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SUPERACTIVE GROUP COMPANY LIMITED

先機企業集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0176)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SHENZHEN JIAXIN ENTERPRISE MANAGEMENT COMPANY LIMITED

Reference is made to the announcement of the Company dated 28 December 2017 in relation to the entering into of the MOU by the Company.

The Board announces that on 4 July 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Equity and the Sale Loan for the Consideration of RMB30,000,000 (equivalent to approximately HK\$35,336,000). Details of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date: 4 July 2018 (after trading hours)

Parties: (i) Sino Worldwide Electronic (Shenzhen) Company Limited, an indirect wholly-owned subsidiary of the Company as purchaser; and
(2) Mr. Zhuang Junwei as vendor.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell, the Sale Equity and the Sale Loan. The Sale Equity, representing the entire equity interest of the Target Company, will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid upon the Completion Date. The Sale Loan, representing the loan owing by the Target Group to the Vendor at the date of the Sale and Purchase Agreement, will be sold free from all encumbrances together with all rights attaching thereto as at the Completion Date.

The Purchaser shall not be obliged to purchase any of the Sale Equity and the Sale Loan unless the sale and purchase of the Sale Equity and the Sale Loan are completed simultaneously.

As at the date of the Sale and Purchase Agreement, the Sale Loan amounted to approximately RMB8,408,000 (equivalent to approximately HK\$9,903,000).

Consideration

The total consideration for the sale and purchase of the Sale Equity and the Sale Loan shall be RMB30,000,000 (equivalent to approximately HK\$35,336,000) and shall be payable by the Purchaser to the Vendor in the following manner:

- (i) RMB20,000,000 (equivalent to approximately HK\$23,557,000) paid by the Company to the Vendor upon signing of the MOU as refundable deposit (the “**Deposit**”) under the Sale and Purchase Agreement and as part payment of the Consideration; and
- (ii) the balance of the consideration of RMB10,000,000 (equivalent to approximately HK\$11,779,000) shall be payable in cash to the Vendor upon Completion.

The total consideration was determined after arm’s length negotiations between the Purchaser and the Vendor with reference to the Profit Guarantee, the amount of the Sale Loan of RMB8,408,000 (equivalent to approximately HK\$9,903,000) and the aggregate unaudited net assets of the Target Group of RMB1,968,000 (equivalent to approximately HK\$2,318,000) as at 31 December 2017.

The Directors consider that the total consideration is fair and reasonable after taking into account of the above factors. The Group will finance the consideration by its internal financial resources.

Profit Guarantee

Pursuant to the Sale and Purchase Agreement, the Vendor has warranted and guaranteed (the “**Profit Guarantee**”) to the Purchaser that the audited profit (the “**Aggregate Audited Profit**”) of Shenzhen Dowis and Zhaoqing Shengxiang for the three (3) full financial year following Completion in aggregate (the “**Profit Guarantee Period**”) shall not be less than the total amount of RMB15,000,000 (equivalent to approximately HK\$17,668,000) (the “**Guaranteed Profit**”).

In the event the actual Aggregate Audited Profit of Shenzhen Dowis and Zhaoqing Shengxiang for the Profit Guarantee Period is less than the Guaranteed Profit, the Vendor shall pay to the Purchaser a compensation (the “**Compensation**”) equal to 10 times of one-third of 60% of the aggregate amount of the shortfall in the Profit Guarantee Period. The Compensation shall be payable by the Vendor to the Purchaser within 14 days after the Vendor received a written notice from the Purchaser. For the avoidance of doubt, the maximum amount of the liability of the Vendor under the Sale and Purchase Agreement including the liability relating to the Profit Guarantee shall not exceed the total consideration for the sale and purchase of the Sale Equity and the Sale Loan, being RMB30,000,000 (equivalent to approximately HK\$35,336,000).

Conditions Precedent

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the Purchaser being satisfied with the results of the due diligence review;
- (ii) all necessary consents and approvals in relation to the sale and purchase of the Sale Equity and the Sale Loan contemplated under the Sale and Purchase Agreement having been obtained by the Vendor and the Purchaser;
- (iii) there being no facts or circumstances which constitute or may constitute any breach of representations and warranties under the Sale and Purchase Agreement; and
- (iv) the obtaining of a PRC legal opinion (in the form and substance satisfactory to the Purchaser) issued by a PRC legal adviser approved by the Purchaser on the incorporation, legal existence and business operation of the Target Company.

The Vendor shall use his reasonable endeavours to procure the fulfilment of the conditions above. Save for the condition set out in (ii) above, all other conditions precedent can be waived by the Purchaser. If any of the conditions set out above shall not have been fulfilled (or waived, as the case may be) on or before 30 September 2018 or such other date as the Vendor and the Purchaser may agree in writing (the “**Long Stop Date**”), the Vendor shall forthwith return the Deposit to the Purchaser in full on or before 7 October 2018 and the Sale and Purchase Agreement shall cease and determine and no parties shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the Completion Date, being a date within three Business Days after the fulfilment (or waiver, as the case may be) of the conditions set out above, or such other date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Target Group will become subsidiaries of the Company and their results, assets and liabilities will be consolidated into the consolidated financial statements of the Company.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The Vendor is an Independent Third Party and as at the date of this announcement, the Target Company is wholly-owned by the Vendor.

