

Super Strong Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8262

2022/23

Interim Report



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 medium-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 medium-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 report, 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 report 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 report misleading.*

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 December 2022 (the “**Relevant Period**”), together with the unaudited condensed comparative figures for the six months ended 31 December 2021 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Notes	Three months ended 31 December		Six months ended 31 December	
		2022	2021	2022	2021
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	37,504	25,878	67,910	53,082
Direct costs		(36,308)	(27,522)	(65,993)	(52,205)
Gross profit/(loss)		1,196	(1,644)	1,917	877
Other income	5	320	77	607	153
Administrative expenses		(6,146)	(5,564)	(11,015)	(10,842)
Finance costs – interest expense on bank borrowings		–	(20)	(21)	(42)
Loss before taxation	4	(4,630)	(7,151)	(8,512)	(9,854)
Income tax expense	6	–	–	–	–
Loss and total comprehensive expense for the period		(4,630)	(7,151)	(8,512)	(9,854)
Loss and total comprehensive expense for the period attributable to:					
Owners of the Company		(4,630)	(7,149)	(8,510)	(9,852)
Non-controlling interests		–	(2)	(2)	(2)
		(4,630)	(7,151)	(8,512)	(9,854)
Loss per share					
Basic and diluted (HK cents)	8	(0.58)	(0.89)	(1.07)	(1.23)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 HK\$'000 (Unaudited)	30 June 2022 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	9	1,075	996
Right-of-use assets		2,374	2,374
Equity investment at fair value through other comprehensive income		37	37
Deferred tax assets		14	14
Deposits and prepayments		40,243	40,219
		43,743	43,640
Current assets			
Trade receivables	10	3,357	25,996
Other receivables, deposits and prepayments		23,912	20,945
Contract assets		20,269	27,620
Tax recoverable		–	2,094
Pledged bank balances		10,882	10,764
Bank balances and cash		50,629	39,169
		109,049	126,588
Current liabilities			
Trade payables	11	795	11,269
Other payables, retention payables and accrued charges		24,973	29,354
Contract liabilities		14,514	4,577
Bank borrowings	12	–	5,000
Lease liabilities		1,408	1,408
Tax liabilities		995	–
		42,685	51,608
Net current assets		66,364	74,980
Total assets less current liabilities		110,107	118,620
Non-current liabilities			
Lease liabilities		972	972
Net assets		109,135	117,648
Capital and reserves			
Share capital	13	7,959	8,000
Reserves		101,176	109,646
Equity attributable to owners of the Company		109,135	117,646
Non-controlling interests		–	2
Total equity		109,135	117,648

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

	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 (note)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2022 (audited)	8,000	40,537	11,572	5,916	51,621	117,646	2	117,648
Repurchase of shares	(41)	40	-	-	-	(1)	-	(1)
Loss and total comprehensive expense for the period	-	-	-	-	(8,510)	(8,510)	(2)	(8,512)
At 31 December 2022 (unaudited)	7,959	40,577	11,572	5,916	43,111	109,135	-	109,135
At 1 July 2021 (audited)	8,000	40,903	11,572	5,557	63,577	129,609	-	129,609
Loss and total comprehensive expense for the period	-	-	-	-	(9,852)	(9,852)	(2)	(9,854)
At 31 December 2021 (unaudited)	8,000	40,903	11,572	5,557	53,725	119,757	(2)	119,755

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	Six months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Net cash from (used in) operating activities	16,963	(11,763)
Net cash used in investing activities	(500)	(2)
Net cash used in financing activities	(5,003)	(42)
Net increase/(decrease) in cash and cash equivalents	11,460	(11,807)
Cash and cash equivalents at the beginning of the period	39,169	54,780
Cash and cash equivalents at the end of the period, represented by bank balances and cash	50,629	42,973

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

1. GENERAL

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 the GEM of the Stock Exchange on 30 March 2016 (the "**Listing Date**"). The registered office of the Company is located at PO Box 309, Umland 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 Cheong Street, Tokwawan, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Group's principal activities are the provision of property construction services in Hong Kong.

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

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements of the Group for the Relevant Period are consistent with those applied in the Group's audited financial statements for the year ended 30 June 2022.

HKICPA has issued a number of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRS**") that are first effective or available for early adoption for the Relevant Period. There have been no significant changes to the accounting policies applied in these financial statements for the Relevant Period presented as a result of these developments.

The unaudited condensed consolidated financial statements of the Group for the Relevant Period have been prepared under the historical cost convention.

The unaudited condensed consolidated financial statements for the Relevant Period have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

The preparation of the unaudited condensed consolidated financial statements of the Group for the Relevant Period is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2022 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2022.

