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 2016

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 2016, together with the audited comparative figures for the year ended 30 June 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

		2016	2015
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**560,280**	566,194
Direct costs		**(521,225)**	(530,604)
Gross profit		**39,055**	35,590
Other income		**1,275**	3,184
Other gains and losses		**(758)**	–
Administrative expenses		**(18,817)**	(16,739)
Listing expenses		**(10,935)**	–
Finance costs – interest expense on bank borrowings		**(122)**	(132)
Profit before taxation	*5*	**9,698**	21,903
Income tax expense	*6*	**(3,688)**	(3,434)
Profit and total comprehensive income for the year attributable to owners of the Company		**6,010**	18,469
Earnings per share			
Basic *(HK cents)*	*8*	**0.90**	3.85

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Non-current assets			
Plant and equipment		**112**	140
Deferred tax assets		**112**	112
Deposits and prepayments		**8,824**	8,430
		9,048	8,682
Current assets			
Trade receivables	*9*	**64,471**	69,466
Other receivables, deposits and prepayments		**1,526**	2,330
Amounts due from customers for contract work		**64,772**	73,103
Amount due from a related company		**–**	500
Amount due from a director		**–**	602
Pledged bank balances		**35,877**	14,414
Bank balances and cash		**101,989**	28,547
		268,635	188,962
Current liabilities			
Trade payables	*10*	**24,804**	17,924
Other payables and accrued charges		**83,046**	61,184
Amounts due to customers for contract work		**6,383**	13,785
Amount due to a director		**–**	570
Tax payable		**8,777**	6,595
Bank borrowings		**5,000**	5,000
Provisions		**1,724**	1,653
Financial guarantee liability		**–**	60
		129,734	106,771
Net current assets		**138,901**	82,191
Net assets		**147,949**	90,873
Capital and reserves			
Share capital	*11*	**8,000**	5,000
Reserves		**139,949**	85,873
Equity attributable to owners of the Company		**147,949**	90,873

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Share capital *HK$'000*	Share premium *HK$'000*	Capital contribution *HK$'000*	Accumulated profits *HK$'000*	Total *HK$'000*
At 1 July 2014	5,000	–	(2,591)	72,995	75,404
Profit and total comprehensive income for the year	–	–	–	18,469	18,469
Dividends paid *(note 7)*	–	–	–	(3,000)	(3,000)
At 30 June 2015	5,000	–	(2,591)	88,464	90,873
Profit and total comprehensive income for the year	**–**	**–**	**–**	**6,010**	**6,010**
Dividends paid *(note 7)*	**–**	**–**	**–**	**(7,000)**	**(7,000)**
Reorganisation *(note a)*	**(5,000)**	**–**	**5,000**	**–**	**–**
Contribution from a shareholder *(note b)*	**–**	**–**	**10,000**	**–**	**10,000**
Issue of shares upon placing *(note 11)*	**1,600**	**51,200**	**–**	**–**	**52,800**
Transaction costs directly attributable to issue of shares	**–**	**(3,897)**	**–**	**–**	**(3,897)**
Capitalisation issue of shares *(note 11)*	**6,400**	**(6,400)**	**–**	**–**	**–**
Deemed distribution arising from issue of financial guarantee to a related company	**–**	**–**	**(2,591)**	**–**	**(2,591)**
Reversal of financial guarantee liability upon early termination of the guarantee	**–**	**–**	**1,754**	**–**	**1,754**
At 30 June 2016	**8,000**	**40,903**	**11,572**	**87,474**	**147,949**

Notes:

(a) Amount represents the difference between the combined share capital of W.M. Construction Limited ("**WM Construction**"), W.M. Engineering Company Limited ("**WM Engineering**") and W.M. Foundation Company Limited ("**WM Foundation**"), and that of the Company issued pursuant to a group reorganisation as stated in note 2.

(b) Pursuant to a subscription agreement dated 28 July 2015 entered into among an independent third party ("**Pre-IPO Investor**"), Mr. Kwok Tung Keung ("**Mr. Kwok**") and Best Brain Investments Limited ("**Best Brain**"), Best Brain allotted and issued 2,500 shares to the Pre-IPO Investor at a subscription price of HK$10,000,000 and Best Brain contributed such amount to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

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 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 Group's principal activities are the provision of property construction services in Hong Kong.

