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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)

ANNOUNCEMENT UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the announcement of Superactive Group Company Limited (the “Company”, together with its subsidiaries, the “Group”) in relation to the unaudited consolidated results of the Group for the year ended 31 December 2021 dated 31 March 2022 (the “Unaudited Results Announcement”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Unaudited Results Announcement.

AUDITOR’S AGREEMENT ON THE 2021 ANNUAL RESULTS

The board of directors (the “Board”) of the Company is pleased to announce that the Company’s auditor, Confucius International CPA Limited (the “Auditor”), has completed the audit of the consolidated financial statements of the Group for the year ended 31 December 2021 (the “2021 Annual Results”) in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Save for the variances as disclosed in the section “MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS” in this announcement, the final results contained in the Unaudited Results Announcement remain unchanged.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

The auditing process for the 2021 Annual Results had not been completed as at the date of publication of the Unaudited Results Announcement. Since subsequent adjustments have been made to the unaudited 2021 Annual Results of the Group contained in the Unaudited Results Announcement upon the completion of audit, Shareholders and potential investors of the Company are advised to pay attention to certain material differences of certain material account balances between the unaudited 2021 Annual Results of the Group contained in the Unaudited Result Announcement and the audited 2021 Annual Results of the Group in this announcement. Set forth below are principal details and reasons for the material differences in such financial information.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | Audited 2021 Annual Results HK\$'000 | Unaudited 2021 Annual Results HK\$'000 | Increase HK\$'000 |
|------------------------------------------------------------|--------------------------------------------|----------------------------------------------|----------------------|
| Impairment of assets <i>(Note 1)</i> | (8,225) | (4,810) | (3,415) |
| Net impairment loss on financial assets <i>(Note 2)</i> | (85,203) | (27,400) | (57,803) |
| Share of results of an associate <i>(Note 3)</i> | (5,513) | (3,022) | (2,491) |
| | <u>(143,687)</u> | <u>(79,978)</u> | <u>(63,709)</u> |
| Loss before tax | (122,342) | (58,633) | (63,709) |
| Loss for the year | <u>(143,687)</u> | <u>(79,978)</u> | <u>(63,709)</u> |
| Loss for the year attributable to: | | | |
| – Owners of the Company | (144,126) | (80,417) | (63,709) |
| – Non-controlling interest | 439 | 439 | – |
| | <u>(143,687)</u> | <u>(79,978)</u> | <u>(63,709)</u> |
| Loss per share | | | |
| Basic and diluted <i>(HK Cents)</i> | <u>(7.09)</u> | <u>(3.96)</u> | <u>(3.13)</u> |

Note: 1. The adjustment made was due to the value of the interest in an associate has been over accounting for HK\$3,415,000.

2. The adjustment was made due to (i) an impairment provision of HK\$1,592,000 for the services fee receivable from the associate and (ii) adjustment has been made for the probability of default and the loss given default on some individual loan receivable after individual review. As a result, the expected credit loss has been increased accordingly and a further impairment provision of HK\$57,803,000 has been made.

3. The adjustment was due to share the impairment provision on receivables has been made by the associate.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Audited 2021 Annual Results HK\$'000 | Unaudited 2021 Annual Results HK\$'000 | Increase HK\$'000 |
|-------------------------------------------------------------|--------------------------------------------|----------------------------------------------|----------------------|
| Loss for the year | <u>(143,687)</u> | <u>(79,978)</u> | <u>(63,709)</u> |
| Total comprehensive income for the year | <u>(131,430)</u> | <u>(67,721)</u> | <u>(63,709)</u> |
| Total comprehensive income for the year attributable to: | | | |
| – Owners of the Company | (131,637) | (67,928) | (63,709) |
| – Non-controlling interest | 207 | 207 | – |
| | <u>(131,430)</u> | <u>(67,721)</u> | <u>(63,709)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Audited 2021 | Unaudited 2021 | Decrease |
|---------------------------------------|-----------------------|-----------------------|-------------------|
| | Annual Results | Annual Results | HK\$'000 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | |
| Interest in an associate | 146,313 | 152,219 | 5,906 |
| Trade and bills receivables | 44,395 | 45,987 | 1,592 |
| Loan receivables | 112,464 | 168,675 | 56,211 |
| | <u> </u> | <u> </u> | <u> </u> |
| Non-Current Assets | 466,879 | 472,785 | 5,906 |
| Current Assets | 788,538 | 846,341 | 57,803 |
| Current Liabilities | 595,781 | 595,781 | – |
| Net Current Assets | 192,757 | 250,560 | 57,803 |
| Total Assets Less Current Liabilities | 659,636 | 723,345 | 63,709 |
| Non-Current Liabilities | 232,486 | 232,486 | – |
| Net Assets | 427,150 | 490,859 | 63,709 |
| | <u> </u> | <u> </u> | <u> </u> |
| Reserves | 212,707 | 276,416 | 63,709 |
| | <u> </u> | <u> </u> | <u> </u> |

