

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2024

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

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

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

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

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2024 (the “**Reporting Period**”), which have been audited and agreed by the auditor of the Company, together with the audited comparative figures for the year ended 30 June 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3	90,277	116,132
Direct costs		<u>(80,311)</u>	<u>(110,111)</u>
Gross profit		9,966	6,021
Interest revenue		2,207	1,815
Other incomes, gains and (losses)	4	(9,398)	(3,585)
Administrative expenses		<u>(22,213)</u>	<u>(18,245)</u>
Loss from operation		(19,438)	(13,994)
Finance costs		(123)	(82)
Gain on disposal of subsidiaries		<u>279</u>	<u>–</u>
Loss before tax		(19,282)	(14,076)
Income tax credit/(expense)	5	<u>37</u>	<u>(5)</u>
Loss for the year	6	<u>(19,245)</u>	<u>(14,081)</u>

	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive (expense)/income after tax:		
<i>Item that will not be reclassified to profit or loss:</i>		
– Fair value changes of equity investment at fair value through other comprehensive income	–	(35)
<i>Items that may be reclassified to profit or loss:</i>		
– Exchange differences on translating foreign operations	–	1
– Exchange differences reclassified to profit or loss on disposal of subsidiaries	(1)	–
	(1)	1
Other comprehensive expense for the year, net of tax	(1)	(34)
Total comprehensive expense for the year	(19,246)	(14,115)
Loss for the year attributable to:		
Owners of the Company	(19,242)	(14,079)
Non-controlling interests	(3)	(2)
	(19,245)	(14,081)
Total comprehensive expense for the year attributable to:		
Owners of the Company	(19,243)	(14,113)
Non-controlling interests	(3)	(2)
	(19,246)	(14,115)
Loss per share	8	
Basic (HK cents)	(2.42)	(1.77)
Diluted (HK cents)	(2.42)	(1.77)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		983	800
Right-of-use assets		2,561	1,869
Deferred tax assets		77	19
Deposits and prepayments		34,263	34,206
		37,884	36,894
Current assets			
Trade receivables	9	28,290	7,386
Other receivables, deposits and prepayments		17,145	25,411
Contract assets		18,486	18,582
Pledged bank balances		11,572	11,093
Time deposit		6,000	–
Bank balances and cash		17,085	45,535
		98,578	108,007
Current liabilities			
Trade payables	10	19,491	5,936
Other payables, retention payables and accrued charges		28,460	26,121
Contract liabilities		1,185	6,966
Tax payable		328	307
Lease liabilities		1,449	1,541
		50,913	40,871
Net current assets		47,665	67,136
Total assets less current liabilities		85,549	104,030

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Lease liabilities		<u>1,118</u>	<u>356</u>
Net assets		<u>84,431</u>	<u>103,674</u>
Capital and reserves			
Share capital	<i>11</i>	7,959	7,959
Reserves		<u>76,472</u>	<u>95,715</u>
Equity attributable to owners of the Company		84,431	103,674
Non-controlling interests		<u>–</u>	<u>–</u>
Total equity		<u>84,431</u>	<u>103,674</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Attributable to owners of the Company							Subtotal	Non-controlling interests	Total
	Share capital	Share premium	Capital contribution	Share options reserve	Revaluation reserve	Translation reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2022	8,000	40,537	11,572	5,916	-	-	51,621	117,646	2	117,648
Total comprehensive expense for the year	-	-	-	-	(35)	1	(14,079)	(14,113)	(2)	(14,115)
Recognition of equity-settled share-based payments	-	-	-	141	-	-	-	141	-	141
Lapse of share options	-	-	-	(3,921)	-	-	3,921	-	-	-
Cancellation of repurchased shares	(41)	41	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	35	-	(35)	-	-	-
At 30 June 2023	<u>7,959</u>	<u>40,578</u>	<u>11,572</u>	<u>2,136</u>	<u>-</u>	<u>1</u>	<u>41,428</u>	<u>103,674</u>	<u>-</u>	<u>103,674</u>
At 1 July 2023	7,959	40,578	11,572	2,136	-	1	41,428	103,674	-	103,674
Total comprehensive expense for the year	-	-	-	-	-	(1)	(19,242)	(19,243)	(3)	(19,246)
Lapse of share options	-	-	-	(2,136)	-	-	2,136	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	3	3
At 30 June 2024	<u>7,959</u>	<u>40,578</u>	<u>11,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,322</u>	<u>84,431</u>	<u>-</u>	<u>84,431</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

