



# 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**

# 2019

## 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 Listed Company Information” 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*)  
Mr. Lai Yung Sang

### **Independent non-executive directors**

Dr. Wong Kwok Yiu Chris  
Mr. Wong Choi Chak  
Mr. Leung Kim Hong

## **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 54  
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 as well as 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 (the “**Shares**”) were successfully listed on the GEM of the Stock Exchange on 12 February 2018 (the “**Listing Date**”).

The following table sets out the number of contracts awarded to and completed by the Group and the aggregate contract sum during the period under review:

	<b>Number of Contracts</b>	<b>Aggregate contract sum<sup>(Note)</sup> HK\$' million</b>
As at 1 April 2019		
Existing contracts	36	630.9
During the three months ended 30 June 2019		
New contracts awarded	2	239.8
As at 30 June 2019	38	870.7

*Note:* The aggregate contract sum is based on a total of all contract sums stated in the initial agreements between the Group’s customers and the Group. It does not include additions and modifications due to subsequent variation orders. The final revenue recognised from a contract may differ from the contract sum initially agreed between the contracting parties.

During the three months ended 30 June 2019, the Group has been awarded 2 civil engineering construction projects with total original contract sum amounted to approximately HK\$239.8 million.

As at 30 June 2019, the Group had a total of 38 civil engineering construction projects on hand with total original contract sum amounted to approximately HK\$870.7 million. More experienced engineering professionals have been recruited by the Group during the period under review. They have been assigned to respective project according to the construction progress and skill requirements of that project.

During the period, the Group continued to add new site equipment to replace existing 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. During the period under review, the Group did not lease out its site equipment as they were all fully utilised.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group is in the process of upgrading its site formation works and roads and drainage works under public works licences granted by the Works Branch of the Development Bureau of the Government from existing category Group B of site formation works and category Group A of roads and drainage works to category Group C and category Group B respectively. If such applications are granted, the Group will be able to bid larger public construction contracts with higher contract sums and better profit margins. Up to the date of this report, the applications have not been approved by the relevant department yet.

During the period under review, the Group has been granted more banking facilities to cope with the increase in demand for operating funds as a result of business expansion and development. The Group also strengthened its contract department and civil engineering department by recruiting more experienced engineering professionals.

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately HK\$70.4 million, or 97.0%, from approximately HK\$72.6 million for the three months ended 30 June 2018 to approximately HK\$143.0 million for the three months ended 30 June 2019. Such significant increase was primarily due to more variation orders (i.e. subsequent additions or modifications to the scope of works laid out in the original construction contracts) have been undertaken by the Group especially the significant increase in variation orders from Tseung Kwan O Area 137 contract as well as Temporary Construction Waste Sorting Facilities which is one of the new contracts awarded during the three months ended 30 June 2019.

### Direct Costs

Direct costs primarily comprised 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\$64.5 million, or 100.9%, from approximately HK\$63.9 million for the three months ended 30 June 2018 to approximately HK\$128.4 million for the three months ended 30 June 2019. Such increase was mainly attributable to the increase in labour force as a result of increase in construction projects and variation orders undertaken. More rental of the machinery, transportation expenses and petrol have been consumed.

### Gross Profit and Gross Profit Margin

As a result of the increase in revenue, the Group's gross profit increased by approximately HK\$6.0 million, or 69.6%, from approximately HK\$8.6 million for the three months ended 30 June 2018 to approximately HK\$14.6 million for the three months ended 30 June 2019. However, gross profit margin went down from 11.9% for the three months ended 30 June 2018 to 10.2% for the three months ended 30 June 2019. Such decrease was due to the significant increase in number of site workers hired by the Group and substantial overtime pay incurred for compensating the site workers in order to meet the tight deadline of the Group's construction projects as well as the overall increase in price of construction materials, site maintenance expenses and petrol expenses.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other Income

Other income for the three months ended 30 June 2019 comprised bank interest income and rental income from the Group's investment property while other income for the corresponding period in last year comprised rental income from leasing of site equipment, rental income from the Group's investment property and one-off sponsorship money received from stakeholders in relation to advertising on newspapers the successful listing of the Company's Shares on the Stock Exchange.

Other income decreased by approximately HK\$0.5 million or 71.4% from approximately HK\$0.7 million for the three months ended 30 June 2018 to approximately HK\$0.2 million for the three months ended 30 June 2019. Such decrease was mainly due to the drop in short-term rental income arising from leasing out of the site equipment as all site equipment were reserved for internal use during the period under review.