The Target Group principally engages in the manufacturing and sale of transformers. The Target Company is a company established in the PRC with limited liability with a registered capital of RMB1,000,000 (equivalent to approximately HK\$1,178,000), none of which is paid-up as at the date of this announcement. The Target Company owns 60% of the equity interest in Shenzhen Dowis and Zhaoqing Shengxiang, both are companies established in the PRC with limited liability. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the shareholders who own the remaining 40% equity interest in Shenzhen Dowis and Zhaoqing Shengxiang are Independent Third Parties. As at the date of this announcement, Shenzhen Dowis has a registered and paid-up capital of RMB1,000,000 and Zhaoqing Shengxiang has a registered capital of RMB20,000,000, none of which is paid-up as at the date of this announcement.

Financial information of the Target Group

Set out below is the summary of the net assets and total assets extracted from the unaudited financial statements of the Target Company for the period from 20 May 2016 (the date of establishment) to 31 December 2016 and for the financial year ended 31 December 2017:

	For the period from 20 May 2016 (the date of establishment) to 31 December 2016 RMB'000 (unaudited)	For the financial year ended 31 December 2017 RMB'000 (unaudited)
Net (loss) before taxation	(18)	(7)
Net (loss) after taxation	(18)	(8)

As at 31 December 2017, the unaudited net liabilities of the Target Company amounted to approximately RMB26,000 (equivalent to approximately HK\$30,624).

Set out below is the summary of the net assets and total assets extracted from the unaudited financial statements of Shenzhen Dowis for the two financial years ended 31 December 2016 and 2017:

	For the financial year ended 31 December 2016 <i>RMB'000</i> (unaudited)	For the financial year ended 31 December 2017 <i>RMB'000</i> (unaudited)
Net profit before taxation	300	412
Net profit after taxation	270	391

As at 31 December 2017, the unaudited net assets of the Shenzhen Dowis amounted to approximately RMB1,994,000 (equivalent to approximately HK\$2,349,000).

Zhaoqing Shengxiang was established on 5 June 2018. As at 30 June 2018, the unaudited net assets of Zhaoqing Shengxiang amounted to RMB0.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the manufacturing of consumer electronics products, provision of money lending service and regulated financial service activities in Hong Kong; and provision of nursery education service and property development in the PRC.

The Directors consider that it is beneficial for the Group to expand its existing manufacturing of consumer electronics products business segment so as to broaden its revenue stream and generate stable and sustainable income and the Acquisition represents an opportunity for the Group for such expansion.

In consideration of the above, the Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

WARNING

As the Completion is subject to the satisfaction and/or waiver (where applicable) of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition by the Purchaser of the Sale Equity and the Sale Loan from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hosted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Superactive Group Company Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0176)
“Completion”	completion of the Acquisition according to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date which is within three Business Days after the date on which the conditions precedent under the Sale and Purchase Agreement are satisfied or waived or such other date as the Purchaser and the Vendor may agree in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is third party independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2018, or such later date as the Vendor and the Purchaser may agree
“MOU”	the memorandum of understanding dated 28 December 2017 entered into between the Vendor and the Company in relation to the sale and purchase of the 60% equity interest in Shenzhen Dowis
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	享華電子(深圳)有限公司 (Sino Worldwide Electronic (Shenzhen) Company Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the agreement dated 4 July 2018 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Equity and Sale Loan
“Sale Equity”	the entire equity interest in the Target Company
“Sale Loan”	the loan owing by the Target Company to the Vendor at the date of the Sale and Purchase Agreement, which amounted to approximately RMB8,408,000
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Share(s)

“Shenzhen Dowis”	深圳市德維斯電子有限公司 (Shenzhen Dowis Electronics Company Limited*), a company established in the PRC with limited liability, of which 60% of the equity interest is beneficially owned by the Target Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	深圳市加信企業管理有限公司 (Shenzhen Jiaxin Enterprise Management Company Limited*), a company established in the PRC with limited liability which as at the date of this announcement is wholly owned by the Vendor
“Target Group”	the Target Company, Shenzhen Dowis and Zhaoqing Shengxiang
“Vendor”	Mr. Zhuang Junwei (庄俊偉), which as at the date of this announcement, holds the entire equity interest in the Target Company
“Zhaoqing Shengxiang”	肇慶聖享電子科技有限公司 (Zhaoqing Shengxiang Electronic Technology Company Limited*), a company established in the PRC with limited liability, of which 60% of the equity interest is beneficially owned by the Target Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“%”	per cent.

In this announcement, amounts in RMB are translated into HK\$ on the basis of approximately HK\$1 = RMB0.849 The conversion rate is for illustration purpose only and should not be taken as a representation that HK\$ could actually be converted into RMB at such rate or at all.

* for identification purposes only

For order of the Board
Superactive Group Company Limited
Yeung So Lai
Chairman

Hong Kong, 4 July 2018

At the date of this announcement, the executive Directors are Ms. Yeung So Lai and Mr. Lee Chi Shing Caesar; and the independent non-executive Directors are Mr. Chiu Sze Wai Wilfred, Mr. Chow Wai Leung William and Ms. Hu Gin Ing.