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**STATE ENERGY GROUP INTERNATIONAL ASSETS HOLDINGS LIMITED**

**國能集團國際資產控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 918)**

**FULFILMENT OF ALL RESUMPTION CONDITIONS  
AND  
RESUMPTION OF TRADING**

**Financial Adviser to  
State Energy Group International Assets Holdings Limited**



**FULFILMENT OF ALL RESUMPTION CONDITIONS**

Taking into account the developments achieved by the Group particularly for the ACCAPI Business and the improvement in financial performance and having announced all material information of the Group from time to time, the Company has fulfilled all the Resumption Conditions.

**RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended at the request of the Company from 9:00 a.m. on 1 February 2019. As all the Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 December 2020.

## I. INTRODUCTION

Reference is made to the announcements of the Company dated (i) 1 February 2019 in relation to the decision of the Listing (Review) Committee of the Stock Exchange to uphold the decision of the Listing Committee to suspend trading in the Shares and place the Company in the first delisting stage; (ii) 12 February 2019 in relation to the resumption guidance for the Company given by the Stock Exchange; (iii) 19 September 2019 in relation to the decision of the Listing Department of the Stock Exchange to place the Company in the second delisting stage (the “**Decision**”) and the Company’s request for review of the Decision; (iv) 11 December 2019 in relation to the decision of the Listing Committee on the review of the Decision and the second delisting stage of the Company; and (v) 30 April 2019, 31 July 2019, 31 October 2019, 31 January 2020, 29 April 2020, 8 June 2020, 31 July 2020 and 4 November 2020 in relation to the updates on resumption progress.

On 31 January 2019, the Company received a letter from the Stock Exchange informing the Company that the Listing (Review) Committee of the Stock Exchange considered that the Company failed to maintain a sufficient level of operations or had intangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated under Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares. The Listing (Review) Committee of the Stock Exchange therefore decided to uphold the decision of the Listing Committee to suspend the trading in the Shares under Rule 6.01(3) of the Listing Rules and place the Company in the first delisting stage under Practice Note 17 of the Listing Rules. Trading in the Shares on the Stock Exchange has been suspended since 1 February 2019.

As disclosed in the announcement of the Company dated 12 February 2019, the Stock Exchange issued a letter dated 11 February 2019 to the Company which, among other things, stipulated that the Company must remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in its securities is allowed to resume. For this purpose, the Stock Exchange set out the following resumption guidance for the Company:

1. demonstrate its compliance with Rule 13.24 of the Listing Rules; and
2. announce all material information for its shareholders and investors to appraise its position.

## II. FULFILMENT OF ALL RESUMPTION CONDITIONS

The Company is pleased to announce that all the Resumption Conditions as described in the aforesaid resumption guidance have been fulfilled as at the date of this announcement, details of which are set out below:

### 1. Compliance with Rule 13.24 of the Listing Rules

At the material time of the suspension of trading in the Shares, the Group had been principally engaged in the Garment Business, primarily focused on the Africa Business with the ACCAPI Business and the Super X Business only commenced in December 2018 shortly before suspension of trading in the Shares, and the Property Business. As part of its efforts to demonstrate the fulfilment of the first Resumption Condition (i.e. compliance with Rule 13.24 of the Listing Rules), the Group had been carrying out its business plans and strategies with emphasis on revitalising its existing core business (i.e. the Garment Business) by the development of the ACCAPI Business. At the same time, the Group continued to develop the other two lines of the Garment Business (i.e. the Super X Business and the Africa Business) and the Property Business. The Group also commenced the Marketing and Promotional Services Business to generate new source of revenue.