## Administrative Expenses

Administrative expenses increased slightly by approximately HK\$0.1 million or 3.7% from approximately HK\$2.7 million for the three months ended 30 June 2018 to approximately HK\$2.8 million for the three months ended 30 June 2019. The increase was mainly due to the increase in number of senior staff after successful 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. Besides more entertainment expenses were incurred in maintaining and fostering customer relationships during the period under review.

## Finance Costs

Finance costs increased by approximately HK\$0.5 million or 125.0% from approximately HK\$0.4 million for the three months ended 30 June 2018 to approximately HK\$0.9 million for the three months ended 30 June 2019. The increase was mainly due to the increase in bank interest as more banking facilities were required to cope with the rapid growth in construction activities undertaken.

## Taxation

Taxation expenses increased by approximately HK\$0.4 million or 36.4% from approximately HK\$1.1 million for the three months ended 30 June 2018 to approximately HK\$1.5 million for the three months ended 30 June 2019. Such increase was due to the increase in assessable profits for the three months ended 30 June 2019 and the increase in deferred tax provided as a result of additions of site equipment.

As a result of the above, the Group recorded a profit approximately HK\$9.7 million for the three months ended 30 June 2019 (three months ended 30 June 2018: approximately HK\$5.1 million).



# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECT

The Government of Hong Kong has proposed an extremely large scale reclamation plan to build a huge artificial island in the east of Lantau Island and turn the reclaimed land into a residential and business hub. If a green light is finally given to this huge project, it is expected that a lot of opportunities in public construction and civil engineering works will be created from this megaproject. The Directors are confident that the Group will continue to benefit from the infrastructure policy implemented by the Government in order to promote economic growth.

As a large number of long term infrastructure projects in Hong Kong will be carried out at the same time or one after another, it is expected that the prospect for the construction industry in Hong Kong will be very prosperous. The Directors are of the view that Hong Kong needs to speed up its infrastructure development to make the city more competitive.

The Directors are optimistic that the Group's construction business will remain strong and continue to grow with tremendous potentials. With a proven track record and strong foothold in the industry, the Group will endeavour to maintain a steady growth in its construction business so as to maximise the return of the Company's shareholders (the "**Shareholders**").

## 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 Date, 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 2019, the Group has utilised approximately HK\$2.1 million to reduce financial cost by repayment of short-term loans, approximately HK\$15.0 million to expand and increase the Group's service capacity by acquiring additional site equipment, approximately HK\$2.6 million to capture the market growth in the public and private sector, approximately HK\$0.9 million to expand the accounting and administrative team and approximately HK\$2.4 million for general working capital of our Group. 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 2019

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 2019, together with the comparative figures for the corresponding period in 2018 as follows:

	NOTES	Three months ended 30 June	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	3	<b>143,048</b>	72,560
Direct costs		<b>(128,425)</b>	(63,939)
Gross profit		<b>14,623</b>	8,621
Other income		<b>181</b>	686
Administrative expenses		<b>(2,756)</b>	(2,662)
Finance costs	4	<b>(880)</b>	(373)
Profit before taxation	5	<b>11,168</b>	6,272
Taxation	6	<b>(1,464)</b>	(1,140)
Profit and total comprehensive income for the period attributable to owners of the Company		<b>9,704</b>	5,132
Earnings per share (HK cents) – Basic and diluted	7	<b>2.43</b>	1.28

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note a)	Property revaluation reserve HK\$'000 (Note b)	Retained profits HK\$'000	Total HK\$'000
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)	<u>4,000</u>	<u>63,701</u>	<u>10,262</u>	<u>2,695</u>	<u>34,777</u>	<u>115,435</u>
At 1 April 2019 (audited)	4,000	63,701	10,262	2,695	54,255	134,913
Profit and total comprehensive income for the period (unaudited)	—	—	—	—	9,704	9,704
At 30 June 2019 (unaudited)	<u>4,000</u>	<u>63,701</u>	<u>10,262</u>	<u>2,695</u>	<u>63,959</u>	<u>144,617</u>

**Notes:**

- (a) 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.
- (b) During the year ended 31 March 2017, the use of property of the Group had been changed from owner-occupation to leasing out for rental income. The leasehold land and building with net book value of HK\$10,505,000 were transferred from property, plant and equipment to investment property at the date of the end of owner-occupation. Upon the change of intended use, the difference of HK\$2,695,000 between the net book value and the fair value of the property of HK\$13,200,000 was recognised in other comprehensive income and accumulated in "property revaluation reserve".

