THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Superactive Group Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

SUPERACTIVE

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

28 June 2019

CONTENTS

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

"Best Service"	Best Service Holdings Limited, one of the Company's former substantial shareholders who accepted the voluntary conditional cash offer by Super Fame Holdings Limited to dispose all its equity interests in the Company to Super Fame Holdings Limited, details of which are stated in the announcements of the Company dated 25 November 2016 and 8 February 2017
"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
"Kingage International"	Kingage International Limited, one of the Company's former substantial shareholders who accepted the voluntary conditional cash offer by Super Fame Holdings Limited to dispose all its equity interests in the Company to Super Fame Holdings Limited, details of which are stated in the announcements of the Company dated 25 November 2016 and 8 February 2017
"Latest Practicable Date"	24 June 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"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 (as amended and supplemented by the Supplemental Agreement) entered into between the Purchaser and the Vendor in relation to the Disposal
"Sale Shares"	2,000,000 ordinary shares in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"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)
"Supplemental Agreement"	the supplemental agreement dated 30 May 2019 entered into between the Vender and the Purchaser to amend certain terms of the Sale and Purchase Agreement

"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
"Target Group"	the Target Company and its subsidiary
"US"	the United States of America
"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
"Written Shareholder's Approval"	the written shareholder's approval dated 30 May 2019 of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder given by Super Fame Holdings Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency in the PRC
"US$"	United States dollars, the lawful currency of the United States of America

* *The English translation or transliteration of the Chinese name(s) in this circular, where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).*

SUPERACTIVE GROUP COMPANY LIMITED
先 機 企 業 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)
(Stock Code: 0176)

Executive Directors:
Ms. Yeung So Lai
Mr. Lee Chi Shing Caesar

Independent Non-executive Directors:
Ms. Hu Gin Ing
Mr. Chow Wai Leung William
Mr. Leung Man Man

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business in Hong Kong:
Unit 1510, 15/F.
West Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

28 June 2019

To the Shareholders,

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcements of the Company dated 6 May 2019 and 29 May 2019 in relation to, among other things, the Disposal and the announcements of the Company dated 30 May 2019 and 31 May 2019 in relation to, among other things, the Completion.

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 (as amend and supplemented by the Supplemental 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.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; and (ii) other information as required under the Listing Rules.

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 on 8 June 2017 with limited liability. Based on the information provided by the Purchaser and to the best of the Director's knowledge, information and belief, the Purchaser is indirectly wholly-owned by Mr. Simon Nai-Cheng Hsu ("**Mr. Hsu**"), who is also the ultimate beneficial owner and a director of the Purchaser. Based on the information provided by the Purchaser and to the best of the Director's knowledge, information and belief, the principal business of the Purchaser is patent licensing and corporate management.

Based on the information provided by the Purchaser and to the best of the Director's knowledge, information and belief, (a) Mr. Hsu has extensive experience in corporate and business management in various business fields, including basic industries, logistics, electronics manufacturing, etc.; (b) he is currently the chairman of SNH Global Holdings Limited, a diversified holding company with principal subsidiaries operating globally; and (c) he is also an executive chairman of e-commerce Logistics Group, a company headquartered in Hong Kong and principally engaged in the logistics and supply chain management business focused in the Greater China market. He was a non-executive director and the chairman of Pantronics Holdings Limited (stock code: 1611) until 11 October 2018.

The Purchaser is the manager of the Target Company responsible for managing the business engaged by the Target Group. One of the directors of the Purchaser, Mr. Henry Woon-Hoe Lim is also a director of each of the Target Company and its subsidiary 佛山市順德區雅富電子有限公司 (Foshan Shunde Alford Electronics Company Limited*). Save for the above, neither the Purchaser nor Mr. Hsu has any relationship with the Company or its connected persons. 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. Based on the confirmation of the Purchaser and to the best of the Director's knowledge, information and belief, neither the Purchaser nor Mr. Hsu has any relationship with Best Service, Kingage International or their respective ultimate beneficial owners. Based on the confirmation of the Purchaser and to the best of the Director's knowledge, information and belief, neither the Purchaser nor Mr. Hsu has entered, or contemplated to enter, into any other arrangements, agreements or understanding (whether formal or informal and whether express or implied) with Best Service, Kingage International or their respective ultimate beneficial owners.