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

2. GROUP REORGANISATION AND BASIS OF PRESENTATION

Before the completion of the reorganisation as mentioned below (the "**Reorganisation**"), WM Construction, WM Engineering and WM Foundation are wholly owned by Mr. Kwok, the director and controlling shareholder of the Company.

In preparation of the listing of the Company's shares on the GEM of the Stock Exchange (the "**Listing**"), the companies comprising the Group underwent the reorganisation as described below.

(i) Best Brain was incorporated on 6 July 2015 as a limited liability company, with an authorised share capital of United States Dollar ("**US$**") 50,000 divided into 50,000 shares of US$1 each. On 28 July 2015, 7,500 shares were allotted and issued to Mr. Kwok at par. On the same date, Best Brain issued 2,500 shares to the Pre-IPO Investor at a subscription price of HK$10,000,000 pursuant to the subscription agreement.

(ii) Focus Achieve Limited ("**Focus Achieve**") was incorporated as a limited liability company, with an authorised share capital of US$50,000 divided into 50,000 shares of US$1 each. 100 shares were allotted and issued to Best Brain at par on 28 July 2015. On the same date, Mr. Kwok transferred his entire shareholding in WM Foundation to Focus Achieve for HK$1.

(iii) Well Joint Limited ("**Well Joint**") was incorporated as a limited liability company, with an authorised share capital of US$50,000 divided into 50,000 shares of US$1 each. 100 shares were allotted and issued to Best Brain at par on 28 July 2015. On the same date, Mr. Kwok transferred his entire shareholding in WM Engineering to Well Joint for HK$1.

(iv) Focus Wealth Investments Limited ("**Focus Wealth**") was incorporated as a limited liability company, with an authorised share capital of US$50,000 divided into 50,000 shares of US$1 each. 100 shares were allotted and issued to Best Brain on 28 July 2015 at par. On the same date, Mr. Kwok transferred his entire shareholding in WM Construction to Focus Wealth for HK$1.

(v) The Company was incorporated with limited liability on 22 September 2015 with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. 1 share was allotted and issued to Best Brain on the same date.

(vi) On 14 December 2015, Best Brain transferred its entire equity interest in Focus Archive, Focus Wealth and Well Joint to the Company at an aggregate consideration of US$300.

(vii) On 17 December 2015, 399 additional shares of the Company were allotted and issued to Best Brain.

(viii) On 18 December 2015, Best Brain swapped 100 shares of the Company with the Pre-IPO Investor for the 2,500 shares of Best Brain held by the Pre-IPO Investor. As a result, Best Brain and the Pre-IPO Investor held 300 shares and 100 shares of the Company, representing 75% and 25% of the then issued share capital of the Company respectively.

(ix) On 9 March 2016, the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 by the creation of 1,962,000,000 shares of HK$0.01 each.

Pursuant to the Reorganisation detailed above, the Company has become the holding company of the companies now comprising the Group and WM Construction, WM Engineering and WM Foundation are controlled by Mr. Kwok before and after the Reorganisation.

The consolidated financial statements are prepared under the principles of merger accounting in accordance with the Accounting Guideline 5 "Merger Accounting Under Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the years ended 30 June 2016 and 2015 are prepared to present the results and cash flows of the companies now comprising the Group, as if the current group structure had been in existence throughout the two years ended 30 June 2015 and 2016. The consolidated statement of financial position of the Group as at 30 June 2015 has been prepared to present the financial position of the companies comprising the Group as if the current group structure had been in existence on 30 June 2015.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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[1]
HKFRS 16	Leases[4]
Amendments to HKAS 1	Disclosure initiative[3]
Amendments to HKAS 7	Disclosure initiative[5]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[5]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[3]
Amendments to HKAS 27	Equity method in separate financial statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[3]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[3]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from contracts with customers[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[3]

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

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

3 *Effective for annual periods beginning on or after 1 January 2016.*

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

5 *Effective for annual periods beginning on or after 1 January 2017.*

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under Hong Kong Accounting Standard ("**HKAS 39**"). The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In the opinion of the directors of the Company, the application of HKFRS 9 may result in early recognition of credit losses based on expected loss model in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company are in the process of assessing the impact of HKFRS 15 and consider that it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 16 "Leases"