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, Uglan 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 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 2023. 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:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Construction services	<u>90,277</u>	<u>116,132</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 years ended 30 June 2024 and 2023.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	13,836	33,594
Customer B	12,044	50,426
Customer C	9,245	9,976*
Customer D	14,636	76*
Customer E	<u>26,528</u>	<u>N/A</u>

* 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. OTHER INCOMES, GAINS AND (LOSSES)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Exchange loss	(34)	(13)
Gain on disposal of plant and equipment	–	6
Gain on lease termination	7	–
Government subsidy	–	348
Loss on litigation	(9,300)	–
(Provision)/reversal of allowance for bad and doubtful debts for trade receivables, net	(581)	2,352
Provision of allowance for bad and doubtful debts for other receivables	(450)	–
Reversal/(provision) of allowance for bad and doubtful debts for contract assets, net	960	(6,344)
Sundry income	–	66
	<u>(9,398)</u>	<u>(3,585)</u>

5. INCOME TAX (CREDIT)/EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current year	21	–
– Under-provision in prior years	–	10
	<u>21</u>	<u>10</u>
Deferred taxation – current year	(58)	(5)
	<u>(37)</u>	<u>5</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%.

Hong Kong Profit Tax has been provided at the rate of 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profit over HK\$2 million for the year ended 30 June 2024. No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2023 as the Group did not generate any assessable profits arising in Hong Kong during that year.

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	<u>(19,282)</u>	<u>(14,076)</u>
Tax at the domestic tax rate	(3,181)	(2,323)
Tax effect of expenses not deductible for tax purpose	261	1,353
Tax effect of income not taxable for tax purpose	(291)	(538)
Tax effect of estimated tax losses not recognised	3,206	1,503
Tax effect of utilisation of tax losses not previously recognised	(5)	–
Tax effect of two-tiered profits tax rates regime	(24)	–
Under-provision in prior years	–	10
Others	(3)	–
	<u> </u>	<u> </u>
Income tax (credit)/expense	<u>(37)</u>	<u>5</u>

6. LOSS FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The Group's loss for the year is stated after charging/(crediting) the following:		
Auditor's remuneration	650	688
Directors' remuneration	7,272	3,884
Other staff costs:		
Salaries and other benefits	12,344	16,310
Equity-settled share option expense	–	5
Retirement benefit schemes contributions	350	522
Total staff costs*	<u>19,966</u>	<u>20,721</u>
Depreciation of plant and equipment	419	575
Depreciation of right-of-use assets	1,685	1,655
Gain on disposal of plant and equipment	–	(6)
Gain on lease termination	(7)	–
Gain on disposal of subsidiaries	<u>(279)</u>	<u>–</u>

* The staff costs were expensed in direct costs and administrative expenses amounting to HK\$9,777,000 (2023: HK\$12,488,000) and HK\$10,189,000 (2023: HK\$8,233,000) respectively.

7. DIVIDENDS

No dividend was proposed for the years ended 30 June 2024 and 30 June 2023.