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 be 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 as at 31 March 2019 of approximately HK$44,758,000 after taking into the account the waiver of the amount of approximately HK$8,233,000 payable by the Company to the Target Company; and (ii) the current and future prospects of the Target Group that the persisting decrease in turnover and Sino-US trade dispute remain unsolved.

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.

All of the conditions set out above had been satisfied. None of the conditions has been waived as at the date of Completion, i.e. 30 May 2019.

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 Vender and the Purchaser may agree in writing.

As all of the conditions precedent had been satisfied, Completion took place on 30 May 2019.

Upon Completion, the Target Group has ceased 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 thereunder save for any antecedent breaches of the terms thereof; and

(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.

The Condition Subsequent had been satisfied upon despatch of this circular.

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 and design and distribution of consumer electronics products such as baby monitor and air purifier. 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 Shunde Alford Electronics Company Limited*), a company established in the PRC and is principally engaged in manufacturing and trading of consumer 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 (the "**NAV**") 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 Company to the Target Company (the "**Relevant Amount**"). The Relevant Amount represents the amount of the debt owing by the Company to the Target Company as at 31 March 2019. The Relevant Amount was waived by the Target Company upon Completion. The excess of the amount of the Consideration (being HK$59,000,000) over the NAV (being approximately HK$44,758,000) is HK$14,242,000.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group has ceased to have any interests in the Target Group, and the financial results of the Target Group would no longer be consolidated in the consolidated 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 Relevant Amount, 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. Based on the preliminary assessment on the unaudited consolidated financial information of the Target Group and the amount of the Consideration, it is expected that upon completion of the Disposal, the total assets of the Group decreased by approximately HK$46.96 million, the total liabilities of the Group decreased by approximately HK$61.20 million, the net assets of the Group increased by approximately HK$14.24 million. The proceeds from the Disposal will be used as to HK$30 million to develop its existing business including HK$20 million for money lending business and as to HK$10 million for the payment of subscription of IT City Development Fund LP (details of which are set out in the announcement of the Company dated 2 May 2018) and the remaining proceeds will be used 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 and management 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 as baby monitor and air purifier are easily to be replaced by other substitute products such as ip camera and air-conditioner with air purifying system, the Directors also expect to incur additional marketing expenses to develop new features and promote the brand name 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 the Completion, 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.

As at the Latest Practicable Date, the Group has no intention to dispose any of the remaining business. The Group is now actively adding value and promotion to Lijiang Underground Walkway which is an underground walkway and people's air defense structure project located at the underground of Minzhu Road and Fuhui Road, Lijiang City, Yunan Province, the PRC, comprising a people's air defense work structure and shop premises, and prepare to launch for sales at the appropriate time initially planned for sale in the fourth quarter of 2019.

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.

On 30 May 2019, the Company received the 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 Latest Practicable Date, 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. Accordingly, no general meeting of the Company will be convened for the purposes of approving the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

RECOMMENDATION

The Board considers that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 December 2018, 2017 and 2016 can be found in the annual reports of the Company for the years ended 31 December 2018, 2017 and 2016 respectively.

The above-mentioned financial information has been published on both website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.superactive.com.hk.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 May 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group has outstanding borrowings of approximately HK$436.5 million, comprising bank borrowings of approximately HK$156.5 million, and bond payables of approximately HK$280.0 million which were secured and guaranteed.

Save as aforesaid and normal trade and other payables in the ordinary course of business, as at the close of business on 31 May 2019, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantee or other material contingent liabilities.

3. WORKING CAPITAL

After taking into account the financial resources available to the Group, including the proceeds from the Disposal, the internally generated funds, bond payables and the available banking facilities, the Directors, after due and careful enquiry, are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position or outlook of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

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

With the outbreak of the Sino-US trade war, the international trade market uncertainty and volatility increased. As the US is the largest market for the Group's manufacturing of baby monitors and semi-products, the Sino-US trade war will inevitably have a direct impact on the Group's business. Fortunately, the Group expanded its business to the manufacturing of transformers in 2018, and its primary market is the domestic market of Mainland China that could ease the impact of the Sino-US trade war. Looking ahead, the Group believes that as the completion of the new factory in Zhaoqing, the PRC, the production capacity of manufacturing of transformers will increase significantly.

