30 June 2020 to approximately HK\$138.7 million for the year ended 30 June 2021, representing a decrease of approximately 36.2%. Such decrease were mainly due to a drop of construction orders being taken up during the year together with the COVID-19 affecting delay of committed project.

### **Direct Cost**

Our direct costs decreased from approximately HK\$196.2 million for the year ended 30 June 2020 to approximately HK\$137.7 million for the year ended 30 June 2021, representing a decrease of approximately 29.8%. Such decrease were due to the drop of revenue and an additional followed-up costs involved in the final stage of completion.

## **Gross Profit**

Gross profit of the Group decreased by approximately 95.3% from approximately HK\$21.1 million for the year ended 30 June 2020 to approximately HK\$1.0 million for the year ended 30 June 2021. The overall gross profit margin decreased from approximately 9.7% for the year ended 30 June 2020 to approximately 0.7% for the year ended 30 June 2021. The decrease was mainly due to the additional costs in a few projects arising from variation orders and rectification works at their final stage of completion, and a drop of sales revenue due to the delay of committed projects.

## **Administrative Expenses**

Administrative expenses of the Group decreased by approximately 32.5% from approximately HK\$24.6 million for the year ended 30 June 2020 to approximately HK\$16.6 million for the year ended 30 June 2021. The decrease was mainly attributable to the decrease in business entertainment, charitable donations, professional fees and staff costs, of which including decrease of share-based payment and streamlining staff.

## **Income Tax (Credit)/Expense**

Income tax (credit)/expense of the Group decreased by 2.7 times from an expense of approximately HK\$0.4 million for the year ended 30 June 2020 to a credit of approximately HK\$0.7 million for the year ended 30 June 2021. The decrease was mainly due to the over provision in prior years.

## **Loss and Total Comprehensive Expense for the Year Ended 30 June 2021 Attributable to Owners of the Company**

Loss and total comprehensive expense for the year attributable to owners of the Company was approximately HK\$22.5 million (30 June 2020: profit and total comprehensive income attributable to owners of the Company of approximately HK\$2.4 million). The reason for the change was due to the delay of a committed project due to COVID-19, and additional costs arising from variation orders and rectification works at their final stage of completion.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group maintained a sound financial position during the year ended 30 June 2021. As at 30 June 2021, the Group had bank balances and cash of approximately HK\$54.8 million (30 June 2020: approximately HK\$131.4 million) and pledged bank balances of approximately HK\$10.8 million (30 June 2020: approximately HK\$15.9 million). The total interest-bearing borrowings of the Group as at 30 June 2021 was approximately HK\$5.0 million (30 June 2020: approximately HK\$5.0 million), and the current ratio as at 30 June 2021 was approximately 2.6 times (30 June 2020: approximately 2.8 times).

As at 30 June 2021, the Group had total assets of approximately HK\$179.5 million (30 June 2020: approximately HK\$242.2 million), which was financed by total liabilities and shareholders' equity of approximately HK\$49.9 million (30 June 2020: approximately HK\$82.6 million) and approximately HK\$129.6 million (30 June 2020: approximately HK\$159.6 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 2021, the Group recorded gearing ratio of approximately 3.9% (30 June 2020: approximately 3.1%), which remained low as the Group had adequate cash and bank balances.

## **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 2021. 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 2021, the Group pledged its bank deposits to a bank of approximately HK\$10.8 million (30 June 2020: approximately HK\$15.9 million) as collateral to secure bank facilities granted to the Group.

As at 30 June 2021, the Group pledged its deposits paid for a life insurance policy with an aggregate net book value of approximately HK\$9.4 million (30 June 2020: approximately HK\$9.3 million) as collateral to secure bank facilities granted to the Group. The performance bonds granted by the banks are secured by the project proceeds from certain construction contracts of the Group. Also, the Group has pledged the cash deposits to secure the performance bonds granted by the third parties.

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 2021, 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 2021, 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 2021.

## COMMITMENTS

As at 30 June 2021, the Group did not have any capital commitment (30 June 2020: Nil).

## SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 3 to the consolidated financial statements.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments or capital assets as of 30 June 2021.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 29 December 2020, King Victory Investment Limited (the “**Vendor**”), Solar International Limited (“**Purchaser**”), Grand Paradise Development Company Limited (“**Grand Paradise**”) and Ace Shine Investment Development Limited (“**Ace Shine**”) have entered into the disposal agreement, pursuant to which the Vendor, has agreed to sell, and the Purchaser, has agreed to acquire, the sale shares, representing 65% of the issued share capital of each of Grand Paradise and Ace Shine, at a total consideration of HK\$13,000,000. For details of the transaction, please refer to the announcement of the Company dated 29 December 2020.