At the time of commencement of the ACCAPI Business in December 2018, the ACCAPI Business was conducted under a distribution model whereby the Group sourced finished apparel products from the ACCAPI Licensor and distributed the products through distributors in the Licensed Regions. Since then, the Group had also taken a progressive approach to expand the ACCAPI Business in various fronts. In addition to selling ACCAPI finished products sourced from the ACCAPI Licensor, the Group commenced licensed manufacturing of ACCAPI products since November 2019. The Group set up its in-house design team which worked closely with the ACCAPI Licensor to modify or develop new ACCAPI products that suit the consumer needs and preferences in the Licensed Regions. The Group also actively expanded the sales channel for the ACCAPI products. The ACCAPI products were initially distributed through three distributors during FY2018/2019, which are now increased to four distributors and 30 corporate and wholesale customers as at 30 September 2020. The Group also opened a retail store for ACCAPI products and Super X products in Central district in Hong Kong in September 2019 and set up online sales platforms on Wechat Minimall (微信小程序) in late November 2019 to provide shopping experience to different consumer groups and create visibility of the ACCAPI brand. As a result of these efforts to develop the ACCAPI Business as well as the pursuance of the other businesses, the Group recorded a remarkable increase in revenue from approximately HK\$96.4 million in FY2018/2019 to approximately HK\$210.2 million in FY2019/2020, of which approximately

HK\$93.7 million were contributed by the sales of ACCAPI finished products sourced from the ACCAPI Licensor and approximately HK\$4.3 million were generated from the sale of licensed manufactured ACCAPI products during FY2019/2020. The Group also successfully turned around from a net loss of approximately HK\$30.1 million for FY2018/2019 to a net profit of approximately HK\$10.9 million for FY2019/2020. Based on the Group's unaudited consolidated financial statements for the six months ended 30 September 2020, the Group recorded an unaudited revenue of approximately HK\$108.5 million and unaudited net profit of approximately HK\$7.6 million.

Taking into account the developments of the ACCAPI Business achieved by the Group and the improved financial performance, the Directors consider that the Company has carried out a business with a sufficient level of operations and has assets of sufficient value to support its operations to warrant the continued listing of its securities in compliance with Rule 13.24 of the Listing Rules.

## **2. Announce all material information**

Since the suspension of trading of the Shares, the Company has published announcements to keep the Shareholders and investors informed of all material information of the Company to appraise the Company's position. These included, among others, annual or interim financial results and reports of the Group, announcements relating to notifiable transactions of the Company pursuant to Chapter 14 of the Listing Rules, updates on the business operations and resumption progress of the Group, and announcements concerning the changes of the Board members and company secretary of the Company. As at the date of this announcement, the Company did not have any other material information which is required to be disclosed under the Inside Information Provisions of the Securities and Futures Ordinance and/or the Listing Rules.

Based on the above, the Company is of the view that it has fulfilled all the Resumption Conditions. Further details of the ACCAPI Business and other businesses and financial information of the Group are set out in the section headed "Information of the Group" below.

### III. INFORMATION OF THE GROUP

#### 1. Principal businesses of the Group

##### 1.1 The ACCAPI Business

###### *1.1.1 Business model*

The Group is principally engaged in the design, manufacturing and distribution of products bearing the brand name “ACCAPI” in China (including Hong Kong and Macau) (i.e. the Licensed Regions) under a license agreement with the ACCAPI Licensor.

The ACCAPI Licensor is principally engaged in the development, manufacturing, selling and distribution of outerwear garments and sportswear products under the ACCAPI brand. ACCAPI is a brand founded in Italy in the 1980s for apparel products with features focusing on sports performance, recovery and wellness. The strength of the ACCAPI Licensor lies in its proven track record in developing technologies (some of which are patented) to create yarns and techniques for knitting and weaving of fabrics used to manufacture apparel and other products principally for enhancing sports performance.

Since the Group’s commencement of the ACCAPI Business in December 2018, the Group has been conducting the ACCAPI Business under a distribution model, whereby the Group sources a diverse range of finished apparel products from the ACCAPI Licensor and distributes them in the Licensed Regions through its sales channels. The Group has also taken a progressive approach and commenced licensed manufacturing of ACCAPI products since November 2019. Under this model, the Group’s in-house design team, which currently comprised five designers, works closely with the ACCAPI Licensor to modify the existing or create new designs and features for the ACCAPI products having taken into account consumer needs and preferences, and market and product trends in the Licensed Regions. The in-house design team also improves the product cuttings which are more suited to the body build of Asians.