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 14 to the condensed consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of the Relevant Period, the Company revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of share options granted is expensed immediately to profit or loss. When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services rendered, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the services.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the construction services provided by the Group to external customers. The Group's operations is solely derived from construction services in Hong Kong for both periods. 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 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 plant and equipment amounting to approximately HK\$1.1 million (30 June 2022: approximately HK\$1.0 million) as at 31 December 2022 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 corresponding periods is as follows:

	For the three months ended		For the six months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	14,699	11,999	20,923	20,967
Customer B	13,106	5,333	27,567	7,344

4. LOSS BEFORE TAXATION

	For the three months ended 31 December		For the six months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss before taxation has been arrived at after charging:				
Auditor's remuneration	188	188	375	375
Directors' remuneration	875	693	1,999	1,968
Other staff costs:				
Salaries and other benefits	4,912	4,830	9,376	9,541
Retirement benefits scheme contributions	135	160	282	324
Total staff costs	5,922	5,683	11,657	11,833
Lease payments under operating leases in respect of land and buildings	447	446	886	885

5. OTHER INCOME

	For the three months ended 31 December		For the six months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Bank interest income	144	2	186	3
Employment Support Scheme	121	-	345	-
Interest income on payment for a life insurance policy	55	75	76	150
	320	77	607	153

6. INCOME TAX EXPENSE

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%.

Income tax has not been provided as the Group did not derive any assessable profits during the Relevant Period (Six months ended 31 December 2021: Nil).

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2022 (Six months ended 31 December 2021: Nil).

8. LOSS PER SHARE

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

	Three months ended 31 December		Six months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss:				
Loss attributable to owners of the Company	(4,630)	(7,149)	(8,510)	(9,852)
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	795,940	800,000	795,940	800,000

9. PLANT AND EQUIPMENT

During the Relevant Period, the Group did not acquire property, plant and equipment (30 June 2022: Nil).

10. TRADE RECEIVABLES

The Group grants credit terms of 30 to 60 days from the date of invoices on progress payments of contract works to its customers. An aged analysis of the trade receivables, presented based on the invoice date at the end of the reporting period, is as follows:

	31 December 2022 HK\$'000 (Unaudited)	30 June 2022 HK\$'000 (Audited)
0-30 days	1,661	17,571
31-60 days	1,696	5,391
61-180 days	–	3,034
	3,357	25,996

11. TRADE PAYABLES

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

	31 December 2022 HK\$'000 (Unaudited)	30 June 2022 HK\$'000 (Audited)
Trade payables:		
0-30 days	472	9,312
31-60 days	–	–
61-180 days	–	1,502
Over 180 days	323	455
	795	11,269

12. BANK BORROWINGS

	31 December 2022 HK\$'000 (Unaudited)	30 June 2022 HK\$'000 (Audited)
Revolving bank borrowings – repayable on demand	–	5,000

13. SHARE CAPITAL

The Company

Details of the share capital of the Company are disclosed as follows:

	Number of shares	Nominal value HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 30 June 2022 and 31 December 2022	2,000,000,000	20,000
<i>Issued and fully paid:</i>		
At 30 June 2022	800,000,000	8,000
At 31 December 2022	795,940,000	7,959

14. SHARE-BASED PAYMENTS TRANSACTIONS

The Company operates a share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentives or rewards to eligible participants for their contribution to the Group pursuant to a resolution passed on 9 March 2016.

The total number of shares (the “**Shares**”) which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date.

Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”), to take up options (the “**Share Options**”) to subscribe for Shares:

- (i) any director, employee, officer, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any entity in which the Company or any subsidiary holds any interest;
- (ii) any discretionary trust the discretionary objects of which include any director, employee, officer, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity; and
- (iii) any corporation wholly-owned by any person mentioned in clause (i) above.

Share Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1.00. An offer may not be accepted by an Eligible Participant who ceases to be an Eligible Participant after an offer is made to him/her but before his/her acceptance. No offer shall be capable of or open for acceptance after the date that falls on expiry of 10 years commencing on the date of which the Share Option Scheme is adopted.

Share Options exercise price is the highest of (i) the nominal value of a share of the Company; (ii) the closing price of the Shares as stated in the daily quotations sheet of Stock Exchange on the date of the offer for granting the Share Options; and (iii) the average price of Shares as stated in the daily quotations sheets on the Stock Exchange.

During the Relevant Period, the Group did not grant the share options (30 June 2021: Nil).

Movement of the Company's Share Options during the Relevant Period are as follows:

	Number of share options
At 1 July 2022	49,200,000
Granted during the period	–
Lapsed during the period	(16,300,000)
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At 31 December 2022	32,900,000
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15. COMMITMENTS

The Group has no outstanding operating lease commitment with regards to the lease payments during the Relevant Period (30 June 2022: Nil).

