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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)

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARES IN ALFORD INDUSTRIES LIMITED

THE DISPOSAL

The Board is pleased to announce that on 6 May 2019 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company as the vendor and the Purchaser as the purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company at the Consideration of HK$59,000,000.

Upon Completion, the Target Group will cease to be subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. The Company intends to obtain written Shareholder's approval from Super Fame Holdings Limited, a controlling Shareholder directly holding 1,152,731,997 Shares, representing approximately 56.71% of the issued share capital of the Company as at the date of this announcement, for approving the Sale and Purchase Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules.

GENERAL

A circular of the Company containing, among other matters, further details of the Disposal and any other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 28 May 2019.

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

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THE SALE AND PURCHASE AGREEMENT

Date: 6 May 2019 (after trading hours)

Parties:

(1) the Vendor, a wholly-owned subsidiary of the Company, as vendor; and

(2) Grace Creation Investment Limited, as purchaser.

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in patent licensing and corporate management. The Purchaser is the manager of the Target Company responsible for managing the business engaged by the Target Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor shall sell as legal and beneficial owner and the Purchaser shall purchase the Sale Shares. The Sale Shares, representing the entire issued share capital of the Target Company, will be sold free from all Encumbrances together with all rights attaching thereto including but not limited to all dividends to be paid, declared or made in respect thereof at any time on or after the date of Completion.

The Vendor shall not be obliged to sell and the Purchaser shall not be obliged to purchase any of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

Consideration

The Consideration for the sale and purchase of the Sale Shares shall be HK$59,000,000, which shall payable to the Vendor by the Purchaser in immediately available funds at Completion by a cashier's order drawn on a licensed bank in Hong Kong, telegraphic transfer remittance, CHATS payment or bank transfer in favour of the Vendor (or its nominee(s)).

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms by taking into account (i) the net asset value of the Target Group; and (ii) the current and future prospects of the Target Group.

Having considered the above factors, the Board considers that the Consideration, which was arrived at after arm's length negotiations, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon and subject to the following conditions:

(1) the Shareholders approving the Sale and Purchase Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules by way of written approval;

(2) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

(3) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

(4) the representation and warranties given by the Vendor remaining true, accurate and complete in all material respects; and

(5) the representation and warranties given by the Purchaser remaining true, accurate and complete in all material respects.

The Vendor shall use its best endeavour to procure the fulfilment of the conditions set out in (1), (2) and (4) above. The Purchaser shall use its best endeavour to procure the fulfilment of the conditions set out in (3) and (5) above. The Vendor may in its absolute discretion at any time waive the condition set out in (5) above. The Purchaser may in their absolute discretion at any time waive the conditions set out in (4) above. None of the conditions set out in (1), (2) and (3) above are capable of being waived.

If the conditions set out above have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall cease and determine and neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place within three Business Days after the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement or such other date as the Company and the Purchaser may agree in writing.

Upon Completion, the Target Group will cease to be subsidiaries of the Company.

Condition subsequent

The Vendor shall use its best endeavours to procure the publication and despatch of the circular in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder by the Company to the Shareholders in compliance with the relevant requirements under the Listing Rules ("**Condition Subsequent**").

The Vendor shall use its best endeavour to procure the fulfilment of the Condition Subsequent. The Condition Subsequent is incapable of being waived.

If the Condition Subsequent has not been satisfied on or before 30 June 2019, or such later date as the Vendor and the Purchaser may agree in writing,

(1) the Sale and Purchase Agreement shall cease and determine and neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof;

(2) the parties to the Sale and Purchase Agreement agree to, and undertake to sign and procure all their affiliates to sign all necessary documents and take all necessary actions to reverse the transactions contemplated under the Sale and Purchase Agreement in the following manner:

    (i) the Vendor shall, within 5 Business Days after termination, refund all the Consideration paid by the Purchaser without interest in accordance with the Sale and Purchase Agreement, and pay any costs, expenses and stamp duty in connection with reversing the transactions contemplated thereunder; and

    (ii) against compliance by the Vendor with its obligations in paragraph (i) above, the Purchaser shall transfer all the Sale Shares to the Vendor upon receipt of the payments set out in paragraph (i) above and procure the removal of its appointed bank signatories, directors, supervisors, senior management and legal representatives of the Target Group and the appointment of the persons designated by the Vendor as directors of the Target Company.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability, which is principally engaged in investment holding. The Target company directly owns the entire equity interest in 佛山市順德區雅富電子有限公司 (Foshan City Shunde District Alford Electronic Company Limited*), a company established in the PRC and are principally engaged in manufacturing and trading of consume electronics products.