###### *1.1.2 License agreement*

The license agreement entered into between the Group and the ACCAPI Licensor covers a term until 31 March 2024, which shall be automatically renewed for consecutive periods of three years after the expiration of such preceding term unless either party to the agreement gives the other party a written notice of termination at least 60 days prior to the end of the preceding term. Pursuant to the license agreement, among other things, (i) the terms of procurement of raw materials and finished products by the Group from the ACCAPI Licensor are governed by purchase orders to be placed by the Group from time to time during

the license period; (ii) the Group is required to meet certain performance targets (in terms of monetary value of purchases of finished products and raw materials from the ACCAPI Licensor) for each of the financial years ended/ending 31 March 2020 to 2024. The ACCAPI Licensor reserves the right to terminate the license agreement with a 45 days' notice in case of failure of the Group to meet 85% of the performance targets; (iii) the Group is required to seek approval of the ACCAPI Licensor for product designs and samples before production; (iv) the Group is responsible for undertaking marketing and promotion for the ACCAPI products in the Licensed Regions at its own expenses; and (v) the Group is required to pay monthly license fee to the ACCAPI Licensor as royalty under the license agreement. Against the background of the occurrence of social unrest in Hong Kong since June 2019 and the outbreak of COVID-19 in January 2020 which have adversely affected the ACCAPI Business, the Group did not meet the required performance target for FY2019/2020 and the ACCAPI Licensor waived its rights to terminate the license agreement as a result of such shortfall.

Based on the value of purchases from the ACCAPI Licensor from April to September 2020 of approximately HK\$29.1 million (representing approximately 31.6% of the performance target for the financial year ending 31 March 2021) and in view of the Group's efforts in expanding the sales channels of the ACCAPI Business (as detailed in the section headed "Future plans and prospects — the ACCAPI Business" below) and the expected purchase orders for ACCAPI fibres to be placed to cope with the production of the licensed manufactured ACCAPI products in the following months, the Company is optimistic that the relevant performance target would be achieved and the termination right of the ACCAPI Licensor for the financial year ending 31 March 2021 pursuant to the license agreement would not be triggered.

### *1.1.3 Products*

The Group distributes a diverse range of apparel finished products sourced from the ACCAPI Licensor which are suitable for sports activities and designed to improve sports performance, recovery and wellness. There is also a pyjama series which helps to improve sleeping quality. All these products are manufactured with yarns and fabrics utilising the technologies developed by the ACCAPI Licensor, certain of which are patented and have received attestations and accreditations from research centres and universities in various countries such as Italy, Japan and Korea.

In addition to finished products sourced from the ACCAPI Licensor, the Group also distributes licensed manufactured products which are designed by the in-house design team of the Group in collaboration with the ACCAPI Licensor. Since the commencement of the licensed manufacturing model, the Group had

successfully created new or modified ACCAPI products using the ACCAPI technologies. These licensed manufactured products include (i) female underwear named “DYR Underwear — Women’s Culotte” with modified anti-bacterial features and for prevention of menstrual cramp which was launched to the market in November 2019; (ii) reusable masks with anti-bacterial function made of fibre with patented “ACCAPI FIR” technology which was awarded with European Union Medical Device Class I certification. These masks were launched to the market in March 2020; and (iii) photonizers for water and wine with design concept originated from the ACCAPI Licensor and modified styles and sizes by the Group which were launched to the market in late March 2020. The photonizers are made of fibre with the “ACCAPI FIR” technology which breaks down water molecules, allowing water to be absorbed by human body quickly.

During FY2018/2019, FY2019/2020 and the six months ended 30 September 2020, the sales of finished ACCAPI products sourced from the ACCAPI Licensor amounted to approximately HK\$27.1 million, HK\$93.7 million and HK\$17.6 million respectively, while the sales of licensed manufactured ACCAPI products contributed revenue of approximately HK\$4.3 million for FY2019/2020 and HK\$21.5 million for the six months ended 30 September 2020 respectively.

#### *1.1.4 Procurement and production*

Apart from sourcing finished products from the ACCAPI Licensor, the Group also purchases yarns from the ACCAPI Licensor which are made of fibres with the patented technology owned by the ACCAPI Licensor for the production of the licensed manufactured products. The Group outsources the production to the sub-contractors in Hong Kong and the PRC after the designs have been approved by the ACCAPI Licensor. Subject to the technical complexity of the products, the Group may also hire temporary workers and manufacture the ACCAPI licensed manufactured products with simpler cut and sew techniques in small scale in the Group’s factory in Hunghom, Hong Kong to meet local market demand. As at the date of this announcement, there were 12 employees in the merchandising and production team of the ACCAPI Business, of whom eight were employed on a part-time basis to cater for the production requirements in the Group’s factory in Hunghom.

