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World Super Holdings Limited

維亮控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8612)

DISCLOSEABLE TRANSACTIONS

(I) DISPOSAL OF MACHINERIES; AND

(II) PROVISION OF FINANCIAL ASSISTANCE

Financial adviser to the Company



中毅資本有限公司
Grand Moore Capital Limited

(I) THE DISPOSAL

The Board announces that on 8 October 2020 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sales Agreement with the Purchaser pursuant to which the Vendor, has agreed to sell, and the Purchaser has agreed to purchase, the Machineries at a total consideration of HK\$6,000,000.

(II) PROVISION OF FINANCIAL ASSISTANCE

On 8 October 2020 (after trading hours), the Lender, a direct wholly-owned subsidiary of the Company, and the Purchaser, as borrower, entered into the Loan Agreement, pursuant to which the Lender has agreed to grant the Loan to the Purchaser to partially finance the Disposal in the principal amount of HK\$5,200,000 at an interest rate of 12% per annum.

IMPLICATION ON THE GEM LISTING RULES

As one or more of the applicable percentage ratios in respect of the Disposal (together with other transaction(s) between the Group and the Purchaser within 12 months from the date of the Sales Agreement) are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Loan constitutes financial assistance under Chapter 19 of the GEM Listing Rules. As one or more of the applicable percentage ratios are more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

(I) THE DISPOSAL

The Board announces that on 8 October 2020 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sales Agreement with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Machineries at a total consideration of HK\$6,000,000.

The Sales Agreement

The principal terms of the Sales Agreement are as follow:

Date : 8 October 2020 (after trading hours)

Parties : The Vendor, an indirect wholly-owned subsidiary of the Company

The Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable requires, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Machineries being disposed of

The Machineries being disposed of under the Sales Agreement were manufactured in 2014 and were acquired by the Group in 2014, comprise of used hydraulic casing oscillator and hydraulic power pack, which is a kind of bored piling machine constructed with clamping and oscillation system that is powered by a power pack.

The unaudited total net book value of the Machineries as at 30 September 2020 was approximately HK\$6,159,000.

Consideration

The Consideration for the sale and purchase of the Machineries of HK\$6,000,000 shall be settled in cash as follows:

- (1) HK\$800,000 has been paid by the Purchaser on 8 October 2020, being the date of the Sales Agreement; and
- (2) HK\$5,200,000 has been facilitated by the Loan pursuant to the Loan Agreement.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser with reference to (i) the unaudited net book value of the Machineries of approximately HK\$6,159,000 as at 30 September 2020; and (ii) the current condition of the Machineries.

Completion

The ownership of the Machineries has been transferred to the Purchaser upon receipt of the Consideration on the date of the Sales Agreement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The unaudited total net book value of the Machineries as at 30 September 2020 was approximately HK\$6,159,000. The Group is expected to recognize an unaudited loss of approximately HK\$159,000 from the Disposal, which is calculated based on the difference between the Consideration received by the Group from the Disposal and the unaudited net book value of the Machineries as at 30 September 2020 of approximately HK\$6,159,000.

Having considered that (i) the Machineries were acquired by the Group in 2014 and the net book value of approximately HK\$6,159,000 as at 30 September 2020; and (ii) the demand for and the rent out rate of the Machineries are low compared to other machineries of the Group due to the Machineries' obsolescence, the Directors are of the view that the Disposal provides an opportunity for the Group to realize the value of worn-out and obsolete Machineries and to generate additional working capital for the Group and the opportunity to kick start the Group's money lending business through the grant of Loan which is expected to broaden the Group's revenue stream and offset the aforementioned unaudited loss on the Disposal over the term of the Loan. The Disposal will not have material effect on the business and operation of the Group. The Directors believe that the terms of the Sales Agreement are fair and reasonable and entering into the Sales Agreement is in the interests of the Company and its shareholders as a whole.

The cash proceeds generated from the Disposal will be used as the general working capital of the Group, while the non-cash consideration facilitated by the principal for the Loan will generate interest income in the Group's new money lending segment.

(II) PROVISION OF FINANCIAL ASSISTANCE

On 8 October 2020 (after trading hours), the Lender, a direct wholly-owned subsidiary of the Company, and the Purchaser, as borrower, entered into the Loan Agreement, pursuant to which the Lender has agreed to grant the Loan to the Purchaser to partially finance the Disposal in the principal amount of HK\$5,200,000 at an interest rate of 12% per annum.

The Loan Agreement

The principal terms of the Loan Agreement are as follow:

Date : 8 October 2020 (after trading hours)

Parties : The Lender, a direct wholly-owned subsidiary of the Company

The Purchaser, as borrower

The Guarantor, as guarantor

Principal amount : HK\$5,200,000
of the Loan

Interest rate	:	12% per annum payable monthly on the last day of each calendar month
Repayment	:	The Loan shall be repayable in one single lump sum on the second anniversary of the date on which drawing down under the Loan is made by the Purchaser
Fixed assets charge	:	The Machineries being acquired and owned by the Purchaser will be charged in favor of the Lender
Early repayment	:	One month's prior written notice by both the Lender and the Purchaser

Pursuant to the Loan Agreement, the entire amount of the Loan shall be applied for the purchase of the Machineries in accordance with the Sales Agreement. No amount borrowed under the Loan shall be applied in any manner that may be illegal or contravene any applicable law or regulation in any relevant jurisdiction.

