



# 常滿控股有限公司

## Sheung Moon Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8523



FIRST QUARTERLY REPORT 2018

## **Characteristics of 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 Main board. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “**Directors**”) of Sheung Moon Holdings Limited (the “**Company**” or “**our**”) 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

*This report will remain on the “Latest Company Announcements” page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the day of its posting. This report will also be published on the Company’s website at [www.smcl.com.hk](http://www.smcl.com.hk)*





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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive directors

Mr. Tang Sze Wo (*Chairman*)  
(*appointed on 31 May 2017*)

Mr. Lai Yung Sang  
(*appointed on 12 July 2017*)

### Independent non-executive directors

Dr. Wong Kwok Yiu Chris  
(*appointed on 24 January 2018*)

Mr. Wong Choi Chak  
(*appointed on 24 January 2018*)

Mr. Leung Kim Hong  
(*appointed on 24 January 2018*)

## COMPANY SECRETARY

Ms. Chau Hing Ling

## COMPLIANCE OFFICER

Mr. Tang Sze Wo

## BOARD COMMITTEES

### Audit committee

Mr. Wong Choi Chak (*Chairman*)

Dr. Wong Kwok Yiu Chris

Mr. Leung Kim Hong

### Nomination committee

Mr. Leung Kim Hong (*Chairman*)

Dr. Wong Kwok Yiu Chris

Mr. Wong Choi Chak

### Remuneration committee

Dr. Wong Kwok Yiu Chris (*Chairman*)

Mr. Wong Choi Chak

Mr. Leung Kim Hong

### Risk management committee

Mr. Wong Choi Chak (*Chairman*)

Mr. Tang Sze Wo

Dr. Wong Kwok Yiu Chris

Mr. Leung Kim Hong

## AUTHORISED REPRESENTATIVES

Mr. Tang Sze Wo

Ms. Chau Hing Ling

## COMPANY'S WEBSITE

<http://www.smcl.com.hk>

## AUDITOR

Deloitte Touche Tohmatsu

35/F, One Pacific Place

88 Queensway

Hong Kong

## COMPLIANCE ADVISER

LY Capital Limited

Rooms 1901-02

China Insurance Group Building

141 Des Voeux Road Central

Hong Kong

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 15th Floor

Kings Tower

111 King Lam Street

Cheung Sha Wan

Kowloon

Hong Kong

# CORPORATE INFORMATION

## **PRINCIPAL BANKERS**

The Hong Kong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

China Construction Bank (Asia)  
Corporation Limited  
CCB Tower  
3 Connaught Road Central  
Hong Kong

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR**

Tricor Investor Services Limited  
Level 22  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## **STOCK CODE**

8523

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is a local contractor in the civil engineering construction industry and is principally engaged in the provision of site formation works, road and drainage works and structural works in both public and private sectors in Hong Kong. The Group is an approved contractor of the government of Hong Kong Special Administrative Region (the “**Government**”), a registered general building contractor and a specialist contractor (site formation works) with the Hong Kong Buildings Department.

In order to cope with the Group’s business expansion, the shares of the Company were successfully listed on GEM of the Stock Exchange on 12 February 2018.

During the three months ended 30 June 2018, the Group has been awarded 1 construction project and the revenue recognised from this new project was approximately HK\$0.4 million. Total revenue recognised from projects in progress brought forward from last year during the three months ended 30 June 2018 was approximately HK\$72.2 million.

The construction industry in Hong Kong keeps facing the problem of shortage in skilled labours. Young generation are unwilling to join this industry as the work nature requires extensive amount of physical strength. As aged labours retired, the succession problem emerges. As a result, the wages of construction labours increased rapidly in recent years. The trend will continue until policies and plans are launched by the Government to tackle the shortage issue. To avoid any interruption to the projects due to shortage of labours, the Group subcontracts out part of the labour intensive construction works to subcontractors.

During the period, the Group purchased some new site equipment for its projects to replace those leased equipment. This allows more flexibility and better control by the Group in utilising its site equipment. Occasionally, the Group may lease out its site equipment when they are temporarily idle.

## FINANCIAL REVIEW

### Revenue

The Group’s revenue increased by approximately HK\$30.4 million, or 72.0%, from approximately HK\$42.2 million for the three months ended 30 June 2017 to approximately HK\$72.6 million for the three months ended 30 June 2018. Such increase was primarily due to that more construction projects have been undertaken by the Group during the three months ended 30 June 2018 as compared to the corresponding period of the previous year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Direct Cost

Direct cost primarily comprises subcontracting fee, direct labour cost, construction materials, rental of site equipment, depreciation of site equipment, petrol consumption as well as transportation expenses.