### *1.1.5 Sales and distribution*

The ACCAPI products (both finished products sourced from the ACCAPI Licensor and the licensed manufactured ACCAPI products) are sold to distributors, corporate and wholesale customers and to end-customers through the Group's self-operated retail store in Central, Hong Kong and online platform. During FY2018/2019, the Group has engaged three distributors, the principal businesses of which are in the industries of wellness and sports, garment and textile. The Group engaged an additional distributor which is principally engaged in elderly services since January 2020. The distributors sell the ACCAPI products to their networks of customers and members (including their friends and families). In addition to sales to distributors, the Group also actively expanded its customer base to include corporate and wholesale customers since FY2019/2020. These customers are largely engaged in industries involving, among others, health and wellness products, sports products, elderly care services, garments and direct sales, with networks and customer base which are considered to be complementary to and synergistic with the Garment Business. The number of customers for the ACCAPI Business increased from three in FY2018/2019 (which were distributors) to over 50 in FY2019/2020 (comprising four distributors and other corporate and wholesale customers). For the six months ended 30 September 2020, other than the existing four distributors, there were 30 corporate and wholesale customers (comprising 13 recurring customers and 17 new customers) for the ACCAPI Business. For FY2018/2019, FY2019/2020 and the six months ended 30 September 2020, sales to distributors for the ACCAPI Business amounted to approximately HK\$27.1 million, HK\$52.0 million and HK\$24.6 million respectively, while the sales to corporate and wholesale customers for the ACCAPI Business amounted to approximately HK\$43.0 million for FY2019/2020 and HK\$13.7 million for the six months ended 30 September 2020 respectively.

The Group opened a retail store with gross floor area of approximately 800 sq. m. on the Ground Floor of New Henry House in Central in September 2019 which sells both ACCAPI products and Super X products. The retail shop allows direct communications with potential customers, provides shopping experience for consumers who prefer to see, touch and test items before they buy, and acts as a customer services centre. It also serves as a key brand building and promotional tool, creates visibility of the ACCAPI brand, fosters and penetrates the wellness concept and establishes high-end product image in the posh area in Hong Kong.



In view of the increasing popularity of online shopping, the Group also launched online sales platform for ACCAPI products on Wechat Minimall (微信小程序) in late November 2019. The Group will continue to evaluate the sales performance and feedbacks of the ACCAPI products on the online platform and consider to expand the sales channels of ACCAPI products to other online platforms.

## 1.2 Other Garment Business

Along with the development of the ACCAPI Business, the Group continued to develop the other two lines of the Garment Business (i.e. the Super X Business and the Africa Business).

The Group entered into a license agreement (as supplemented) with the license holder of the “Super X” brand (the “**Super X Licensor**”) for the non-exclusive distribution of Super X products in Hong Kong, Macau, Taiwan, the PRC and Canada. The Super X Licensor is a company incorporated in Hong Kong and is principally engaged in sourcing, sub-contracting, selling and distribution of outerwear garments and sportswear products, especially licensed products under the Super X brand which is a sport garment brand founded in Hong Kong specialising in trendy sports fashion. The collection of sports garments and apparels under the Super X brand includes tees, pants, jackets, socks, and sports bags. The initial term of the license agreement covers a term until 31 December 2021, which shall be automatically renewed for consecutive periods of three years after the expiration of such initial term unless either party to the agreement gives the other party a written notice of termination at least 90 days prior to the end of the current term. The procurement of finished products by the Group is charged based on each individual order placed with the Super X Licensor. The sales channels of the Super X Business include distributors (which are currently also the distributors of the ACCAPI Business) and retail sales to end-customers through the retail store of the Group located in Central, Hong Kong.

