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Sheung Moon Holdings Limited

常滿控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8523)

QUARTERLY UPDATE ON BUSINESS OPERATIONS AND PROGRESS OF RESUMPTION

This announcement is made by Sheung Moon Holdings Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) pursuant to Rule 17.26A of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 24 October 2022 in relation to inside information and resumption guidance of the Company; (ii) the supplemental announcement of the Company dated 26 October 2022 in relation to the Annual Report for the year ended 31 March 2022 (the “**Supplemental Announcement**”); (iii) the announcement of the Company dated 14 November 2022 in relation to the quarterly update on business operations and progress of resumption; (iv) the clarification announcement of the Company dated 2 December 2022 (the “**Clarification Announcement**”); and (v) the announcement of the Company dated 14 February 2023 in relation to the quarterly update on business operations and progress of resumption (collectively, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as defined in the Announcements, unless stated otherwise.

UPDATE ON RESUMPTION PROGRESS

The Company would like to provide the following updates to its shareholders and potential investors in respect of the latest progress for the fulfilment of the Resumption Guidance issued by the Stock Exchange.

To address the issues giving rise to the Disclaimer of Opinion and etc.

The Company has published the Supplemental Announcement (as further supplemented by the Clarification Announcement) to provide further information in relation to the issues giving rise to the Disclaimer of Opinion and disclose information to enable investors to make an informed assessment of its financial positions as required under Rule 17.49B of the GEM Listing Rules.

As at the date of this announcement:

- (i) with regard to the material uncertainty related to going concern basis:
 - (a) certain new constructions projects have been engaged by the Group on a sub-contracting basis to secure the gross profit and cost incurred for effectively managing the operating risk, the expected gross profit and cashflow of the Group;
 - (b) the Group is still in the course of finalizing the negotiation with potential investors regarding investment to be made in the Group. As at the date of this announcement, negotiation is still ongoing and no commitment nor formal agreement have been reached;
 - (c) the Group has submitted construction tenders for both public and private sectors. It is expected that awarded tender will bring revenue and positive cashflow to the Group.
- (ii) with regard to the revenue and contract assets:
 - (a) the Group is still proactively discussing with its main contractors to finalize the construction projects for realization of remaining sum of the contract assets for the year ended 31 March 2022, which is expected to be completed in the upcoming one to two months.
- (iii) with regard to the direct costs and trade payables:
 - (a) the Company continues to communicate with its trade creditor to confirm balance on a quarterly basis, for aligning or reconciling the trade payable outstanding balance.

- (iv) with regard to the property, plant and equipment and right-of-use assets:
- (a) the Company continues to review the estimated useful life of PPE and ROU taking into account of their heavy use at the respective relevant projects (such as site formation projects), by getting project managers to report the usage and condition of PPE and ROU on a quarterly basis;
 - (b) the Group continues to implement a procedure to re-assess the carrying amounts of the property, plant and equipment and right-of-use assets by way of obtaining multiple quotations in respect of each material property, plant and equipment and right-of-use assets on a quarterly basis.

The auditor of the Company is currently carrying out the annual audit of its annual results for the year ended 31 March 2023.

To publish all outstanding financial results and address any audit modifications

The Company confirms that, as at the date of this announcement, it has published all outstanding financial results and reports of the Company.

The Company currently expects to publish the annual results announcement for the year ended 31 March 2023 in accordance with Rule 18.49 of the GEM Listing Rules.

To demonstrate compliance with Rule 17.26 of the GEM Listing Rules

The Group is principally engaged as a subcontractor for civil engineering construction works in both public and private sectors in Hong Kong. Since the suspension of trading of the shares in the Company on 15 August 2022 and up to the date of this announcement, the Group has continued its normal business operations. As of the date of this announcement, the Group has maintained sufficient level of operations to warrant the continued listing of its shares, commenced new construction projects and undertaken negotiations with various potential investors regarding investment to be made in the Group.

To inform the market of all material information for shareholders and investors to appraise the Company's position

Since the suspension of trading of the shares in the Company, the Company has kept its shareholders and potential investors informed of all material information in relation to the Resumption Guidance and any relevant updates and progress by way of announcements. The Company will continue to keep its shareholders and potential investors abreast of any relevant material development by making further announcement(s) as and when appropriate in accordance with the requirements under the GEM Listing Rules.

BUSINESS OPERATIONS

As at the date of this announcement, the Group continues to carry on its normal business as a subcontractor for civil engineering construction works.

The Board remains committed to improving the long-term financial performance and business operations of the Group over time with a view to fulfil the requirements set out in the Resumption Guidance.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9 a.m. on 15 August 2022 as required under Rule 17.49B of the GEM Listing Rules and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Sheung Moon Holdings Limited
Tang Sze Wo
Executive Director and Chairman

Hong Kong, 12 May 2023

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely, Mr. Tang Sze Wo, Mr. Lai Yung Sang and Mr. Tang Siu Tim and three independent non-executive directors, namely, Dr. Wong Kwok Yiu Chris, Mr. Wong Choi Chak and Mr. Leung Kim Hong.

This announcement, for which the directors of 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 for the purpose of giving information with regard to the Company. The directors of the Company, 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.

This announcement will remain on the “Latest Listed Company Information” page on the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at <http://www.smcl.com.hk>.