Direct cost increased by approximately HK\$28.1 million, or 78.3%, from approximately HK\$35.9 million for the three months ended 30 June 2017 to approximately HK\$64.0 million for the three months ended 30 June 2018. Such increase was mainly attributable to the increase in subcontracting fees and labour wages as a result of increase in construction projects undertaken. More material costs, transportation expenses and petrol have been consumed. There was also increase in depreciation charges for new site equipment purchased during the period to replace some of the leased machines.

## Gross profit and Gross Profit Margin

As a result of the increase in revenue, the Group's gross profit increased by approximately HK\$2.3 million, or 36.5%, from approximately HK\$6.3 million for the three months ended 30 June 2017 to approximately HK\$8.6 million for the three months ended 30 June 2018. However, gross profit margin went down from 14.9% for the three months ended 30 June 2017 to 11.8% for the three months ended 30 June 2018. It was because the margin was, to some extent, reduced by the increase in rate of labour wages as a result of tight labours in the market. Besides, gross profit margins of construction projects vary depending upon the level of complexity and technical skill required. Projects with greater complexity and required higher level of technical skill usually lead to higher profit margins.

## Other Income

Other income for the three months ended 30 June 2018 comprises rental income from leasing of site equipment, rental income from the Group's investment property and one-off sponsorship for advertising contributed by the Group's stakeholders for congratulating the listing of the Company's shares on the Stock Exchange.

Other income increased by approximately HK\$686,000 or 100% from nil for the three months ended 30 June 2017 to approximately HK\$686,000 for the three months ended 30 June 2018. Such increase was mainly due to short-term rental income received from leasing out of the site equipment which are temporarily not in use by the Group and the rental income from leasing of the Group's investment property.

## Other Gain and Losses

There were no other gains and losses for the Group during the three months ended 30 June 2018. The other loss of approximately HK\$20,000 incurred by the Group for the corresponding period in 2017 was in relation to the fair value loss on revaluation of the Group's convertible notes issued.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Administrative Expenses

Administrative expenses increased by approximately HK\$1.0 million or 58.8% from approximately HK\$1.7 million for the three months ended 30 June 2017 to approximately HK\$2.7 million for the three months ended 30 June 2018. The increase was mainly due to the increase in payment of professional fees and hiring of senior staff after listing of the Company's shares on the Stock Exchange and the increase in employees' salaries and welfare so as to maintain the Group's competitiveness in the industry.

## Finance Costs

Finance costs decreased by approximately HK\$0.4 million or 50.0% from approximately HK\$0.8 million for the three months ended 30 June 2017 to approximately HK\$0.4 million for the three months ended 30 June 2018. The decrease was mainly due to reduction in interest payment as a result of the retirement of the convertible notes issued.

## Listing Expenses

No more listing expenses were incurred for the three months ended 30 June 2018. The amount of listing expenses incurred for the corresponding period in last year was approximately HK\$3.0 million.

## Taxation

Taxation expenses increased by approximately HK\$0.6 million or 120% from approximately HK\$0.5 million for the three months ended 30 June 2017 to approximately HK\$1.1 million for the three months ended 30 June 2018. Such increase was mainly due to the increase in assessable profits for the three months ended 30 June 2018 and the increase in deferred tax as a result of additions of site equipment.

As a result of the above, the Group recorded a profit of approximately HK\$5.1 million for the three months ended 30 June 2018 (three months ended 30 June 2017: profit of approximately HK\$0.3 million).

## PROSPECT

The Government has been increasing its infrastructural investment over the past few years in order to achieve the objective of promoting economic growth. To expand land supply and enhance infrastructure, the Government is planning for new town extensions and new development areas. As the infrastructural projects are being rolled out, the demand for construction services in Hong Kong will remain high. There will be more opportunities for the Group to participate in public construction and civil engineering projects. The Directors believe that the Group will continue to benefit from the infrastructure policy implemented by the Government.



# MANAGEMENT DISCUSSION AND ANALYSIS

2018 will remain busy for the Hong Kong construction industry. The Directors believe that the Group's construction business will remain strong and stable. Coupled with its proven track record and strong foothold in the industry, the Group will endeavour to maintain a steady growth in its core business so as to maximise shareholders' return.