8. LOSS PER SHARE

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

Loss

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the purpose of calculating basic and diluted loss per share	<u>(19,242)</u>	<u>(14,079)</u>

Number of shares

	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>795,940</u>	<u>795,940</u>

9. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	29,943	8,458
Less: allowance for bad and doubtful debts	<u>(1,653)</u>	<u>(1,072)</u>
	<u>28,290</u>	<u>7,386</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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	28,290	5,780
31 – 60 days	–	1,232
61 – 180 days	<u>–</u>	<u>374</u>
	<u>28,290</u>	<u>7,386</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 100% (2023: 78%) of trade receivables as at 30 June 2024, 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\$nil (2023: HK\$1,606,000) 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:

	2024	2023
	HK\$'000	HK\$'000
Balance at beginning of year	1,072	3,424
Provision/(reversal) of impairment losses recognised, net	581	(2,352)
	<u>1,653</u>	<u>1,072</u>
Balance at end of year	1,653	1,072

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 2024						
Weighted average expected loss rate	0%	0%	0%	0%	100%	
Receivable amount (HK\$'000)	28,290	-	-	-	1,653	29,943
Loss allowance (HK\$'000)	-	-	-	-	1,653	1,653
At 30 June 2023						
Weighted average expected loss rate	0%	20%	50%	0%	100%	
Receivable amount (HK\$'000)	5,780	1,540	748	-	390	8,458
Loss allowance (HK\$'000)	-	308	374	-	390	1,072

10. 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	19,491	5,654
31 – 60 days	–	32
61- 180 days	–	–
Over 180 days	–	250
	<u>19,491</u>	<u>5,936</u>
Total	<u><u>19,491</u></u>	<u><u>5,936</u></u>

11. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	2,000,000,000	20,000
Issued and fully paid:		
At 1 July 2022	800,000,000	8,000
Cancellation of repurchased shares (<i>note</i>)	(4,060,000)	(41)
At 30 June 2023, 1 July 2023 and 30 June 2024	<u>795,940,000</u>	<u>7,959</u>

Note: The Company's annual general meeting approved a share repurchase plan on 3 November 2021, pursuant to which the Company is allowed to repurchase a maximum of 80,000,000 ordinary shares, being 10% of fully-paid issued shares of the Company on GEM. For the year ended 30 June 2022, the Company repurchased an aggregate of 4,060,000 shares at an average price of HK\$0.09 for an aggregate consideration of HK\$366,000 under this share repurchase plan, among which 4,060,000 shares are not cancelled. On 12 July 2022, the Company cancelled 4,060,000 shares. The total amount paid to acquire the shares has been deducted from the share capital and share premium account.

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.

12. LITIGATIONS

Sanctioned payment to a sub-contractor

There was a legal action by a sub-contractor ("**the Plaintiff**") against another sub-contractor ("**the 1st Defendant**") and W.M. Construction Limited ("**the 2nd Defendant**"), an indirect wholly-owned subsidiary of the Company, for a total sum of HK\$10,328,249.29 being an alleged outstanding payment owed to the Plaintiff. The management offered a sanctioned payment of HK\$9,300,000 to court for the final settlement of the claim. On 9 February 2024, the Plaintiff accepted the payment into court totaling HK\$9,300,000 in settlement of the whole of the claim.

Loan to third parties

On 5 December 2022, King Victory Investment Limited ("**KV**"), a wholly owned subsidiary of the Group, commenced a legal action for the outstanding loan amounting to HK\$15,000,000, related interest and costs of the action from Mr. Chan Hon Wing and Ms. Yuen Sau Lin Florence (the "**Borrowers**"). On 19 July 2023, KV received a written judgment (the "**Judgment**") from the Registrar of the High Court which states the Borrowers need to pay the outstanding amounts, interest and legal costs to KV. On 3 September 2024, the Court of Appeal dismissed the Borrowers' application for stay of execution of the Judgment.

Claim

On 21 August 2024, More Wealth Development Limited (the “**Plaintiff**”) made a claim to KV arose from a joint venture agreement. The Plaintiff states KV breached the clauses of the joint venture agreement and claims against KV for damages, interest, costs and further and/or other relief. As the legal proceeding is at the beginning stage, the outcome is undetermined at the moment. The directors of the Company do not expect that the outcome of this legal proceeding will have a material adverse effect on the Group’s financial position or results of operations.