The Africa Business involves sourcing, sub-contracting and exporting of garment products which are mainly wax print cloths by the Group to Africa. Upon receiving the product request from a customer, the Group provides advice on production requirements as well as wax print patterns and colours and obtains quotations from sub-contractors in the PRC. After confirmation of sales orders by the customer, the Group instructs the sub-contractors to manufacture the wax print cloths accordingly. All purchase orders, production requirements and logistics arrangements are negotiated with the suppliers and managed by the Group's merchandising staff. Finished products are directly delivered by the sub-contractors to the customer's designated port(s). Currently, the Group has two clients for the Africa Business, which have entered into a respective sales cooperation agreement with the Group covering a term of up to January 2022 and July 2023 respectively regarding annual order volume of textile and garment products. Payment terms for purchase consideration and service fee are determined according to specific order placed with the Group.

In addition to the ACCAPI Business, the Super X Business and the Africa Business, the Group also entered into collaboration with a local fashion brand named "Queen", pursuant to which the Group's in-house design team designed a series of reusable, fashionable and stylish masks which are made of fibre with Silverplus technology (銀離子技術). The Queen masks have antibacterial properties, and are handmade with embroidery, 3D applique, crystals, lace and sequin designs. The Queen masks are positioned to appeal to the customer group which concerns health as well as appearance. Production of the Queen masks principally takes place in the Group's factory in Hunghom or is sub-contracted to local manufacturers in Hong Kong. The Queen masks have been launched to the market starting from June 2020 and are distributed through the Group's distribution channels for the Garment Business.

With a view to broadening the product offerings for the Garment Business, the Group obtained the authorisation by Camper, S.L., a well-known Spanish footwear manufacturer, to set up and operate online stores for Camper footwear in TMall (天貓) and JD (京東) using "Camper" as the store name. The Camper stores on TMall and JD operated by the Group were launched in June 2020 and July 2020 respectively. The Group purchases products from Camper when orders from customers are received at the online stores, collects the sales consideration from the customers, and settles the purchases with Camper, while Camper handles direct delivery of the products to the customers.

### 1.3 Others

Leveraging on the Group's experience in promoting its licensed ACCAPI and Super X brands, the Group commenced to offer marketing and promotional services to external customers primarily engaged in sale and distribution of apparel products in FY2019/2020. The services include conducting market analysis, planning of marketing and promotional campaigns, organising new product launching campaigns, advising on market positioning, setting up and management of online shops, design of advertisements, promotional materials, product packaging materials and displays of physical and online shops. The Group is also engaged in organising events such as annual meetings, marketing conferences, roadshows and exhibitions for external customers. Since the commencement of the Marketing and Promotional Services Business and up to 30 September 2020, the Group has undertaken 16 projects (including six projects for one recurring client and two projects for another recurring client). The Group's clientele has also been expanded from brands of garment and related consumer products to insurance agency, beauty services provider and property developer in the PRC.

The Group engages in the Property Business for rental income purposes. As at the date of this announcement, the Group held six investment properties located in the PRC and five investment properties (including three car parking spaces) located in Hong Kong. All the investment properties were leased out as at the date of this announcement, with the respective lease periods expiring between July 2021 and September 2022.

## 2. Financial information

### 2.1 Financial performance

The Group recorded an increase in revenue from that of approximately HK\$96.4 million in FY2018/2019 to approximately HK\$210.2 million in FY2019/2020. Amid the social events in Hong Kong during the second half of 2019 and the global outbreak of COVID-19 since early 2020, which have caused unprecedented adverse impacts on the Hong Kong and PRC economies and disruptions to numerous business entities including the Group, the Group successfully turned around from a net loss of approximately HK\$30.1 million for FY2018/2019 to a net profit of approximately HK\$10.9 million for FY2019/2020. Set out below is a summary of the revenue and profits of the Group for FY2017/2018, FY2018/2019 and FY2019/2020:

	<b>FY2017/2018</b>	<b>FY2018/2019</b>	<b>FY2019/2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>			
Garment Business			
- ACCAPI Business	—	27,145	97,953
- Super X Business	—	6,358	24,134
- Africa Business	13,000	52,879	72,152
- Others	432	4,381	—
	<u>13,432</u>	<u>90,763</u>	<u>194,239</u>
Property Business	5,701	5,671	3,898
Marketing and Promotional Services Business	—	—	12,042
	<u><b>19,133</b></u>	<u><b>96,434</b></u>	<u><b>210,179</b></u>
<b>Gross profit</b>	<u><b>6,427</b></u>	<u><b>14,975</b></u>	<u><b>36,182</b></u>
<b>Profit/(loss) for the year</b>	<u><b>10,916</b></u>	<u><b>(30,071)</b></u>	<u><b>10,925</b></u>

Based on the Group's unaudited consolidated financial statements for the six months ended 30 September 2020, the Group recorded an unaudited revenue of approximately HK\$108.5 million and unaudited net profit of approximately HK\$7.6 million.

