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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 2018**

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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 and its subsidiaries (collectively refer to as the “**Group**”). 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 for the year ended 30 June 2018, together with the audited comparative figures for the year ended 30 June 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	2018 HK\$'000	2017 HK\$'000
Revenue	3	498,638	651,426
Direct costs		(458,470)	(622,124)
 Gross profit		40,168	29,302
Other income		390	327
Other gains and losses		(1,738)	(180)
Administrative expenses		(27,618)	(22,245)
Finance costs		(159)	(119)
 Profit before taxation	4	11,043	7,085
Income tax expense	5	(2,703)	(1,180)
 Profit and total comprehensive income for the year		8,340	5,905
 Profit and total comprehensive income for the year attributable to:			
Owners of the Company		8,325	5,905
Non-controlling interests		15	—
 8,340		5,905	
 Earnings per share	7		
Basic (HK cents)		1.04	0.74
 Diluted (HK cents)		1.04	0.74

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

		2018	2017
	Notes	HK\$'000	HK\$'000
Non-current assets			
Plant and equipment		993	726
Goodwill		4,895	—
Other intangible assets		3,666	—
Deferred tax assets		39	23
Deposits and prepayments		11,328	8,834
		20,921	9,583
Current assets			
Trade receivables	8	43,103	48,153
Other receivables, deposits and prepayments		2,401	1,973
Amounts due from customers for contract work		65,623	95,501
Pledged bank balances		62,060	77,736
Bank balances and cash		89,573	71,755
		262,760	295,118
Current liabilities			
Trade payables	9	17,504	28,095
Other payables, retention payable and accrued charges		79,706	110,002
Amounts due to customers for contract work		2,295	996
Tax payable		1,032	4,985
Bank borrowings		8,540	5,000
Provisions		1,775	1,769
		110,852	150,847
Net current assets		151,908	144,271
Total assets less current liabilities		172,829	153,854

		2018	2017
	<i>Note</i>	HK\$'000	HK\$'000
Non-current liabilities			
Deferred tax liabilities		605	—
Other payable		294	—
		<hr/> 899	<hr/> —
Net assets		171,930	153,854
Capital and reserves			
Share capital	10	8,000	8,000
Reserves		158,516	145,854
		<hr/> 166,516	<hr/> 153,854
Equity attributable to owners of the Company		5,414	—
Non-controlling interests			
Total equity		171,930	153,854

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital contribution HK\$'000	Share options reserve HK\$'000	Retained profits HK\$'000	Subtotal HK\$'000			
	(note)								
At 1 July 2016	8,000	40,903	11,572	—	87,474	147,949	—	—	147,949
Profit and total comprehensive income for the year	—	—	—	—	5,905	5,905	—	—	5,905
At 30 June 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	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	—	—	—	—
	—	—	—	3,649	688	4,337	5,399	9,736	
At 30 June 2018	8,000	40,903	11,572	3,649	102,392	166,516	5,414	—	171,930

Note: Capital contribution represents (a) the difference of the combined share capital of the operating subsidiaries and the share capital of the Company for shares issued pursuant to a group reorganisation in preparation for listing of the Company's shares; (b) capital contributions from the controlling shareholder of the Company; and (c) a deemed distribution for the financial guarantee provided by a subsidiary of the Group to a related company wholly owned by the controlling shareholder of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

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 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.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (together, the “**Group**”) has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As Part of the Annual Improvements to HKFRSs 2014 – 2016 cycle

Except as disclosed below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to Hong Kong Accounting Standard (“HKAS”) 7 “Disclosure Initiative”

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in a note to the consolidated financial statements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in a note to the consolidated financial statements, the application of these amendments has had no impact on the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts” ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to HKAS 28	As Part of the Annual Improvements to HKFRSs 2014 – 2016 cycle ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective for annual periods beginning on or after a date to be determined.

3. REVENUE AND SEGMENT INFORMATION

Revenue

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 follows:

	2018 HK\$'000	2017 HK\$'000
Construction services	490,580	651,426
Building management services	8,058	—
	498,638	651,426

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 set out in note to the consolidated financial statements. 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 all physically located in Hong Kong.