13. EVENT AFTER THE REPORTING PERIOD

On 5 June 2024 (after trading hours), the Company and a merchant (the “**Vendor**”) entered into the sale and purchase agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the 45% of the entire equity interest in the target company at a consideration of up to HK\$4,500,000 (including the initial consideration of HK\$3,500,000, if any, the earn-out consideration A of HK\$500,000 and, if any, the earn-out consideration B of HK\$500,000). On 4 July 2024, the Company completed the acquisition transaction.

BUSINESS REVIEW AND OUTLOOK

Over the course of the Reporting Period, the Group actively pursued a range of business opportunities, submitting 28 tenders for construction projects totaling approximately HK\$2,510.7 million. Given the challenging economic conditions, the Group adopted a cautious strategy, concentrating on tenders that offered reasonable profit margins to mitigate operational risks and reduce overall risk exposure. However, due to increased competition and a decline in the Hong Kong property market, our success rate in securing tenders remained low. During the Reporting Period, we successfully launched a new project with a contract sum of around HK\$97 million. In addition, we monitored the progress of five projects that were substantially completed in previous years. Our Group has also upheld a robust financial position, marked by a notably low gearing ratio.

The Directors recognize that future business opportunities for the Group will be determined by competition within the construction market and the performance of Hong Kong's property sector. The rise in interest rates has led to a decline in local property prices, influencing the Directors' decision to refrain from participating in tenders with thin profit margins. We look forward to the implementation of various policies by the Hong Kong Government to foster economic recovery, along with the anticipated positive impact of future US Federal Reserve rate cuts on the property sector. We are optimistic about the gradual improvement of existing circumstances and appreciate the government's ongoing commitment to land development and increasing the supply of public housing in Hong Kong. The Board aims to build on our existing competitive strengths to achieve long-term business objectives and sustainability.

Furthermore, the Group has pursued diversification within the construction industry, seeking complementary opportunities to improve overall profitability for our shareholders. Although our efforts to expand into the Chinese market were hindered by unfavorable conditions, we will continue to monitor its progress and any potential signs of improvement, as it represents a significant market opportunity.

Looking to the future, the Directors will carefully assess projects, weighing risk against potential returns. In light of the intense competition within the construction sector, we will maintain our focus on identifying new business and investment opportunities that can deliver favorable returns for our shareholders. This may involve pursuing acquisitions or forming strategic partnerships with entities across various sectors to bolster our Group's long-term profitability.

FINANCIAL REVIEW

Revenue

Our revenue decreased from approximately HK\$116.1 million for the year ended 30 June 2023 to approximately HK\$90.3 million for the year ended 30 June 2024, representing a decrease of approximately 22.2%. Such decrease was mainly due to keen competition and a drop of construction orders being taken up during the year.

Direct Cost

Our direct costs decreased from approximately HK\$110.1 million for the year ended 30 June 2023 to approximately HK\$80.3 million for the year ended 30 June 2024, representing a decrease of approximately 27.1%. Such decrease were in line with the drop of revenue.

Gross Profit

Gross profit of the Group increased of approximately 66.7% from approximately HK\$6.0 million for the year ended 30 June 2023 to approximately HK\$10.0 million for the year ended 30 June 2024. The gross profit margin increased from approximately 5.2% for the year ended 30 June 2023 to approximately 11.1% for the year ended 30 June 2024.

Administrative Expenses

Administrative expenses of the Group increased of approximately 22.0% from approximately HK\$18.2 million for the year ended 30 June 2023 to approximately HK\$22.2 million for the year ended 30 June 2024. The increase was mainly due to the increase of staff costs, entertainment and legal and professional fees.

