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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

Reference is made to the announcement (the “**Annual Results Announcement**”) of Superactive Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2021 and the annual report (the “**Annual Report**”) in relation to the annual results of the Company for the year ended 31 December 2020. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Annual Results Announcement and the Annual Report.

In addition to the information disclosed in the Annual Results Announcement and the Annual Report, the Company would like to provide the following supplement information regarding the loan receivables and the provisional calculation of the expected credit loss made on loan receivables.

In respect of loan receivables, credit risk arises from a customer’s inability and unwillingness to meet its financial obligations to make timely payments under the loans the Group provided. The company responsible for operating the money lending business has formulated relevant credit review and risk assessment policies and has made revisions and updates from time to time in accordance with relevant laws. The money lending company will independently assess and review the acceptability of the relevant loan application based on the credit review and risk assessment policies, and check the value of the collateral from time to time to ensure that its value does not deteriorate significantly and to ensure the recovery of the loan receivables.

The ECLs on loan receivables are provided and recognised according to the requirement of Hong Kong Financial Reporting Standard 9 (“**HKFRS 9**”) issued by the Hong Kong Institute of Certified Public Accountants. The ECLs on loan receivables are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation of the assets’ original effective interest rate.

In compliance with HKFRS 9, the Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The broke out of COVID-19 has an impact on the economic environment and the Company's expectation of the possibilities of default may arise from the borrower and the loss when they are default may increase. The Group, therefore, increased the percentage assigned in each of PD and LGD in the provision matrix which resulting leads to a significant increase in the rate of ECL from 2019 to 2020. The recognised ECLs is a non-cash item.

The above supplemental information does not affect other information contained in the Annual Results Announcement and the Annual Report and saves as disclosed above, all other information in the Annual Results Announcement and the Annual Report remains unchanged.

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

Hong Kong, 3 May 2021

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.