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:

	2018 HK\$'000	2017 HK\$'000
Customer A	N/A*	95,243
Customer B	54,184	N/A*
Customer C	50,360	N/A*
Customer D	N/A*	270,526
Customer E	129,583	102,533

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

4. PROFIT BEFORE TAXATION

	2018 HK\$'000	2017 HK\$'000
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	1,000	850
Depreciation of plant and equipment	257	211
Amortisation of other intangible assets	60	—
Directors' remuneration	9,874	4,808
Other staff costs:		
Salaries and other benefits	31,697	28,701
Equity-settled share option expense	69	—
Retirement benefit schemes contributions	1,483	1,036
Total staff costs	43,123	34,545
Lease payments under operating leases in respect of office premises	1,573	1,764

5. INCOME TAX EXPENSE

	2018 HK\$'000	2017 HK\$'000
Hong Kong Profits Tax:		
Current year	2,790	1,091
Overprovision in prior years	(61)	—
	2,729	1,091
Deferred taxation — current year	(26)	89
	2,703	1,180

6. DIVIDENDS

No dividend was paid or proposed during the years ended 30 June 2017 and 2018.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 30 June 2018 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 general meeting (2017: nil).

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings

	2018 HK\$'000	2017 HK\$'000
Earnings for the purpose of basic and diluted earnings per share attributable to owners of the Company	<u>8,325</u>	<u>5,905</u>
Number of shares		
Number of ordinary shares for the purpose of calculating basic earnings per share	<u>800,000</u>	800,000
Effect of dilutive potential ordinary shares — share options	<u>1,494</u>	—
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per shares	<u>801,494</u>	<u>800,000</u>

8. TRADE RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Trade receivables	<u>49,627</u>	50,449
Less: allowance for bad and doubtful debts	<u>(6,524)</u>	(2,296)
	<u>43,103</u>	<u>48,153</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:

	2018 HK\$'000	2017 HK\$'000
0 – 30 days	<u>34,007</u>	37,889
31 – 60 days	<u>4,860</u>	856
61 – 180 days	<u>3,222</u>	—
181 – 365 days	<u>125</u>	—
Over 365 days	<u>889</u>	9,408
	<u>43,103</u>	<u>48,153</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:

	2018 HK\$'000	2017 HK\$'000
0 – 30 days	17,216	21,771
31 – 60 days	288	—
61 – 180 days	—	6,324
	17,504	28,095

10. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 July 2016, 30 June 2017 and 30 June 2018	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 1 July 2016, 30 June 2017 and 30 June 2018	<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.

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in general building works and specialised building works in Hong Kong. We generate revenue by provision of general building works and specialised building works which are contracted by our customers on project basis.

The general building works undertaken by us refer to the construction works performed by us at construction sites for residential buildings, commercial buildings, industrial buildings and general superstructure erection, and also include (i) erection of architectural superstructures, and (ii) renovation, fitting out, alteration and addition works. We also undertake specialised building works, which comprise demolition, site formation and foundation works.

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 Directors are of the view that the enormous demand for properties in Hong Kong is the key driver for the growth of the Hong Kong building industry.

With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under such future challenges that are commonly faced by all competitors, and the Group will continue to pursue the following key business strategies: (i) further enhancing our participation in undertaking construction works from both the private sector and the public sector; (ii) further strengthening our manpower through recruiting additional qualified and experienced staff; (iii) maintaining an integrated management system for quality, environment, occupational health and safety management; and (iv) further adhering our one-stop-shop strategy and prudent financial management.

FINANCIAL REVIEW

Revenue

Our revenue decreased from approximately HK\$651.4 million for the year ended 30 June 2017 to approximately HK\$498.6 million for the year ended 30 June 2018, representing a decrease of approximately 23.5%.

Direct Cost

Our direct costs decreased from approximately HK\$622.1 million for the year ended 30 June 2017 to approximately HK\$458.5 million for the year ended 30 June 2018, representing a decrease of approximately 26.3%. Such decrease was in line with the decrease in revenue and was mainly attributable to the decrease in construction costs and labour costs during the year ended 30 June 2018.

Gross Profit

Gross profit of the Group increased by approximately 37.2% from approximately HK\$29.3 million for the year ended 30 June 2017 to approximately HK\$40.2 million for the year ended 30 June 2018. The overall gross profit margin increased from approximately 4.5% for the year ended 30 June 2017 to approximately 8.1% for the year ended 30 June 2018. Such increase was mainly attributable to the increase of gross profit margin of certain projects during the year ended 30 June 2018.

Administrative Expenses

Administrative expenses mainly consist of staff costs, donation and professional fees. Administrative expenses of the Group increased by approximately 24.3% from approximately HK\$22.2 million for the year ended 30 June 2017 to approximately HK\$27.6 million for the year ended 30 June 2018. The increase was mainly attributable to the increase in staff costs, majority of which arrived from share-based payment during the year ended 30 June 2018.