## CONTINGENT LIABILITIES

At 30 June 2021, performance guarantees of approximately HK\$10,758,000 (30 June 2020: HK\$nil) given by banks were secured by the Group's trade receivables of HK\$3,429,000 (30 June 2020: HK\$nil), which will be released upon completion of the contract works.

Performance guarantees of approximately HK\$61,412,000 (30 June 2020: HK\$19,566,000) given by third parties were secured by the Group's cash deposits which will be released upon completion of the contract works.

Performance guarantee are given by banks and third parties in favour of the Group's customers as security for the due performance and observance of the Group's obligations under contracts entered into between the Group and their customers for construction work. The Group has contingent liabilities to indemnify the banks and third parties for any claims from customers under the guarantee due to the failure of the Group's performance.



## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2021, the Group employed a total of 48 employees (30 June 2020: 53 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$21.5 million for the year ended 30 June 2021 (30 June 2020: approximately HK\$25.6 million).

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 2021.

## **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 2021.

## **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 2021.

## **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.

During the year ended 30 June 2021, the Company has complied with the CG Code.

## 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 2021.

## SHARE OPTION SCHEME

The shareholders of the Company approved and adopted the Share Option Scheme by way of written resolutions on 9 March 2016. Since the listing date and up to 30 June 2021, a total of 49,200,000 share options to subscribe for 49,200,000 ordinary shares of HK\$0.01 each of the Company, representing approximately 6.2% of the total issued share capital of the Company, were granted to two executive Directors and other employee under the Share Option Scheme.

Details of the movements of share options granted, exercised or cancelled/lapsed during the period and outstanding as at 30 June 2021 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 2020	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding at 30 June 2021
Mr. Kwok Tung Keung	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	7,900,000	–	–	–	7,900,000
	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	7,900,000	–	–	–	7,900,000
	3 March 2020	0.245	0.245	3 March 2020 to 3 March 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	7,900,000	–	–	–	7,900,000
	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	7,900,000	–	–	–	7,900,000
	3 March 2020	0.245	0.245	3 March 2020 to 3 March 2023	7,900,000	–	–	–	7,900,000
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
	3 March 2020	0.245	0.245	3 March 2020 to 3 March 2023	300,000	–	–	–	300,000
Total					<u>49,200,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>49,200,000</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. Ng Man Li 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 2021 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 Wednesday, 3 November 2021, 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 does not recommend the payment of a final dividend for the year ended 30 June 2021 (30 June 2020: HK\$nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 29 October 2021 to Wednesday, 3 November 2021, 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 Thursday, 28 October 2021.

## EVENTS AFTER THE REPORTING PERIOD

A company (“**the Plaintiff**”) commenced a legal action on 13 July 2021 for outstanding payment from W.M. Construction Limited (“**WM Construction**”), an indirect wholly-owned subsidiary of the Company under a sub-contract. WM Construction has found that the Plaintiff’s name is not existed in the Companies Registry and WM Construction had never entered into a sub-contract with the Plaintiff. The lawyer of the Company shall apply to Court to strike out the Plaintiff’s claim on the ground that it is not the proper Plaintiff accordingly.

On 29 July 2021 (after trading hours), the Lender, King Victory Investment Limited, a direct wholly-owned subsidiary of the Company, has entered into the Second Supplemental Agreement with the Borrowers, Mr. Chan Hon Wing and Ms. Yuen Sau Lin Florence, pursuant to which the Lender has agreed to extend the repayment date of the Previous Loan for another 3 months from the 28 July 2021 to 27 October 2021.

Saved as disclosed above, no other material events occurred after the end of the reporting period and up to the date of this announcement.

## 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**  
**Ko Chun Hay Kelvin**  
*Chief Executive officer*

Hong Kong, 23 September 2021

*As at the date of this announcement, the executive Directors are Mr. Kwok Tung Keung, Mr. Ko Chun Hay Kelvin and Ms. Wen Guojing; and the independent non-executive Directors are Mr. Donald William Sneddon, Mr. Ng Man Li and Ms. Wong Shuk Fong.*

*This announcement will remain on the GEM’s website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at [www.wmcl.com.hk](http://www.wmcl.com.hk).*