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the consolidated statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that certain portion of the lease commitments in future will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Except as disclosed above, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

4. 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 years. 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$112,000 (30 June 2015: approximately HK$140,000) as at 30 June 2016 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:

	2016	2015
	HK$'000	*HK$'000*
Customer A	**57,397**	202,413
Customer B	**141,213**	122,267
Customer C	**56,374**	81,991
Customer D	**105,147**	N/A*
Customer E	**57,977**	N/A*

* *Less than 10% of the Group's total revenue*

5. PROFIT BEFORE TAXATION

	2016	2015
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	**900**	200
Directors' remuneration	**4,023**	3,046
Other staff costs:		
Salaries and other benefits	**26,091**	27,077
Retirement benefits scheme contributions	**894**	976
Total staff costs	**31,008**	31,099
Lease payments under operating leases in respect of land and buildings	**1,772**	1,667

6. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Hong Kong Profits Tax – current tax	**3,688**	3,434

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

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

	2016	2015
	HK$'000	*HK$'000*
Profit before taxation	**9,698**	21,903
Tax at the domestic income tax rate of 16.5% (2015: 16.5%)	**1,600**	3,614
Tax effect of expense not deductible for tax purpose	**2,297**	–
Tax effect of income not taxable for tax purpose	**(202)**	(458)
Others	**(7)**	278
Income tax expense	**3,688**	3,434

7. DIVIDENDS

During the year ended 30 June 2016 and prior to the Reorganisation, WM Construction declared and paid dividends of HK$5,000,000 (2015: HK$2,000,000) and WM Foundation declared and paid dividends of nil (2015: HK$1,000,000) to the then existing shareholder Mr. Kwok.

In addition, during the year ended 30 June 2016 and after the Reorganisation, the Company declared and paid dividends of HK$2,000,000 to its then shareholder.

8. EARNINGS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Earnings		
Earnings attributable to owners of the Company	**6,010**	18,469

	2016	2015
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings for share	**668,852**	480,000

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and the Capitalisation Issue (as defined in note 11) had been effective on 1 July 2014.

No diluted earnings per share is presented as there is no potential ordinary share outstanding during both years.

9. 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:

	2016	2015
	HK$'000	*HK$'000*
0-30 days	**51,110**	31,564
31-60 days	**753**	11,088
61-90 days	**2,990**	15,056
91-180 days	**3,011**	7,473
Over 180 days	**6,607**	4,285
	64,471	69,466

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 80% (30 June 2015: approximately 60%) of trade receivables as at 30 June 2016, that are neither past due nor impaired have good credit quality. These customers have no default of payment in the past.

The Group has a policy for allowance of bad and doubtful debts which is based on the evaluation of collectibility and ageing analysis of the accounts of each customers and on management's judgement including the creditworthiness and the past collection history of each customers.

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$12,608,000 (2015: approximately HK$26,814,000) which are past due at the end of the reporting period, for which the Group has not provided for impairment loss as there has not been a significant change in credit quality of the customers and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is approximately 193 days (2015: approximately 114 days).

10. 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:

	2016	2015
	HK$'000	*HK$'000*
Trade payables:		
0-30 days	**22,029**	13,335
31-60 days	**1,460**	3,947
Over 60 days	**1,315**	642
	24,804	17,924

11. SHARE CAPITAL

The Group

The issued share capital as at 1 July 2014 and 30 June 2015 represented the combined share capital of WM Construction, WM Engineering and WM Foundation.

The Company

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

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 22 September 2015 (date of incorporation) *(note i)*	38,000,000	380
Increase on 9 March 2016 *(note iii)*	1,962,000,000	19,620
At 30 June 2016	2,000,000,000	20,000
Issued and fully paid:		
At 22 September 2015 (date of incorporation) *(note i)*	1	–
Issue of new shares on Reorganisation *(note ii)*	399	–
Capitalisation Issue *(note iv)*	639,999,600	6,400
Issue of new shares upon Listing *(note v)*	160,000,000	1,600
At 30 June 2016	800,000,000	8,000

Notes:

(i) On 22 September 2015, the Company was incorporated with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. Upon its incorporation, one share was allotted at par and credited as fully paid.

(ii) On 17 December 2015, to effect the Reorganisation, 399 shares were allotted, issued, credited as fully paid.

