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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

Reference is made to the annual report (the “**2023 Annual Report**”) for the year ended 31 December 2023 (the “**Year**”) of Superactive Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Annual Report.

In addition to the information provided in the 2023 Annual Report, the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company would like to provide further information to the Corporate Governance Report enclosed in the 2023 Annual Report in relation to the disclaimer of opinion (the “**Disclaimer Opinion**”) issued by Confucius International CPA Limited, the auditor of the Company (the “**Auditor**”), in relation to the consolidated financial statements of the Group for the Year pursuant to Code Provision D.1.3 of Appendix C1 to the Listing Rules.

#### **BASIS ON THE DISCLAIMER OPINION**

As a result of the matters described in the section headed “BASIS FOR DISCLAIMER OF OPINION – Material Uncertainties related to going concern” in the “Independent Auditor’s Report” on pages 102 and 103 of the 2023 Annual Report, the Auditor did not express an opinion on the consolidated financial statements of the Group for the Year. Please refer to the said paragraphs in the 2023 Annual Report for details.

#### **BOARD’S VIEW ON THE DISCLAIMER**

Refer to pages 114 and 115 of the 2023 Annual Report, the Directors have carried out a detailed review of the cash flow forecast of the Group prepared by the management of the Group (the “**Management**”) for the next twelve months from the date of the 2023 Annual Report and have given due consideration to the matters that give rise to material uncertainties as to its ability to continue as a going concern. In addition, the Directors have also considered as to whether the Group will be able to achieve the plans and measures as mentioned in Note 1 to the consolidated financial statements for the Year.

The Directors consider that assuming the success of all assumptions, plans and measures, mentioned in Note 1 to the consolidated financial statements for the Year which included amongst other things, (i) The Group is in the process of negotiating with the bondholder for mediation or extension for repayment of the principal and interest of bond payables; (ii) The Group is in the process of negotiating with the bank for mediation or extension for the renewal of or extension for repayment of the bank borrowings; (iii) The Group will seek to obtain additional new financial support including but not limited to borrowing loans, issuing additional equity or debt securities; and (iv) The Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group, including close monitoring of general administrative expenses and operating costs, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, the consolidated financial statements for the Year have been prepared on a going concern basis.

## **COMPANY'S ACTION PLANS**

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient cash resources to continue as a going concern. Save as mentioned in Note 1 to the consolidated financial statements for the Year, the Company has taken and intends to continue to implement the following measures, including but not limited to:

1. The Company has actively negotiated with its bondholder and the bank for the mediation or extension of the default bond payables and bank borrowings. After several rounds of negotiations, the Company and its bondholder have a mutual understanding that the bondholder will cooperate with any sales and financing activities conducted by the Group for the purpose of repaying the bonds.
2. The Group has certain high-quality assets on hand, out of which the fair value of the pledged assets for the bank borrowings was valued at approximately HK\$234 million on 31 December 2023, which exceeds the outstanding bank borrowings. This positive equity position enables the Company to negotiate an extension of the bank borrowings favourably. The financing bank of the Group has preliminarily indicated that if the Group repays HK\$50 million as part of principal repayment, it will consider renewing and/or extending the bank loans under normal borrowing terms. The Group's financing bank will offer indicative terms for renewal and/or extension of the Group's bank borrowings upon partial repayment has been made.
3. The fair value of the Group's shops in Lijiang is approximately RMB670 million (equivalent to HK\$737 million, which was recorded in the Annual Report at approximately HK\$539 million on a costs basis) and could be used as pledged assets securing alternative financing to repay the bond payables and bank borrowings, when needed and necessary. The Group is actively seeking alternative financing by pledging the shops in Lijiang to generate funds for bond repayments. Currently, no potential lender or investor has been identified. If new financing cannot be secured before October 2024, the Group will initiate the sales of the shops in Lijiang. The sales proceeds will first be used to repay the bonds and any remaining balance will be allocated to repay the bank loan.

## **AUDIT COMMITTEE'S VIEW**

The audit committee of the Company (the “**Audit Committee**”) has discussed with the Auditors and the Management regarding the going concern issue, and having considered the Management’s assessment on (a) the likelihood of an extension of the outstanding bonds and bank borrowings, (b) the viability of alternative financing options proposed by the Management, and (c) the availability of non-current assets that may be converted into assets held-for-sale, the Audit Committee concurred with the Management’s position and assessments that the Group has the ability to continue as a going concern.

The Board together with the Audit Committee agreed that the above action plans of the Group are effective in resolving the Disclaimer Opinion.

## **DISCLAIMER OPINION ISSUED BY THE AUDITOR OF THE COMPANY**

The Company would like to provide supplemental information on the Disclaimer Opinion for the Year issued by the Auditor.

Regarding the Disclaimer Opinion, the Auditor is of the view that upon completion of all remedial measures as mentioned above, where the Group is able to demonstrate a stable improving trend in its financials and operating cash flows, the Auditor will revisit the situation on a dynamic basis and consider removing the audit modification in next year’s financial statement of the Group.

**Save as disclosed above, the contents of the Annual Report remain unchanged.**

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

Hong Kong, 7 June 2024

*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. Chow Wai Leung William, Mr. Leung Man Man and Mr. Tse Ting Kwan.*