Set out below is a summary of the key financial data of the Target Group for the two financial years ended 31 December 2017 and 2018 which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 31 December 2017	**For the year ended 31 December 2018**
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Revenue	200,404	174,238
Net profit / (loss) before tax	834	(7,030)
Net profit / (loss) after tax	362	(7,577)

As at 31 March 2019, the unaudited consolidated net asset value of the Target Group based on the unaudited financial statements of the Target Group prepared in accordance with the generally accepted accounting principles in Hong Kong was approximately HK$44,758,000, after taking into account of the waiver of the amount of approximately HK$8,233,000 payable by the Vendor to the Company.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group will cease to have any interests in the Target Group, and the financial results of the Target Group will no longer be consolidated in the financial statements of the Group following Completion.

Based on the proceeds from the Disposal, the preliminary assessment on the unaudited consolidated financial information of the Target Group, the waiver of the amount of approximately HK$8,233,000 payable by the Vendor to the Company, and the release of the Group's reserve upon the Disposal, the Group will record a gain of approximately HK$15,990,000 as a result of the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company. The proceeds from the Disposal will be used to develop its existing business and as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the manufacturing of 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 People's Republic of China.

The financial performance of the Target Group overturned from a profit for the year ended 31 December 2017 to a loss for the year ended 31 December 2018, which was mainly attributable to the decrease in turnover as a result of the outbreak of the Sino-US trade war and the keen competition in the market. The Target Group's unaudited financial results for the three months ended 31 March 2019 continued to record a loss. The Directors consider that the market will remain competitive and expect to incur additional marketing expenses to maintain market competitiveness. Therefore, the Directors are of the view that the deteriorating financial performance would not show a turnaround in the foreseeable future.

Upon completion of the Disposal, the Group is able to discontinue the negative impact of the loss of the Target Group on the Group's earnings. Also, the Group can allocate its resources to other businesses and enhance the Group's liquidity.

Accordingly, the Directors are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

"Board"	the board of Directors
"Business Day(s)"	a day (excluding Saturday, Sunday or public holiday) in Hong Kong on which the licensed banks are generally open for business throughout the normal business hours
"CHATS"	Clearing House Automated Transfer System
"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 Disposal
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration of HK$59,000,000 payable by the Purchaser to the Vendor for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms of the Sale and Purchase Agreement

"Encumbrance"	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase or sale and leaseback arrangement whatsoever nature and includes any agreement for any of the same
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 May 2019, or such later date as the Vendor and the Purchaser may agree in writing
"PRC"	the People's Republic of China, excluding (except where the context requires) Hong Kong, the Macau Special Administrative Region and Taiwan
"Purchaser"	Grace Creation Investment Limited, a company incorporated in Hong Kong with limited liability
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 6 May 2019 and entered into between the Purchaser and the Vendor in relation to the Disposal
"Sale Shares"	2,000,000 ordinary share in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Alford Industries Limited (雅富實業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement

"Target Group"	the Target Company and its subsidiaries
"Vendor"	Panteq Company Limited (品迪有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Superactive Group Company Limited
Yeung So Lai
Chairman

* *for identification purpose only*

Hong Kong, 6 May 2019

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Yeung So Lai and Mr. Lee Chi Shing Caesar; and four independent non-executive Directors, namely Ms. Hu Gin Ing, Mr. Chow Wai Leung William, Mr. Chiu Sze Wai Wilfred and Mr. Leung Man Man.