(iii) Pursuant to the written resolutions passed by the shareholders on 9 March 2016, the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 by creation of additional 1,962,000,000 ordinary shares of HK$0.01 each which, upon issue, shall rank pari passu in all aspects with the existing issued ordinary shares.

(iv) Pursuant to the written resolutions passed by the shareholders on 9 March 2016, a sum of HK$6,400,000 standing to the credit of the share premium account of the Company was capitalised by paying up in full at par a total of 639,999,600 new shares (the "**Capitalisation Issue**").

(v) On 30 March 2016, 160,000,000 shares were issued at HK$0.33 per share for a total consideration of HK$52,800,000.

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

12. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with a related party:

	2016	2015
	HK$'000	*HK$'000*
Rental income from Good Rise Engineering Limited ("**Good Rise**")	**53**	121
Subcontracting fee paid to Good Rise	**33**	7,524

The above transactions for the year ended 30 June 2016 with Good Rise include only those up to the date on 17 November 2015.

Details of the balances with a director and a related company at the end of the reporting period are disclosed in the consolidated statement of financial position.

In addition, during the years ended 30 June 2016 and 2015, the Group provided corporate guarantee to a bank for general banking facilities granted to a related company.

Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended 30 June 2016 and 2015 are as follows:

	2016	2015
	HK$'000	*HK$'000*
Short-term benefits	**3,987**	3,010
Post-employment benefits	**36**	36
	4,023	3,046

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 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) establishing 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 slightly decreased from approximately HK$566.2 million for the year ended 30 June 2015 to approximately HK$560.3 million for the year ended 30 June 2016, representing a drop of approximately 1.0%.

Direct Cost

Our direct costs slightly decreased from approximately HK$530.6 million for the year ended 30 June 2015 to approximately HK$521.2 million for the year ended 30 June 2016, representing a decrease of approximately 1.8%. Such decrease was mainly attributable to the effect on our implementation of the cost control during the year ended 30 June 2016.

Gross Profit

Gross profit of the Group increased by approximately 9.8% from approximately HK$35.6 million for the year ended 30 June 2015 to approximately HK$39.1 million for the year ended 30 June 2016. The overall gross profit margin increased from approximately 6.3% for the year ended 30 June 2015 to approximately 7.0% for the year ended 30 June 2016. Such increase was mainly attributable to the additional variations works and effective cost control of certain general building works projects during the year ended 30 June 2016.

Listing Expenses

During the year ended 30 June 2016, the Group recognised non-recurring Listing expenses of approximately HK$10.9 million (2015: Nil) as expenses in connection with the Listing.

Administrative Expenses

Administrative expenses of the Group increased by approximately 12.6% from approximately HK$16.7 million for the year ended 30 June 2015 to approximately HK$18.8 million for the year ended 30 June 2016. The increase was mainly attributable to the increase in auditor's remuneration and charitable donation during the year ended 30 June 2016.

Income Tax Expense

Income tax expense of the Group increased by approximately 8.8% from approximately HK$3.4 million for the year ended 30 June 2015 to approximately HK$3.7 million for the year ended 30 June 2016. The increase was mainly due to the increase in our taxable profit primarily attributable to the inclusion of non-deductible expenses, e.g. the Listing expenses.

Profit and Total Comprehensive Income for the year ended 30 June 2016 attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company decreased by approximately 67.6% from approximately HK$18.5 million for the year ended 30 June 2015 to approximately HK$6.0 million for the year ended 30 June 2016. Such decrease was primarily attributable to the net effect of (i) the Listing expenses and administrative expenses incurred by the Group for the year ended 30 June 2016; and (ii) the increase in gross profit for the year ended 30 June 2016. Excluding the one-off Listing expenses of approximately HK$10.9 million (2015: Nil), profit and total comprehensive income for the year would reach approximately HK$16.9 million (2015: approximately HK$18.5 million), representing a decrease of approximately 8.6% compared to the year ended 30 June 2015.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the year ended 30 June 2016. As at 30 June 2016, the Group had bank balances and cash of approximately HK$102.0 million (30 June 2015: approximately HK$28.5 million) and pledged bank balances of approximately HK$35.9 million (30 June 2015: approximately HK$14.4 million). The total interest-bearing borrowings of the Group as at 30 June 2016 was approximately HK$5.0 million (30 June 2015: approximately HK$5.0 million), and the current ratio as at 30 June 2016 was approximately 2.1 times (30 June 2015: approximately 1.8 times).