## USE OF NET PROCEEDS

As disclosed in the prospectus of the Company dated 31 January 2018 (the "**Prospectus**"), the net estimated proceeds from the public offer, after deduction of the underwriting fees and expenses paid by the Company in connection therewith, were approximately HK\$25 million. Actual net proceeds received by the Company were approximately HK\$30 million. The Company intends to adjust the difference of approximately HK\$5 million to each business strategy in the same proportion as the original funds applied as shown in the Prospectus.

Since the listing of the Company on 12 February 2018, the Directors have been constantly reviewing and comparing the Group's business strategies as disclosed in the Prospectus with changing market conditions in order to ensure that the net proceeds are applied in the most effective ways and in the best interest of the Group. As at 30 June 2018, the Group has utilised approximately HK\$2.09 million to reduce financial cost by repayment of short-term loans, approximately HK\$10.6 million to expand and increase the Group's service capacity by acquiring additional site equipment and approximately HK\$0.6 million to expand the administrative management team. The unused net proceeds have been placed as interest bearing deposits into licensed banks in Hong Kong.

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

For the three months ended 30 June 2018

The board of directors of the Company (the “**Board**”) is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 30 June 2018, together with the comparative figures for the corresponding period in 2017 as follows:

	NOTES	Three months ended 30 June	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	3	<b>72,560</b>	42,183
Direct costs		<b>(63,939)</b>	(35,890)
Gross profit		<b>8,621</b>	6,293
Other income		<b>686</b>	–
Other gains and losses	4	–	(20)
Administrative expenses		<b>(2,662)</b>	(1,705)
Finance costs	5	<b>(373)</b>	(801)
Listing expenses		–	(3,034)
Profit before taxation	6	<b>6,272</b>	733
Taxation	7	<b>(1,140)</b>	(483)
Profit and total comprehensive income for the period attributable to owners of the Company		<b>5,132</b>	250
Earnings per share (HK cents)	8		
– Basic and diluted		<b>1.28</b>	0.10

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2018

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note b)	Property revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2017 (audited)	–	–	10,262	2,695	20,868	33,825
Profit and total comprehensive income for the period (unaudited)	–	–	–	–	250	250
Issue of shares of the Company	– (Note a)	10,000 (Note c)	–	–	–	10,000
At 30 June 2017 (unaudited)	– (Note a)	10,000	10,262	2,695	21,118	44,075
At 1 April 2018 (audited)	4,000	63,701	10,262	2,695	29,645	110,303
Profit and total comprehensive income for the period (unaudited)	–	–	–	–	5,132	5,132
At 30 June 2018 (unaudited)	4,000	63,701	10,262	2,695	34,777	115,435

## Notes:

- Amount less than \$1,000.
- The other reserve of the Group represents the difference between the nominal amount of the share capital of Sheung Moon Construction Limited, an indirect wholly-owned subsidiary of the Company, and the nominal amount of share capital of Attaway Developments Limited ("**Attaway Developments**"), a direct wholly-owned subsidiary of the Company, pursuant to the group reorganisation.
- On 28 June 2017, the Company acquired the entire issued share capital of Attaway Developments from Mr. Tang Sze Wo ("**Mr. SW Tang**") and in consideration and exchange, the Company allotted and issued 21,999 shares to Chrysler Investments Limited ("**Chrysler Investments**"), credited as fully paid up. On the same date, the Company allotted and issued 4,000 shares to Chrysler Investments at the cash consideration of HK\$10,000,000.

The Group resulting from the group reorganisation, which involves interspersing the Company and Attaway Developments between Mr. SW Tang and Sheung Moon Construction Company is continued to be controlled by Mr. SW Tang and is regarded as a continuing entity. Accordingly, the consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity for the three months period ended 30 June 2017 have been included the results and changes in equity of the companies, comprising the Group as if the group structure upon the completion of the group reorganisation had been in existence throughout the periods, or since their respective dates of incorporation, where there are shorter periods.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 1. GENERAL

Sheung Moon Holdings Limited (the “**Company**”) was incorporated and registered in the Cayman Islands as an exempted company with limited liability on 31 May 2017 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 February 2018. The addresses of the registered office are stated in the “Corporate Information” section of this First Quarterly Report. The immediate holding company of the Company is Chrysler Investments Limited (“**Chrysler Investments**”), which is incorporated in the British Virgin Islands (“**BVI**”) and owned by Mr. Tang Sze Wo (“**Mr. SW Tang**”).