Income Tax Expense

Income tax expense of the Group increased by approximately 125.0% from approximately HK\$1.2 million for the year ended 30 June 2017 to approximately HK\$2.7 million for the year ended 30 June 2018. The increase was mainly due to the increase in our taxable profit.

Profit and Total Comprehensive Income for the year ended 30 June 2018 attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company increased by approximately 40.7% from approximately HK\$5.9 million for the year ended 30 June 2017 to approximately HK\$8.3 million for the year ended 30 June 2018. The increase was mainly due to the increase of gross profit margin of certain projects during the year ended 30 June 2018.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the year ended 30 June 2018. As at 30 June 2018, the Group had bank balances and cash of approximately HK\$89.6 million (30 June 2017: approximately HK\$71.8 million) and pledged bank balances of approximately HK\$62.1 million (30 June 2017: approximately HK\$77.7 million). The total interest-bearing borrowings of the Group as at 30 June 2018 was approximately HK\$8.5 million (30 June 2017: approximately HK\$5.0 million), and the current ratio as at 30 June 2018 was approximately 2.4 times (30 June 2017: approximately 2.0 times).

As at 30 June 2018, the Group had total assets of approximately HK\$283.7 million (30 June 2017: approximately HK\$304.7 million), which is financed by total liabilities and shareholders' equity of approximately HK\$111.8 million (30 June 2017: approximately HK\$150.8 million) and approximately HK\$171.9 million (30 June 2017: approximately HK\$153.9 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 2018, the Group recorded gearing ratio of approximately 5.0% (30 June 2017: approximately 3.2%), 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 2018. 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 2018, the Group pledged its bank deposits to a bank of approximately HK\$62.1 million (30 June 2017: approximately HK\$77.7 million) as collateral to secure bank facilities granted to the Group.

As at 30 June 2018, the Group pledged its deposits paid for a life insurance policy with an aggregate net book value of approximately HK\$9.0 million (30 June 2017: approximately HK\$8.8 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 2018, 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 2018, 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.

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\$2.9 million as at 30 June 2018 (30 June 2017: approximately HK\$1.2 million). As at 30 June 2018, the Group did not have any capital commitment (30 June 2017: Nil).

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 3 to the consolidated financial statements 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 2018.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 28 December 2017, the Company as the vendor, and ADC Engineering Services Limited as the purchaser, an independent third party, entered into the sale and purchase agreement which the purchaser agreed to acquire and the vendor agreed to sell the entire issued share capital of Focus Achieve Limited and its wholly-owned subsidiary (collectively the “**Disposal Group**”) at a consideration of approximately HK\$2.5 million which completed on the same day. Upon completion, the Company has ceased to hold any interest in the Disposal Group and the Disposal Group has ceased to be subsidiaries of the Company.

On 25 May 2018 (after trading hours), the Vendors and the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement, pursuant to which the Vendors agreed to sell, and the Purchaser agreed to purchase, the Sale Share representing approximately 49.06% of the issued share capital of Unimax Property Consultancy Limited (“Unimax”) for the Consideration of HK\$9,800,000.

CONTINGENT LIABILITIES

As at 30 June 2018, performance guarantee of approximately HK\$47.5 million (30 June 2017: HK\$58.9 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 2018, the Group employed a total of 76 employees (30 June 2017: 80 employees). The staff costs, including Directors’ emoluments, of the Group were approximately HK\$43.1 million for the year ended 30 June 2018 (30 June 2017: approximately HK\$34.5 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 2018.

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to 30 June 2018 is set out below:

Business objective as stated in the Prospectus	Business strategy up to 30 June 2018 as stated in the Prospectus	Actual business progress up to 30 June 2018
Enhance our participation in undertaking construction works from both the private sector and the public sector	To undertake more general building works and specialised building works in Hong Kong, with approximately HK\$18.4 million reserved for satisfying potential customers' requirement for performance bonds	Deposits of approximately HK\$18.4 million was reserved for as cash collateral and securities satisfying potential customers' requirement for performance bonds for various projects
Application for the status in Group B in the category of buildings in the List of Approved Contractors for Public works	Application for the status in Group B in the category of buildings in the List of Approved Contractors for Public works	Confirmed in Group B in the category of buildings in the List of Approved Contractors for Public Works
Further strengthening the Group's manpower	To hire and employ a site foreman, a quantity surveyor or a senior accounting manager. To sponsor our staff to attend technical seminars and necessary trainings	The Group has employed a site foreman, a senior quantity surveyor and a senior accounting manager etc and sponsored staff to attend seminars and training courses as demand fit
Improvement of computer equipment, system and software	To purchase and upgrade the computer equipment, system and software	The Group has purchased computers and electronic accessories and upgraded accounting system
Establishing an integrated management system for quality, environment, occupational health and safety management	To apply for the ISO 14000:2004 and OHSAS 18001:2007 certifications	The Group has successfully obtained these certifications