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management during the Relevant Period and 2021 are as follows:

	Three months ended 31 December		Six months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Short-term benefits	1,120	1,270	1,990	1,959
Post-employment benefits	5	5	9	9
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	1,125	1,275	1,999	1,968
	<hr/>		<hr/>	

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the Relevant Period, the Group has submitted 22 tenders for construction projects in the market. We run 6 main projects and followed up on 7 construction projects which have been substantially completed in previous years. Due to the COVID-19 pandemic, a few committed projects have been delayed, consequently affecting the financial performance of the Group during the Relevant Period.

Facing keen competition and uncertainties in the economic environment, the Group continues to maintain a healthy financial position by keeping a low gearing level in particular.

Looking forward, the Directors consider that the future business opportunities faced by the Group will be affected by the competition in the construction market together with the performance of the property market in Hong Kong. The substantial increase of interest rate by the United States Government and the political instability has fueled uncertainties in Hong Kong property market. From the new ideas of Hong Kong Chief Executive to proactively develop north of Hong Kong, we hope that the number of relevant construction projects will increase in the market and we will catch this opportunity to actively participate in the expected new projects in this area.

In line with the Group's business strategy, the Group is also exploring modular integrated construction (MiC) work opportunities in relation to transitional housing projects of the Hong Kong Government. The Group anticipates that these opportunities will bring in more revenue to the Group in coming years if relevant contracts are secured.

On the other hand, the Group will continue to diversify its businesses and seek for lucrative business opportunities in other business areas for the benefits of the shareholders as a whole. We will continue to explore new business and investment opportunities that may generate return to the shareholders of the Group through acquisitions or strategic cooperation with partners in different field of businesses, so as to strengthen the Group's profitability in long run.

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$53.1 million for the six months ended 31 December 2021 to approximately HK\$67.9 million for the six months ended 31 December 2022, representing an increase of approximately 27.9%. Such increase was due to an increase of a number of construction projects being conducted during the Relevant Period.

Direct Cost

Our direct costs increased from approximately HK\$52.2 million for the six months ended 31 December 2021 to approximately HK\$66.0 million for the six months ended 31 December 2022, representing a increase of approximately 26.4%. Such increase was in line with the increase in revenue during the Relevant Period.

Gross Profit

Gross profit of the Group amounts to HK\$1.9 million during the Relevant Period (Six months ended 31 December 2021: HK\$0.9 million). The increase was due to increase in revenue during the Relevant Period.

Administrative Expenses

Administrative expenses of the Group increased by approximately 1.9% from approximately HK\$10.8 million for the six months ended 31 December 2021 to approximately HK\$11.0 million for the six months ended 31 December 2022. There was no material fluctuation in the administrative expenses.

Income Tax Expense

There was no income tax expense of the Group during the Relevant Period (Six months ended 31 December 2021: Nil), as the Group has recorded loss.

Loss and total comprehensive expense for the six months ended 31 December 2022 attributable to owners of the Company

Loss and total comprehensive expense for the period attributable to owners of the Company was approximately HK\$8.5 million (Six months ended 31 December 2021: approximately HK\$9.9 million). Such decrease was attributable to the some of the projects have relatively low gross profit margins during the Relevant Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy liquidity position during the Relevant Period. As at 31 December 2022, the Group had bank balances and cash of approximately HK\$50.6 million (30 June 2022: approximately HK\$39.2 million) and pledged bank balances of approximately HK\$10.9 million (30 June 2022: approximately HK\$10.8 million). The Group had no interest-bearing borrowings as at 31 December 2022 (30 June 2022: approximately HK\$5.0 million). The current ratio as at 31 December 2022 was approximately 2.6 times (30 June 2022: approximately 2.5 times). The Group has placed a cash performance bond amounting to HK\$30.0 million with a employer to secure a project.

As at 31 December 2022, the Group had total assets of approximately HK\$152.8 million (30 June 2022: approximately HK\$170.2 million), which was financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK\$43.7 million (30 June 2022: approximately HK\$52.6 million) and approximately HK\$109.1 million (30 June 2022: approximately HK\$117.6 million), respectively.

GEARING RATIO

The gearing ratio is calculated based on the total loans and borrowings (interest-bearing bank borrowings and bank overdrafts) divided by total equity as at the respective reporting date. As at 31 December 2022, the Group did not have recorded gearing ratio (30 June 2022: approximately 4.2%).

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 31 December 2022. 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 31 December 2022, the Group pledged its bank deposits to a bank of approximately HK\$10.9 million (30 June 2022: approximately HK\$10.8 million) as collateral to secure bank facilities granted to the Group.

As at 31 December 2022, the Group pledged its deposits paid for a life insurance policy with an aggregate net book value of approximately HK\$9.5 million (30 June 2022: approximately HK\$9.1 million) as collateral to secure bank facilities granted to 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 six months ended 31 December 2022, 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

There has been no change in the capital structure of the Group for the six months ended 31 December 2022.