IMPACTS OF THE SUBSEQUENT ADJUSTMENTS ON THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss attributable to owners of the Company of HK\$144,126,000 (2020: loss of HK\$108,257,000) and the weighted average number of 2,032,571,385 ordinary shares.

The basic and diluted loss per share are the same for the years ended 31 December 2021 and 2020 as there were no dilutive potential ordinary shares outstanding during each of the respective years.

10. INTEREST IN AN ASSOCIATE/AMOUNT DUE TO AN ASSOCIATE

| | 2021 <i>HK\$'000</i> | 2020 <i>HK\$'000</i> |
|------------------------------------------------------|-------------------------|-------------------------|
| Movements of interest in an associate are as follows | | |
| At 1 January | 153,580 | 150,349 |
| Capital contribution to associate | 1,661 | 3,171 |
| Share of results of an associate | (5,513) | 60 |
| Impairment | (3,415) | – |
| | <u>149,728</u> | <u>153,580</u> |
| At 31 December | <u>149,728</u> | <u>153,580</u> |

13. TRADE AND BILLS RECEIVABLES

| | 2021 <i>HK\$'000</i> | 2020 <i>HK\$'000</i> |
|----------------------------|-------------------------|-------------------------|
| Trade receivables | 54,290 | 36,640 |
| Less: impairment provision | (11,530) | (6,901) |
| | <u>42,670</u> | <u>29,739</u> |
| Trade receivables – net | 42,670 | 29,739 |
| Bills receivables | 1,635 | 2,698 |
| | <u>44,395</u> | <u>32,437</u> |

15. LOAN RECEIVABLES

| | 2021 <i>HK\$'000</i> | 2020 <i>HK\$'000</i> |
|----------------------------|-------------------------|-------------------------|
| Loan receivables | 274,870 | 302,382 |
| Less: impairment provision | (162,406) | (83,874) |
| | <u>112,464</u> | <u>218,508</u> |
| Loan receivables – net | <u>112,464</u> | <u>218,508</u> |

EXTRACT OF FROM INDEPENDENT AUDITORS' REPORT PREPARED BY THE AUDITORS

The Group would like to provide an extract from the independent auditor's report prepared by the Auditors on the Group's annual financial statements for the year ended 31 December 2021 as set out below:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

The accompanying consolidated financial statements for the year ended 31 December 2021 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 1 to the consolidated financial statements which indicated that the Group incurred a net loss of attributable to the owners of the Company approximately HK\$144,126,000 and as at the same date its cash and cash equivalents amounted to approximately HK\$5,686,000. In addition, as at 31 December 2021, the principal amount and the interest of bond payables of approximately HK\$170,593,000 were not repaid in accordance with the terms of agreements. Such default entitled the bondholder a right to demand immediate repayment from the Group. Based on the cashflow forecast up to 31 March 2023, it indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As explained in note 1 to the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis. Our opinion is not qualified in respect of these matters.

PROCEDURES ON RESULTS ANNOUNCEMENT BY THE AUDITOR

Confucius International CPA Limited, the Company's independent auditor, had performed procedures in accordance with Hong Kong Standard on Related Services 4400 (Revised), Agreed-upon Procedures Engagements and with reference to Practice Note 730 (Revised), Guidance for Auditors Regarding Preliminary Announcement of Annual Results issued by HKICPA.

The work performed by Confucius International CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by Confucius International CPA Limited on this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on Wednesday, 1 June 2022 and the notice of AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 27 May 2022, to Wednesday, 1 June 2022, (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending at the AGM to be held on Wednesday, 1 June 2022, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 26 May 2022.

PUBLICATION OF ANNUAL REPORT

The annual report for the year ended 31 December 2021 is expected to be despatched to the Shareholders by end of April 2022

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

Hong Kong, 25 April 2022

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 Ms. Hu Gin Ing, Mr. Chow Wai Leung William and Mr. Leung Man Man.