The Company acts as an investment holding company and its subsidiaries are principally engaged in provision of civil engineering construction service.

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

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statement of the Group for three month period ended have been prepared in accordance with accounting policies conform with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment property and derivative component in relation to the convertible loan notes that are measured at fair values at the end of each reporting period.

The adoption of the new and amendments to HKFRSs issued by the HKICPA which are applicable for the Group’s annual period beginning on 1 April 2018 has no material impact on the financial position of the Group as at 1 April 2018 and results of the Group for the three months ended 30 June 2018, but resulted in adoption of new accounting policies by the Group regarding impairment of financial assets by applying expected credit losses model under HKFRS 9 “Financial Instruments” and further disclosure under HKFRS 15 “Revenue from Contracts with Customers”. Except for those impact mentioned above, the accounting policies and methods of computation used in the first quarterly financial information for the three months ended 30 June 2018 are the same as those follow in the preparation of the financial information of the Group for the year ended 31 March 2018 included in the annual report of the Company dated 13 June 2018.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the civil engineering construction services provided by the Group to external customers. The Group's revenue is solely derived from civil engineering construction services during both periods. For the purpose of resources allocation and performance assessment, the management of the Group, being the chief operating decision makers ("CODM"), review the overall results of the Group as a whole. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

## 4. OTHER GAINS AND LOSSES

	Three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Fair value change of investment property	-	600
Loss on fair value change of convertible loan notes	-	(620)
	<u>-</u>	<u>(20)</u>

## 5. FINANCE COSTS

	Three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Interests on:		
Bank borrowings	205	197
Finance leases	168	125
	<u>373</u>	<u>322</u>
Effective interest expense on convertible loan notes	-	479
	<u>373</u>	<u>801</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 6. PROFIT BEFORE TAXATION

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging:		
Directors' remuneration	795	759
Staff costs (including direct labour cost)	20,444	9,249
Retirement benefit scheme contributions (including direct labour cost)	800	268
Total staff cost	22,039	10,276
Auditor's remuneration	150	75
Depreciation on property, plant and equipment	1,238	688
Minimum lease payments under operating leases in respect of		
– rented premises	129	119
– site equipment	2,002	3,367
	3,519	4,249

## 7. TAXATION

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Tax charge comprises:		
Hong Kong Profits Tax	540	–
Deferred taxation	600	483
	1,140	483

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 8. EARNINGS PER SHARE

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

	<b>Three months ended 30 June</b>	
	<b>2018</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>2017</b> <i>HK\$'000</i> <b>(unaudited)</b>
<b>Earnings</b>		
Profits for the period attributable to owners of the Company for the purpose of basic earnings per share	<b>5,132</b>	250
Effect of dilutive potential ordinary shares:		
Interest on convertible loan notes	–	–
Loss on fair value change of convertible loan notes	–	–
Earnings for the purpose of diluted earnings per share	<b>5,132</b>	250
	<b>'000</b> <b>(unaudited)</b>	<b>'000</b> <b>(unaudited)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>400,000</b>	238,510
Effect of dilutive potential ordinary shares on convertible loan notes	–	–
Weighted average number of ordinary shares for the purpose of diluted earnings per shares	<b>400,000</b>	238,510

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the group reorganisation and the capitalisation issue as detailed in the prospectus of the Company had been effective on 1 April 2017 and has been retrospectively adjusted for the deemed bonus element of the capital contribution relating to the shares of the Company issued to Chrysler Investments on 28 June 2017.

The effect of dilutive potential ordinary shares on convertible loan notes is not considered as the condition for the conversion of convertible loan notes has not been fulfilled as at 30 June 2017 and the number of ordinary shares contingently issuable upon the conversion of the convertible loan notes depends on whether the listing of the Company's shares on the GEM of the Stock Exchange takes place. Accordingly, the computation of diluted earnings per share for the three months period ended 30 June 2017 does not assume the conversion of the convertible loan notes.

## 9. DIVIDENDS

No dividend was paid, declared or proposed for the three months ended 30 June 2018 (2017: Nil).