## 2.2 Financial position

Based on the Group's unaudited consolidated financial statements for the six months ended 30 September 2020, the Group's unaudited total assets and net assets as at 30 September 2020 were approximately HK\$334.2 million and HK\$40.3 million respectively. Its assets mainly included investment properties of approximately HK\$121.5 million, trade and other receivables of approximately HK\$107.1 million, property, plant and equipment of approximately HK\$36.1 million and inventories of approximately HK\$47.4 million. The property, plant and equipment, trade receivables and inventories were the principal assets associated with the Garment Business. The Group does not have significant plant and equipment, as it has outsourced the manufacturing process for the Garment Business to independent sub-contractors and production works for the Marketing and Promotional Services Business to independent contractors.

## IV. FUTURE PLANS AND PROSPECTS

Following resumption of trading of the Shares, the Group will continue developing its existing businesses with the ACCAPI Business as the primary focus of the Group's business plan.

### 1. The ACCAPI Business

Based on the Group's understanding, the ACCAPI Licensor possesses proven research and development capability to introduce new technologies every year for application in fabrics to produce apparel products with sports performance enhancement and wellness features. The Group will continue to collaborate with the ACCAPI Licensor to develop new products utilising existing and new technologies developed by the ACCAPI Licensor that suit the market needs of the Licensed Regions.

On the sales and marketing front, as one of the key marketing activities this year, the Group participated in China International Import Expo (中國國際進口博覽會) (the "2020 Expo") which was hosted by Ministry of Commerce of the PRC and Shanghai Municipal People's Government and held in Shanghai, the PRC in early November 2020. The exhibition booth of the Group presented the brand, technologies, concepts and products of ACCAPI to its peers and potential customers. The Group received numerous enquiries during the 2020 Expo on the ACCAPI products from potential customers which are engaged in businesses including imports, distributions, department stores, health management and e-commerce platforms. Some of them expressed positive responses on the concept of the ACCAPI brand and in the ACCAPI products in terms of style, technology features and price. Certain potential customers also indicated

interests to discuss business opportunities further subject to the stabilisation of COVID-19 epidemic. The Directors believe that the Group's participation in the 2020 Expo is a great success in building up a distinctive brand image of ACCAPI, potentially expanding the distribution network of the ACCAPI products and creating noise and visibility for the ACCAPI products in the China market.

Following on the Group's success in the 2020 Expo, the Group plans to establish experience and service centres (生活體驗館) in China to demonstrate a holistic approach to building, sustaining and living wellness, physical health and life quality, and conduct marketing visits to new potential customers to expand its presence in China. The Group is also considering to set up office and warehouse in Shanghai, open retail shops in major cities in China and establish more online sales platforms (e.g. at Tmall (天貓) and Xiaohongshu (小紅書)) to extend the reach to the mass consumer market. Besides, the Group will consider to set up sales teams to liaise with different potential partners, such as local department stores and e-commerce platforms, for diversifying retail sales channels. The Group is also in discussions with several banks and financial institutions on business opportunities to offer ACCAPI products as gifts for reward programs of their VIP credit card members. These banks and financial institutions may also offer business matching opportunities between their clients and the Group.

Riding on the sustainable competitive advantages on the unique wellness, performance and recovery features of the ACCAPI products and the favourable market reception to the signature self-designed and manufactured women underwear products, the Group will continue to promote more ACCAPI products in terms of varieties and technologies applied therein. With the established market and solid sales channels in the Licensed Regions, the Directors are optimistic that the return of business and social activities to normal with uplift of travel restrictions will give a powerful impetus to sales growth.