Other Income, Gains and (Losses)

Other losses for the Group increase from approximately HK\$3.6 million for the year ended 30 June 2023 to approximately HK\$9.4 million for the year ended 30 June 2024, representing a increase of approximately 161.1%. Such increase was mainly due to the increase of the loss on litigation.

Income Tax Credit/(Expenses)

The income tax expense of approximately HK\$5 thousand for the year ended 30 June 2023 has changed to an income tax credit of approximately HK\$37 thousand for the year ended 30 June 2024. This change is primarily due to the net effect of an increase in Hong Kong Profits Tax for the current year and an increase in deferred taxation credits.

Loss and Total Comprehensive Expense for the Year Ended 30 June 2024 Attributable to Owners of the Company

Loss and total comprehensive expense for the year attributable to owners of the Company was approximately HK\$19.2 million for the year ended 30 June 2024 (30 June 2023: approximately HK\$14.1 million). The increase of loss was primarily attributable to the net effect of (i) the increase in gross profit; (ii) the increase in administrative expenses; and (iii) the increase in other losses for the year ended 30 June 2024.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to maintain a healthy liquidity position during the year ended 30 June 2024. As at 30 June 2024, the Group had bank balances and cash of approximately HK\$17.1 million (30 June 2023: approximately HK\$45.5 million), time deposit of approximately HK\$6.0 million (30 June 2023: HK\$nil) and pledged bank balances of approximately HK\$11.6 million (30 June 2023: approximately HK\$11.1 million). There was no outstanding interest-bearing borrowings as at 30 June 2024 (30 June 2023: Nil), and the current ratio as at 30 June 2024 was approximately 1.9 times (30 June 2023: approximately 2.6 times).

As at 30 June 2024, the Group had total assets of approximately HK\$136.4 million (30 June 2023: approximately HK\$144.9 million), which was financed by total liabilities and shareholders' equity of approximately HK\$52.0 million (30 June 2023: approximately HK\$41.2 million) and approximately HK\$84.4 million (30 June 2023: approximately HK\$103.7 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 2024, there was no outstanding interest-bearing borrowings and the gearing ratio is nil (30 June 2023: nil).

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 2024. 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 2024, the Group pledged its bank deposits to a bank of approximately HK\$11.6 million (30 June 2023: approximately HK\$11.1 million) as collateral to secure bank facilities (2023: bank facilities and performance guarantee) granted to the Group.

As at 30 June 2024, the Group pledged its deposits paid for a life insurance policy with an aggregate net book value of approximately HK\$9.3 million (30 June 2023: approximately HK\$9.2 million) as collateral to secure bank facilities (2023: bank facilities and performance guarantee) granted to the Group. Also, the Group has pledged the cash deposits of approximately HK\$25.0 million (30 June 2023: approximately HK\$29.2 million) 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

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong Dollars. For the year ended 30 June 2024, 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 2024, the Company's issued share capital was HK\$7,959,400 (30 June 2023: HK\$7,959,400) and the number of its issued ordinary shares was 795,940,000 (30 June 2023: 795,940,000) of HK\$0.01 each. There was no change in capital structure during the year ended 30 June 2024.

COMMITMENTS

As at 30 June 2024, the Group did not have any capital commitment (30 June 2023: HK\$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 2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 30 June 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

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 the third parties for any claims from customers under the guarantee due to the failure of the Group's performance.

At 30 June 2023, performance guarantees of approximately HK\$10,758,000 given by banks were secured by the certain bank deposit and the deposit placed for the life insurance policy and guaranteed by corporate guarantee by the Company, which will be released upon completion of the contract works. At 30 June 2024, no performance guarantee is given by banks.

At 30 June 2024, performance guarantees of approximately HK\$25,000,000 (30 June 2023: HK\$37,729,000) given by third parties were secured by the Group's cash deposits, which will be released upon completion of the contract works.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed a total of 31 employees (30 June 2023: 36 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$20.0 million for the year ended 30 June 2024 (30 June 2023: approximately HK\$20.7 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 2024.