The Guarantor agreed to guarantee the performance of the obligations of the Purchaser pursuant to the Loan Agreement.

The Loan has been drawn down in full on the date of the Loan Agreement to settle part of the Consideration for the Disposal. Accordingly, the Loan repayment date shall be the second anniversary of the date of the Loan Agreement (i.e. 8 October 2022).

To the best of the Directors' knowledge, information and belief having made all reasonable requires, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

SOURCE OF FUNDING

The Loan is funded by the Group's internal resources and has been drawn down in full on the date of the Loan Agreement to settle part of the Consideration for the Disposal.

REASONS FOR AND BENEFITS OF THE LOAN

Reference is made to the announcement of the Company dated 8 September 2020. The Lender, a direct wholly-owned subsidiary of the Company, obtained a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) on 8 September 2020. Money lending business is currently one of the Group's business activities.

The Group wishes to fully utilize its available resources. Given that the Purchaser is in need of financing for the Disposal and the Loan would be beneficial to the Group in terms of return (i.e. the interest income), the grant of the Loan would kick start the development of the Group's new money lending business and broaden the Group's revenue stream. The Directors consider that the terms of the Loan Agreement are fair and reasonable and entering into of the Loan Agreement is in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP, THE VENDOR AND THE LENDER

The Group mainly undertakes (i) provision of rental services of crawler cranes, oscillators, RCDs and hydromill trench cutter for construction projects in Hong Kong and/or Macau; (ii) trading of new or used crawler cranes, RCDs, trench cutters, oscillators and/or related spare parts to customers in Hong Kong, Macau and Philippines; (iii) to a lesser extent, provision of transportation services in delivering the Group's machinery to and from customers' designated sites and other services such as arrangement of set-up and repair of machinery for customers of the Group's plant hire service, arrangement of insurance for customers of the Group's plant hire service for projects outside Hong Kong and marketing of construction machinery for the Group's machinery suppliers; (iv) provision of construction works which included foundation works and ancillary services; (v) developing and operating electronic products trading platform and trading of electronic products; and (vi) provision of money lending services.

The Vendor is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. It principally engages in hiring and trading of machinery and transportation and provision of service.

The Lender is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company. It principally engages in money lending business in Hong Kong.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability. It principally engages in construction, machinery rental and trading.

IMPLICATION ON THE GEM LISTING RULES

As one or more of the applicable percentage ratios in respect of the Disposal (together with other transaction(s) between the Group and the Purchaser within 12 months from the date of the Sales Agreement) are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Loan constitutes financial assistance under Chapter 19 of the GEM Listing Rules. As one or more of the applicable percentage ratios are more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Business Day(s)”	means a day (other than a Saturday, Sunday or public holiday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted or announcement on extreme conditions is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed bank are generally open for general banking business in Hong Kong throughout their normal business hours
“Company”	World Super Holdings Limited, a company incorporated in the Cayman Islands with limited liability (Stock code: 8612)
“connected person(s)”	the meaning ascribed to it in the GEM Listing Rules
“Consideration”	the consideration of HK\$6,000,000 for the Disposal pursuant to the Sales Agreement
“Directors”	the directors of the Company
“Disposal”	the disposal of the Machineries by the Vendor to the Purchaser pursuant to the terms and conditions of the Sales Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Loo Chi Yuan, the ultimate beneficial owner of the Purchaser
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Lender”	World Super Capital Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Loan”	the loan facility of HK\$5,200,000 granted by the Lender to the Purchaser pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 8 October 2020 entered into between the Lender and the Purchaser in relation to the Loan
“Machineries”	a used hydraulic casing oscillator and a used hydraulic power pack, both being manufactured in 2014
“Purchaser”	Reach Harvest International Limited, a company incorporated in Hong Kong with limited liability and is directly and wholly-owned by Mr. Loo Chi Yuan (i.e. the Guarantor)
“RCD”	a kind of board piling machine working with drill-string to drill through the hard rock to the designated depth
“Sales Agreement”	the sales agreement dated 8 October 2020 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Machineries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	World Super Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company

By Order of the Board
World Super Holdings Limited
Sou Peng Kan Albert
Chairman and executive Director

Hong Kong, 8 October 2020

As at the date of this announcement, the Board comprises Mr. Sou Peng Kan Albert and Mr. Fok Hei Yuen Paul as executive Directors; and Mr. Lee Tak Fai Thomas, Mr. Yau Lut Pong Leo and Mr. Yue Wai Leung Stan as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least of 7 days from the date of its publication and on the Company’s website at www.worldsuperhk.com.