As at 30 June 2016, the Group had total assets of approximately HK$277.7 million (30 June 2015: approximately HK$197.6 million), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK$129.7 million (30 June 2015: approximately HK$106.8 million) and approximately HK$147.9 million (30 June 2015: approximately HK$90.9 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 30 June 2016, the Group recorded gearing ratio of approximately 3.4% (30 June 2015: approximately 5.5%), 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 2016. 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 2016, the Group pledged its bank deposits to a bank of approximately HK$35.9 million (30 June 2015: approximately HK$14.4 million) as collateral to secure bank facilities granted to the Group.

As at 30 June 2016, the Group pledged its deposits paid for a life insurance policy with an aggregate net book value of approximately HK$8.6 million (30 June 2015: approximately HK$8.4 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 year ended 30 June 2016, 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

The shares of the Company were successfully listed on the GEM of the Stock Exchange on 30 March 2016. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 30 June 2016, 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 and the Director's quarter. The Group's operating lease commitments amounted to approximately HK$2.8 million as at 30 June 2016 (30 June 2015: approximately HK$2.1 million). As at 30 June 2016, the Group did not have any capital commitment (30 June 2015: Nil).

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 4 to the consolidated financial statements.

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 2016.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 30 June 2016, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures saved for those related to the Reorganisation (as defined under note 2 to the consolidated financial statements).

CONTINGENT LIABILITIES

As at 30 June 2016, the Group did not have any material contingent liabilities (30 June 2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group employed a total of 86 employees (30 June 2015: 72 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$31.0 million for the year ended 30 June 2016 (2015: approximately HK$31.1 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 2016.

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 2016 is set out below:

Business objective as stated in the Prospectus	Business strategy up to 30 June 2016 as stated in the Prospectus	Actual business progress up to 30 June 2016
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 HK$1.3 million reserved for satisfying potential customers' requirement for performance bonds	A deposit of HK$1.3 million was reserved for satisfying potential customers' requirement for performance bond for a new project located at Shun Ning Road in Hong Kong

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 utilisation of the net proceeds from the Listing and the unused amount as at 30 June 2016 is set out below:

Business strategy as stated in the Prospectus	**Planned use of net proceeds as stated in the Prospectus up to 30 June 2016**	**Planned use of net proceeds as stated in the Prospectus for the six months ended 31 December 2016**	**Actual use of net proceeds up to 30 June 2016**
	HK$'000	*HK$'000*	*HK$'000*
Further developing our general building and specialised building business *(Note)*	1,300	–	–
Further strengthening our manpower	–	700	154

Note: The performance bond of the new project located at Shun Ning Road in Hong Kong was issued by the bank on 5 August 2016 and the amount of HK$1.3 million was fully paid to the bank on 1 August 2016.

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 2016.

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

Since the Listing Date and up to 30 June 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

Since the Listing Date and up to 30 June 2016, 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 2016 are set out in the 2016 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 Foundation since 1999 and 2006 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 Reporting Period.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2016.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 9 March 2016 (the "**Scheme**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2016.

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 Mr. Li Kar Fai Peter, Mr. So Chi Wai and Ms. Wong Shuk Fong, all being independent non-executive Directors of the Company. Mr. Li Kar Fai Peter 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 2016 and the effectiveness of internal control system.

ANNUAL GENERAL MEETING

The first annual general meeting ("**AGM**") of the Company will be held on Monday, 12 December 2016, 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.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Thursday, 8 December 2016 to Monday, 12 December 2016, both days inclusive, during which period no transfer of the Shares will be registered. Shareholder are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited Suites, 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:30 p.m. on Wednesday, 7 December 2016.

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 2016 and up to the date of this announcement.

APPRECIATION

The Board would like to extend its sincere thanks to our shareholders, business partners and customers for their utmost 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, 15 September 2016

As at the date of this announcement, the executive Directors are Mr. Kwok Tung Keung, Mr. Chan Siu Kay Francis and Mr. Lee Kin Kee and the independent non-executive Directors are Mr. Li Kar Fai Peter, 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.