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 2024.

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 2024.

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 2024, the Company has complied with the CG Code.

CHIEF EXECUTIVE OFFICER ("CEO")

Under the code provision A.2.1 of the Code, the roles of the chairman and the CEO should be separate and should not be performed by the same individual. Mr. Ko Chun Hay Kelvin resigned as the CEO of the Company on 29 November 2023. The Board is in the process of finding an appropriate person to fill the vacancy of the CEO as soon as practicable. Meanwhile, the Board considers that the existing Board members are able to share the power and responsibilities of CEO among themselves.

CODE OF CONDUCT FOR 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 relevant required standard of dealings set out in the Code of Conduct during the year ended 30 June 2024.

SHARE OPTION SCHEME

The Company’s share option scheme (the “**Share Option Scheme**”) was adopted pursuant to a resolution passed on 9 March 2016. Since the listing date and up to 30 June 2023, a total of 16,800,000 share options to subscribe for 16,800,000 ordinary shares of HK\$0.01 each of the Company, representing approximately 2.1% of the total issued share capital of the Company, were granted to two executive Directors and other employee under the Share Option Scheme. As at 30 June 2024, there is no outstanding option under the Share Option Scheme.

Details of the movements of share options granted, exercised or cancelled/lapsed under the Share Option Scheme during the period and outstanding as at 30 June 2024 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 2023	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding at 30 June 2024
Mr. Kwok Tung Keung	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	7,900,000	-	-	7,900,000	-
Mr. Ko Chun Hay Kelvin	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	7,900,000	-	-	7,900,000	-
Other employee	3 December 2018	0.307	0.300	3 December 2018 to 2 December 2023	1,000,000	-	-	1,000,000	-
Total					<u>16,800,000</u>	<u>-</u>	<u>-</u>	<u>16,800,000</u>	<u>-</u>

The Company adopted the 2024 share scheme (the “**2024 Share Scheme**”) and terminated the Share Option Scheme pursuant to the extraordinary general meeting held on 17 June 2024. No options and awards have been granted under the 2024 Share Scheme since its adoption.

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. Leung Tze Wai (Chairman), Ms. Fung Yuk Yiu and Mr. Cheng Wai Man Clement, all being independent non-executive Directors of the Company. Mr. Leung Tze Wai currently serves as the Chairman of the Audit Committee. The Group’s audited consolidated annual results for the year ended 30 June 2024 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 forthcoming AGM (“**2024 AGM**”) will be held on Friday, 20 December 2024. A circular containing the details of 2024 AGM and the notice of 2024 AGM and form of proxy accompanying thereto will be dispatched to the shareholders of the Company in due course.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2024 (30 June 2023: HK\$nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 December 2024 to Friday, 20 December 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 16 December 2024.

EVENT AFTER THE REPORTING PERIOD

On 5 June 2024 (after trading hours), the Company and a merchant (the “**Vendor**”) entered into the sale and purchase agreement, pursuant to which, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the 45% of the entire equity interest in the target company at a consideration of up to HK\$4,500,000 (including the initial consideration of HK\$3,500,000, if any, the earn-out consideration A of HK\$500,000 and, if any, the earn-out consideration B of HK\$500,000).

On 4 July 2024, the Company completed the acquisition transaction. Details of the transaction were set out in the Company’s announcements dated 5 June 2024, 2 August 2024 and 21 August 2024 respectively.

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, 27 September 2024

As at the date of this announcement, the executive Directors are Mr. Kwok Tung Keung (Chairman), Mr. Tam Brown Lun, Ms. Wong Hui Yu and Ms. Kwok Pui Sze; and the independent non-executive Directors are Mr. Leung Tze Wai, Mr. Cheng Wai Man Clement and Ms. Fung Yuk Yiu.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange website at www.hkexnews.hk for at least seven days from the date of its publication and on the website of the Company at www.wmcl.com.hk.