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 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 amended, consolidated or supplemented from time to time) 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 and the principal place of business of the Company in Hong Kong are located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Room A, 15th Floor, Kings Tower, 111 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong, respectively. 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 also functional currency of the Company.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statement of the Group for the three months period ended 30 June 2019 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 (“**HKICPAs**”) 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – CONTINUED

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 2019 has no material impact on the financial position of the Group as at 1 April 2019 and results of the Group for the three months ended 30 June 2019, but resulted in adoption of new accounting policies by the Group regarding application under HKFRS 16 "Leases", which is effective for the Group's annual periods beginning on or after 1 April 2019 (the date of initial application). The Group transitioned to HKFRS 16 in accordance with the modified retrospective approach and therefore comparative figures were not restated. Upon application of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 "Leases". These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The associate right-of-use assets were measured at the amount equal to the respective lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as at 31 March 2019. In addition, the Group elected to apply the relief option, which allows it to adjust the right-of-use assets by the amount of any provision for onerous leases recognised in the consolidated statement of financial position immediately before the date of initial application. The Group also decided not to apply HKFRS 16 to leases whose terms will end within twelve months from the date of initial application. In such cases, the leases are accounted for as short-term leases and the lease payments associated with the leases are recognised as an expense from short-term leases.

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 2019 are the same as those follow in the preparation of the financial information of the Group for the year ended 31 March 2019 included in the annual report of the Company dated 18 June 2019.

## 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 in Hong Kong 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 4. FINANCE COSTS

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Interests on:		
Bank borrowings	598	205
Finance leases	–	168
Lease-liabilities	282	–
	<u>880</u>	<u>373</u>

## 5. PROFIT BEFORE TAXATION

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Profit before taxation has been arrived at after charging:		
Directors' remuneration	795	795
Staff costs (including direct labour cost)	33,059	20,444
Retirement benefit scheme contributions (including direct labour cost)	1,185	800
Total staff cost	<u>35,039</u>	<u>22,039</u>
Auditor's remuneration	250	150
Depreciation on property, plant and equipment	1,891	1,238
Lease payment under operating leases in respect of rental premises:		
– short term leases	173	–
– minimum lease payments	–	129
	<u>173</u>	<u>129</u>
Lease payment under operating leases in respect of site equipment:		
– short term leases	9,280	–
– minimum lease payments	–	2,002
	<u>9,280</u>	<u>2,002</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 6. TAXATION

	Three months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Tax charge comprises:		
Hong Kong Profits Tax	674	540
Deferred taxation	790	600
	<u>1,464</u>	<u>1,140</u>

Provision of Hong Kong profits tax payable amount of HK\$674,000 is calculated at the rate of 16.5% based on assessable profits for the three months ended 30 June 2019 (2018: HK\$540,000).

## 7. EARNINGS PER SHARE

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

	Three months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Earnings</b>		
Profits for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>9,704</u>	<u>5,132</u>
	'000	'000
	(unaudited)	(unaudited)

### Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>400,000</u>	<u>400,000</u>
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# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 7. EARNINGS PER SHARE – CONTINUED

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 annual report for the year ended 31 March 2019 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.

No diluted earnings per share were presented as there were no potential ordinary shares in issue during both periods.

## 8. DIVIDENDS

No dividend was paid, declared or proposed for the three months ended 30 June 2019 (2018: 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 2019, 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 2019, 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 2019, 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:

- 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.
- 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 2019, 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 any dividend for the three months ended 30 June 2019 (for the three months ended 30 June 2018: nil).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three-months period ended 30 June 2019, 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 Shares Option Scheme since its adoption.

### 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 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 2019.

### 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 2019.

## OTHER INFORMATION

### 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 “**Code of Conduct**”). Having made specific enquiry of all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Code Conduct during the period from 1 April 2019 to 30 June 2019.

### 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 2019.

### EVENTS AFTER THE REPORTING PERIOD

The group had no significant event after the end of the reporting period and up to the approval date of this report.

### 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 2019, the Company has complied with the code provisions of the CG Code.

## OTHER INFORMATION

### **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 2019

*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.*