In recent years, China's nursery education industry has shown a good development trend. On the one hand, with the continuous improvement of people's consumption level, parents' awareness of nursery education has gradually strengthened. On the other hand, the second-child policy continues to ferment, so that the children of suitable ages are expected to continue to grow, prompting the development of China's nursery education industry to become more rapid, and the market potential is huge. However, the Central Committee of the Communist Party of China and the State Council of the PRC jointly issued "Certain Opinions on In-Depth Reform and Regulated the Development of Pre-school Education" (the "Opinions") in November 2018. The Opinions implies that the PRC government wants to monitor and regulate the industry of education strictly and to curb the expensive tuition fees charged by the private kindergartens. The outlook for nursery education, therefore, has changed dramatically. The Group stepped in nursery education services business through acquisitions in 2017. In view of the Opinions, the Group decided to suspend the development plan of the expansion the number of kindergartens. The development plan of the Group's nursery education business has yet to be finalised and will be depended on how the Opinions are implemented, the market situation and the industry's response plan.

Subject to the contradiction between the borrower's urgency for the use of money and personal privacy, and the disclosure requirements and the processing time to get the required approval of the notifiable transactions to comply with the Listing Rules, the Group faced a certain degree of difficulty in engaging in the money lending business. As the Group's total assets increased, and revenue and profits improved, the impact in 2018 is relatively less than in 2017. Interest income from money lending business for the year increased by 1,679.99% when compared with 2017. The significant increase is not only about half a year's operation time in 2017, but also the total sum of the loan principal in this year is much higher than that in 2017. However, as the sum for the loan principal is close to the limit of the Group's budget, the interest income from money lending business will not be expected to increase significantly in the coming year unless the borrowing interest rate rises or the Group increases its budget.

For the property development and management business, as the construction and the final acceptance of the Lijiang Underground Walkway have been completed, the shop premises will be available for sales in the coming year. The Group will schedule the sales of the shop premises according to the Group's financial needs and market conditions. The Group is optimistic about the shops' investment market of Lijiang.

For the regulated financial services business, the Group has engaged in financial advisory and asset management businesses. Superactive Financial Group Company Limited was approved by the Securities and Futures Commission, to carry out in Type 1 (Dealing in Securities) regulated activity under the SFO in June 2018. The Group is now actively preparing to carry out the dealing services.

The Group will continue to explore and invest in potential projects and business opportunities with good potential.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where 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 to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of Directors	Nature of Interest	Number of Shares	Approximate percentage or attributable percentage of shareholding *(Note 1)*
Ms. Yeung So Lai ("**Ms. Yeung**") *(Note 2)*	Interest in controlled corporation	1,152,731,997 (L)	56.71%
Mr. Lee Chi Shing Caesar ("**Mr. Lee**") *(Note 2)*	Interest in controlled corporation	1,152,731,997 (L)	56.71%

L: long position

Notes:

1. The percentage is calculated on the basis of 2,032,571,385 Shares in issue as at the Latest Practicable Date.

2. These Shares are held by Super Fame Holdings Limited, which is beneficially owned as to 45% by Mr. Lee and 55% by Ms. Yeung. Therefore, Mr. Lee and Ms. Yeung are deemed to be interested in the 1,152,731,997 Shares held by Super Fame Holdings Limited under Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where 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 to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	**Capacity/ Nature of Interest**	**Number of Shares**	**Approximate percentage or attributable percentage of shareholding** *(Note 1)*
Super Fame Holdings Limited *(Note 2)*	Beneficial owner	1,152,731,997 (L)	56.71%
Jade Treasure Global Limited ("**Jade Treasure**") *(Note 3)*	Security interest	1,152,731,997 (L)	56.71%
Right Select International Limited ("**Right Select**") *(Note 3)*	Interest in controlled corporation	1,152,731,997 (L)	56.71%
China Huarong International Holdings Limited ("**China Huarong**") *(Note 3)*	Interest in controlled corporation	1,152,731,997 (L)	56.71%
Huarong Real Estate Co., Ltd. ("**Huarong Real Estate**") *(Note 3)*	Interest in controlled corporation	1,152,731,997 (L)	56.71%
China Huarong Asset Management Co., Ltd. "**Huarong Asset Management**") *(Note 3)*	Interest in controlled corporation	1,152,731,997 (L)	56.71%

L: long position

Notes:

1. The percentage is calculated on the basis of 2,032,571,385 Shares in issue as at the Latest Practicable Date.

2. Super Fame Holdings Limited is owned as to 45% by Mr. Lee and 55% by Ms. Yeung. Therefore, Mr. Lee and Ms. Yeung are deemed to be interested in the 1,152,731,997 Shares held by Super Fame Holdings Limited under Part XV of the SFO.