## **2. Other businesses**

As part of the brand portfolio of the Group, the Group will continue to develop the Super X Business and select products which suit market needs. While the Group will continue to maintain its presence in the African market, the Group will seek for opportunities to expand its customer base for its export business. Capitalising on the successful licensed manufacturing experience of the Group, the Group also plans to explore collaboration opportunities with other brands to develop co-brand products to further enrich the product variety of the Garment Business. The Group will also seek to broaden the range of products to be distributed as well as other collaboration opportunities which are complementary to the other segments of the Garment Business.

As regards the Marketing and Promotional Services Business, the Group will continue to enhance its market presence and approach potential customers in other industry sectors through business referrals and its business network. The Group intends to utilise the cross-selling opportunities between the Garment Business and the Marketing and Promotional Services Business whereby the Group will promote ACCAPI and Super X products to its customers in the Marketing and Promotional Services Business which are engaged in garment-related business with a view to broadening the distributor network of the Garment Business, and promote the Marketing and Promotional Services Business to its distributors and potential distributors in the Garment Business.

As regards the Property Business, the Group intends to hold the properties for rental income purpose and at the same time monitor the performance of the property markets in Hong Kong and the PRC and consider reorganising its property portfolio should suitable opportunities arise.

### **3. Financial resources**

As at 30 September 2020, the Group had unaudited cash and bank balances of approximately HK\$19.3 million. The Group used to finance and is expected to continue to finance its operations mainly by internally generated funds and available financing facilities including the financial support from Always Profit, the Company's controlling Shareholder. As at 30 September 2020, the unaudited total amount due from the Group to Always Profit and a related company amounted to approximately HK\$174.9 million. Always Profit has agreed to provide financial support to the Group from time to time should the circumstances require and indicated that it intends to capitalise the loans already granted to the Group to recapitalise the Company. Subject to compliance with applicable requirements of the Listing Rules (including the public float requirement), the Company contemplates to propose to its Shareholders a pre-emptive issue of new Shares following the resumption in trading of the Shares. The pre-emptive issue is intended to provide the existing Shareholders an opportunity to minimise the dilution of their shareholdings and participate in the future growth of the Company if they so wish, and will be fully underwritten by the controlling shareholder of the Company and in a proportion and at an issue price to raise sufficient proceeds to fully settle the aforesaid outstanding shareholder's loan. Further announcement(s) shall be made by the Company if there is any material development in the pre-emptive issue or other financing plans of the Group as and when appropriate and in compliance with the Listing Rules.

#### **IV. RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended at the request of the Company from 9:00 a.m. on 1 February 2019. As all the Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 December 2020.

#### **V. DEFINITIONS**

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

“ACCAPI Business”	the business of designing, manufacturing and distribution of products bearing the brand name of “ACCAPI” in the Licensed Region
“ACCAPI Licensor”	WHOA Srl, a company incorporated in Italy
“Africa Business”	the business of sourcing, sub-contracting and exporting garments to Africa
“Always Profit”	Always Profit Development Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder (as defined in the Listing Rules) of the Company
“Board”	the board of Directors
“Company”	State Energy Group International Assets Holdings Limited, a company incorporated under the laws of Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 918)
“Directors”	directors of the Company
“FY2017/2018”	the financial year ended 31 March 2018
“FY2018/2019”	the financial year ended 31 March 2019
“FY2019/2020”	the financial year ended 31 March 2020



“Garment Business”	the ACCAPI Business, the Super X Business, the Africa Business and the design, manufacture and/or distribution of other apparel and related products by the Group
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Licensed Regions”	the regions where the Group is allowed to distribute the ACCAPI products, being the PRC, Hong Kong and Macau
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Marketing and Promotional Services Business”	the business of providing marketing and promotional services by the Group to external customers
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan unless otherwise specified
“Property Business”	the business of property investment of the Group
“Resumption Condition(s)”	the resumption guidance provided by the Stock Exchange to the Company as set out in its letter dated 11 February 2019 to the Company
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super X Business”	the business of distributing licensed products bearing the brand name “Super X”

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board  
**State Energy Group International Assets Holdings Limited**  
**Zhang Jinbing**  
*Chairman*

Hong Kong, 4 December 2020

*As at the date of this announcement, the executive Directors are Mr. Zhang Jinbing, Mr. Tian Wenxi and Mr. Wu Tingjun; and the independent non-executive Directors are Mr. Chow Hiu Tung, Mr. Zhao Hangen and Ms. Yang Yanli.*