## OTHER INFORMATION

### DISCLOSURE OF INTERESTS

**(a) Interests and short position of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or the associated corporations**

As at 30 June 2018, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.68 of the GEM Listing Rules, were as follows:

*(i) Interests in the company*

<b>Name of Director</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares</b>	<b>Approximate percentage of shares</b>
Mr. Tang Sze Wo ( <i>note</i> )	Interest in a controlled corporation	260,000,000 (long position)	65.0%

*Note:*

These shares are held by Chrysler Investments Limited, a company incorporated in the British Virgin Islands and the entire share capital of which is held by Mr. Tang Sze Wo. Mr. Tang Sze Wo is deemed to be interested in these shares held by Chrysler Investments Limited under the SFO.

*(ii) Interests in associated corporation(s) of the company*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares</b>	<b>Percentage of shareholding</b>
Mr. Tang Sze Wo	Chrysler Investments Limited	Beneficial owner	1 (long position)	100%



## OTHER INFORMATION

Save as disclosed above, as at 30 June 2018, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.68 of the GEM Listing Rules.

### (b) Interests and short positions of the substantial shareholders in the shares and underlying shares

So far as the Directors are aware, as at 30 June 2018, the following persons (other than a Director or chief executive of our Company) will have or be deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO or are directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Name of Shareholder	Capacity/ Nature of interest	Number of shares	Approximate percentage of shareholding in our Company
Chrysler Investments Limited (Note 1)	Beneficial owner	260,000,000 (long position)	65%
Mr. Tang Siu Fung Calvin (Note 2)	Interest in a controlled corporation	40,000,000 (long position)	10%
Sigma Square Investment Management Limited (Note 2)	Interest in a controlled corporation	40,000,000 (long position)	10%
Altivo Ventures Limited (Note 2)	Beneficial owner	40,000,000 (long position)	10%

#### Notes:

1. Chrysler Investments Limited is a company incorporated in the British Virgin Islands and the entire share capital of which is held by Mr. Tang Sze Wo.
2. These shares are held by Altivo Ventures Limited, a company incorporated in the British Virgin Islands and the entire share capital of which is held by Sigma Square Investment Management Limited, a company incorporated in Hong Kong and wholly owned by Mr. Tang Siu Fung Calvin, the son of Mr. Tang Sze Wo. Each of Sigma Square Investment Management Limited and Mr. Tang Siu Fung Calvin is deemed to be interested in these shares held by Altivo Ventures Limited under the SFO.

## OTHER INFORMATION

Save as disclosed above, and as at 30 June 2018, the Directors and chief executive are not aware of any person, other than a Director or chief executive of the Company, who has an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

### DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2018 (for the three months ended 30 June 2017: nil).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three-months period ended 30 June 2018, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the shares.

### SHARE OPTION SCHEME

The share option scheme of the Company (the “**Share Option Scheme**”) was adopted under the written resolutions of the shareholders of the Company passed on 24 January 2018. No share option has been granted under the Share Option Scheme since its adoption.

### SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiry of all Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the period from 1 April 2018 to 30 June 2018.

### DEED OF NON-COMPETITION

A deed of non-competition (the “**Deed of Non-competition**”) dated 24 January 2018 was entered into by Chrysler Investments Limited, a limited liability company incorporated in the British Virgin Islands, and Mr. Tang Sze Wo in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed “Relationship with Controlling Shareholders” and the non-competition undertaking is effective from the listing date (i.e. 12 February 2018).

### COMPETITION AND CONFLICT OF INTERESTS

As far as the Directors are aware of, none of the Directors nor the controlling shareholders nor any of their respective associates (as defined in the GEM Listing Rules) had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or had any other conflict of interests with the Group during the three months ended 30 June 2018.

## OTHER INFORMATION

### INTERESTS OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, LY Capital Limited ("**LY Capital**"), neither LY Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 June 2018.

### AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") on 24 January 2018, which operates under terms of reference approved by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Wong Choi Chak, Dr. Wong Kwok Yiu Chris and Mr. Leung Kim Hong. Mr. Wong Choi Chak is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2018.

### CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provision of the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules (the "**CG Code**") to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner.

During the three-months period ended 30 June 2018, the Company has complied with the code provisions of the CG Code.

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 17.22, 17.23 and 17.24 of the GEM Listing Rules.

By order of the Board  
**Sheung Moon Holdings Limited**  
**Tang Sze Wo**  
*Chairman*

Hong Kong, 7 August 2018

*As at the date of this report, the executive directors of the Company are Mr. Tang Sze Wo and Mr. Lai Yung Sang; and the independent non-executive directors of the Company are Dr. Wong Kwok Yiu Chris, Mr. Wong Choi Chak and Mr. Leung Kim Hong.*