USE OF PROCEEDS

The net proceeds from the Listing, after deducting listing related expenses, were approximately HK\$38.0 million. After the Listing, a part of these proceeds have been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus.

An analysis of the planned usage of net proceeds as stated in the Prospectus and the actual utilisation of the net proceeds from the Listing up to 30 June 2018 are set out as below:

Business strategy as stated in the Prospectus	Planned use of net proceeds as stated in the Prospectus up to 30 June 2018 HK\$'000	Actual use of net proceeds up to 30 June 2018 HK\$'000
Further developing our general building and specialised building business	18,400	18,400
Application for promotion to the confirmation status in Group B in the category of buildings in the List of Approved Contractors for Public works	6,000	6,000
Further strengthening our manpower	3,400	3,400
*Improvement of computer equipment, system and software	1,800	960
Establishing an integrated management system for environmental management, occupational health and safety management	500	182

* Existing computer equipment, system and software are adequately coped with our business needs. The management considers that the existing computer system are not required to change in the coming two years.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

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 2018.

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 2018.

CORPORATE GOVERNANCE CODE

During the year ended 30 June 2018, 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, except for the deviation from CG Code provision A.2.1. Details of the continuing evolution of our corporate governance practices for the year ended 30 June 2018 are set out in the 2018 annual report.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Kwok is the chairman and the chief executive officer of our Company. In view of Mr. Kwok has been operating and managing WM Construction and WM Engineering since 1999 and 2001 respectively, the Board believes that it is in the best interest of our Group to have Mr. Kwok taking up both roles for effective management and business development. The Board considers that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with three of them being Independent Non-executive Directors.

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 2018.

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 the year ended 30 June 2018, a total of 31,500,000 share options to subscribe for 31,500,000 ordinary shares of HK\$0.01 each of the Company, representing approximately 3.9% of the issued share capital of the Company, were granted to three executive Directors and employee under the Share Option Scheme. The exercise price of the Share Options is HK\$0.371 per Share.

Details of the movements of share options granted, exercised or cancelled/lapsed during the period and outstanding as at 30 June 2018 are as follows:

Grantee	Date of grant of share options	Exercise price of share options	Closing price		At 1 July 2017	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding at 30 June 2018
			immediately before date of grant	Exercise period (both dates inclusive)					
			HK\$	HK\$					
Mr. Kwok Tung Keung	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	–	13,000,000	–	–	13,000,000
Mr. Ko Chun Hay Kelvin	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	–	13,000,000	–	–	13,000,000
Mr. Lee Kin Kee	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	–	5,000,000	–	(5,000,000)	–
Other employee	29 November 2017	0.371	0.385	29 November 2017 to 28 November 2022	–	500,000	–	–	500,000
					—	—	—	—	—
Total					—	31,500,000	—	(5,000,000)	26,500,000

As at the date of this announcement, the Company may grant further share options to subscribe for up to 48,500,000 shares, representing approximately 6.1% of the number of shares in issue of the Company pursuant to the Share Option Scheme.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) on 9 March 2016 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 Audit Committee has reviewed this announcement and the audited consolidated results of the Group for the year ended 30 June 2018 and the effectiveness of internal control system.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Thursday, 1 November 2018, 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 2018 (30 June 2017: Nil) subject to shareholders' approval at the annual general meeting.

The proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Friday, 9 November 2018, and are expected to be paid on or about Friday, 30 November 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 29 October 2018 to Thursday, 1 November 2018, both days inclusive, during which period no transfer of the 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 Friday, 26 October 2018.

Subject to the approval of the shareholders of the Company at the AGM, the register of members of the Company will be closed on Thursday, 8 November 2018 and Friday, 9 November 2018, 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 Wednesday, 7 November 2018.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 30 June 2018 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
Kwok Tung Keung
Chairman and Executive Director

Hong Kong, 21 September 2018

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.