3. Jade Treasure is wholly-owned by Right Select, which is in turn wholly-owned by China Huarong. China Huarong is owned as to 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. ("**Huarong Zhiyuan**") and 88.1% by Huarong Real Estate. Huarong Zhiyuan and Huarong Real Estate are wholly-owned by Huarong Asset Management. Thus, each of Right Select, China Huarong, Huarong Real Estate and Huarong Asset Management are deemed to be interested in 1,152,731,997 Shares in which Jade Treasure has a security interest.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. INTERESTS IN CONTRACTS, ASSETS AND ARRANGEMENT OF SIGNIFICANCE

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2018, the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material:

(a) the sale and purchase agreement dated 29 May 2017 entered into between Hinda Enterprises Limited ("**Hinda**"), a direct wholly-owned subsidiary of the Company as purchaser and Chan Ping Che as vendor for the sale and purchase of (i) the entire issued share capital (the "**WL Sale Shares**") of Wealth Long Limited (財順有限公司) ("**Wealth Long**") and (ii) the entire amount of the shareholder's loan of HK$184,559,138 owing by Wealth Long to Chan Ping Che as at the date of completion (the "**WL Sale Loan**") at the consideration of HK$185,000,000;

(b) the put option deed (the "**Put Option Deed**") dated 29 May 2017 (as amended and supplemented by the supplemental deed dated 7 August 2017) entered into between Chan Ping Che and Hinda in relation to the grant of the right of Hinda to require Chan Ping Che to purchase from Hinda all of the WL Sale Shares and the WL Sale Loan by Chan Ping Che to Hinda;

(c) the loan agreement dated 17 July 2017 and entered into between Superactive Finance Company Limited ("**Superactive Finance**"), an indirect wholly-owned subsidiary of the Company as lender and an individual who is an Independent Third Party as borrower in relation to the advance of the loan in the principal amount of US$1,000,000 for a term of 12 months from the date of drawdown;

(d) the supplemental deed dated 7 August 2017 and entered into between Chan Ping Che and Hinda to amend the Put Option Deed in relation to the terms of exercise of the put option thereunder;

(e) the sale and purchase agreement dated 9 August 2017 and entered into among Joint Faith Enterprises Limited, an indirect wholly-owned subsidiary of the Company as purchaser, Ms. You Xuemian and Ms. Lin Yuqin as vendors and 深圳市前海萬客金融服務有限公司 (Shenzhen City Qianhai Wanke Financial Services Company Limited*) ("**Qianhai Wanke**") in relation to the sale and purchase of the entire equity interest in Qianhai Wanke at the consideration of RMB20,000,000;

(f) the underwriting agreement dated 29 August 2017 and entered into among the Company and Well Link Securities Limited in relation to the underwriting arrangement in respect of the open offer on the basis of one new Share (the "**Offer Share(s)**") for every two existing Shares held on the record date at the subscription price of HK$0.5 per Offer Share;

(g) the loan agreement dated 3 November 2017 (as amended and supplemented by the supplemental agreements dated 1 December 2017, 2 January 2018, 2 February 2018, 1 March 2018) entered into between Superactive Finance as lender, and an Independent Third Party as borrower in relation to the advance of the loan in the principal amount of HK$25,000,000 for a term from the date of drawdown to 3 May 2018;

(h) the provisional sale and purchase agreement dated 7 November 2017 and entered into between Force China Limited ("**Force China**"), a wholly-owned subsidiaries of the Company as purchaser, and Front Land Properties Limited ("**Front Land**") as vendor in relation to the sale and purchase of Unit Nos. 1510, 1511, 1512A, 1512B on 15/F of West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong (the "**Property I**") at a consideration of HK$193,600,000;

(i) the provisional sale and purchase agreement dated 7 November 2017 and entered into between Best Success Investment Limited ("**Best Success**"), a wholly-owned subsidiaries of the Company as purchaser, and Front Land as vendor in relation to the sale and purchase of Unit Nos. 1501, 1502 on 15/F of West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong (the "**Property II**") at a consideration of HK$126,752,000;

(j) the formal sale and purchase agreement dated 20 November 2017 and entered into between Front Land and Force China in relation to the sale and purchase of Property I;

(k) the formal sale and purchase agreement dated 20 November 2017 and entered into between Front Land and Best Success in relation to the sale and purchase of Property II;