As at 31 December 2022, the Company's issued share capital was HK\$7,959,400 and the number of its issued ordinary shares was 795,940,000 of HK\$0.01 each.

COMMITMENTS

As at 31 December 2022, the Group did not have any capital commitment (30 June 2022: Nil).

SEGMENTAL INFORMATION

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any future plans for material investments or capital assets as at 31 December 2022.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Relevant Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2022, there is no performance guarantees given by banks (30 June 2022: Nil) and there is no pledge of Group's trade receivables (30 June 2022: Nil).

Performance guarantees of approximately HK\$46,787,000 (30 June 2022: HK\$46,787,000) 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. At the end of both reporting periods, the directors of the Company do not consider it is probable that a claim will be made against the Group. Save as the above, the Group had no material contingent liabilities (30 June 2022: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group employed a total of 44 employees (31 December 2021: 48 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$11.7 million for the six months ended 31 December 2022 (31 December 2021: approximately HK\$11.8 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 Relevant Period.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares or Debentures

As at 31 December 2022, the interests and short positions of the Directors and chief executives of the Company in the Shares of the Company (the "**Shares**"), the underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive was taken or deemed to have under such provision of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares

Name of Director	Nature of interest	Number of the Shares held/ interested in	Number of share options	Percentage of shareholding (approximately)
Mr. Kwok Tung Keung ("Mr. Kwok")	Interest in controlled corporation (Note 1)	250,000,000	-	31.41%
	Beneficial owner	-	15,800,000	1.99%
Mr. Ko Chun Hay Kelvin	Beneficial Owner	149,500,000	-	18.78%
	Beneficial Owner	-	15,800,000	1.99%

Note:

1. Mr. Kwok beneficially owns 100% of the issued share capital of Best Brain Investments Limited ("Best Brain"). By virtue of the SFO, Mr. Kwok is deemed to be interested in the same number of the Shares held by Best Brain.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held/ interested in	Percentage of shareholding
Mr. Kwok	Best Brain	Beneficial owner	7,500	100%

Save as disclosed above, as at 31 December 2022, none of the Directors nor chief executive of the Company has registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares or Underlying Shares

So far as the Directors are aware, as at 31 December 2022, the following persons (other than the Directors or chief executive of the Company) or companies were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

Name of shareholder	Nature of interest	Number of the Shares held/ interested in	Long/short position	Percentage of total issued share capital of the Company
Best Brain	Beneficial owner	250,000,000	Long	31.41%
Ning Xu Zhan	Beneficial owner	113,840,000	Long	14.30%
Liu Long	Beneficial owner	60,000,000	Long	7.54%
Ye Shanmin	Beneficial owner	60,000,000	Long	7.54%

Save as disclosed above, as at 31 December 2022, the Directors were not aware of any other persons or companies who had any interest or short position in the Shares or underlying Shares of the Company that was required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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 Relevant Period.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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 Relevant Period, the Company has complied with the relevant rules in CG Code.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standards of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. 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 Relevant Period.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2022.

EVENT AFTER THE REPORTING PERIOD

After the date of this report, save as disclosed in this report, the Board is not aware of any significant events after the reporting period that requires disclosure.

SHARE OPTION SCHEME

The shareholders of the Company approved and adopted the Share Option Scheme by way of written resolutions on 9 March 2016. 32,900,000 share options were outstanding as at 31 December 2022.

Details of the movements of share options granted, exercised or cancelled/lapsed during the Relevant Period and outstanding as at 31 December 2022 are as follows:

Grantee	Date of grant of share options	Exercise price of share options	Closing price immediately before date of grant	Exercise period (both dates inclusive)	At 1 July 2022	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding at 31 December 2022
		HK\$	HK\$						
Mr. Kwok Tung Keung, executive Director	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	1 January 2021 to 3 March 2023	7,900,000	-	-	-	7,900,000
Mr. Ko Chun Hay Kelvin, executive Director	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	1 January 2021 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	1 January 2021 to 3 March 2023	300,000	-	-	-	300,000
Total					49,200,000	-	-	16,300,000	32,900,000

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 5 years from the date of grant subject to the provisions of early termination thereof.

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 system 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 consists of three members, namely Ms. Wong Shuk Fong, Mr. Ng Man Li and Mr. Donald William Sneddon, 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 report and the unaudited condensed consolidated results of the Group for the six months ended 31 December 2022 and the effectiveness of internal control system. The Audit Committee is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

By Order of the Board
Super Strong Holdings Limited
Ko Chun Hay Kelvin
Chief Executive Officer

Hong Kong, 13 February 2023

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