(l) the memorandum of understanding dated 28 December 2017 and entered into between the Company as purchaser and Mr. Zhuang Junwei as vendor ("**Mr. Zhuang**") in relation to the possible sale and purchase of 60% issued share capital in 深圳市德維斯電子有限公司 (Shenzhen Dowis Electronic Co., Ltd.*);

(m) the loan agreement dated 29 December 2017 entered into between Superactive Finance as lender and an Independent Third Party as borrower in relation to the advance of the loan in the principal amount of HK$50,000,000 for a fixed term of four calendar months from the date of drawdown;

(n) the loan agreement dated 17 January 2018 (as amended and supplemented by the supplemental agreement dated 16 March 2018) entered into between Superactive Finance as lender and an Independent Third Party as borrower in relation to the advance of a loan in the principal amount of HK$19,600,000 for a fixed term of one calendar month from the date of drawdown;

(o) the loan agreement dated 26 January 2018 (as amended and supplemented by the supplemental agreement dated 25 April 2018, 8 November 2018 and 26 April 2019) entered into between Superactive Finance as lender and an Independent Third Party as borrower in relation to the advance of a loan in the principal amount of HK$51,000,000 for a fixed term of three calendar months from the date of drawdown;

(p) the sale and purchase agreement dated 27 April 2018 entered into between the Company as vendor and THEONE Company Limited as purchaser in relation to the sale and purchase of (i) the entire issued share capital of Rise Up International Limited ("**Rise Up**"); and (ii) the amount owed by Rise Up to the Company as shareholder's loan as at the date of completion at the consideration of HK$214,000,000;

(q) the amended and restated limited partnership agreement dated 2 May 2018 entered into among IT City Development Fund GP1 Limited ("**GP1**"), an indirect wholly-owned subsidiary of the Company, IT City Development Fund GP2 Limited ("**GP2**", together with GP1, the "**General Partners**"), Abacus Director Services Limited and Silver Estate Limited (the "**Subscriber**"), a wholly-owned subsidiary of the Company, in respect of, among other matters, the operation of IT City Development Fund LP (the "**Fund**" or "**Partnership**");

(r) the subscription agreement dated 2 May 2018 entered into between the Subscriber and the General Partners in relation to the subscription of an interest in the Fund by the Subscriber with a committed capital contribution of HK$100,000,000;

(s) the subscription agreement dated 2 May 2018 entered into between GP1 and the General Partners in relation to the subscription of an interest in the Fund by GP1 with a committed capital contribution of HK$51,000,000;

(t) the subscription agreement dated 2 May 2018 entered into between GP2 and the General Partners in relation to the subscription of an interest in the Fund by GP2 with a committed capital contribution of HK$99,000,000;

(u) the sale and purchase agreement dated 4 July 2018 entered into between Sino Worldwide Electronic (Shenzhen) Company Limited, an indirect wholly-owned subsidiary of the Company as purchaser and Mr. Zhuang as vendor in relation to the sale and purchase of (i) the entire equity interest in 深圳市加信企業管理有限公司 (Shenzhen Jiaxin Enterprise Management Company Limited*) ("**Shenzhen Jiaxin**"); and (ii) the loan owing by Shenzhen Jiaxin to Mr. Zhuang at the date of the sale and purchase agreement, which amounted to approximately RMB8,408,000 (equivalent to approximately HK$9,903,000), for the Consideration of RMB30,000,000 (equivalent to approximately HK$35,336,000);

(v) the Sale and Purchase Agreement; and

(w) the Supplemental Agreement.

9. CORPORATE INFORMATION OF THE GROUP

(a) The registered office of the Company is located at Claredon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is located at Unit 1510, 15/F., West Tower, Shun Tak Centre, Sheung Wan, Hong Kong.

(b) The secretary of the Company is Mr. Luk Chi Keung, is an associate member of Hong Kong Institute of Certified Public Accountants.

(c) The Hong Kong branch share registrar and transfer office is Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection from 10:00 a.m. to 12:30 p.m. and from 2:30 p.m. to 5:00 p.m. on any weekday other than Saturday, Sunday and public holidays at the head office and principal place of business of the Company in Hong Kong at Unit 1510, 15/F., West Tower, Shun Tak Centre, Sheung Wan, Hong Kong for a period of 14 days from the date of this circular:

(a) the memorandum of association and bye-laws of the Company;

(b) the annual reports of the Company for each of the three years ended 31 December 2016, 2017 and 2018;

(c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(d) this circular; and

(e) the Written Shareholder's Approval.