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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 2021 ANNUAL REPORT

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

In addition to the information disclosed in the Annual Report, the Company would like to provide the following supplement information regarding the money lending business.

In respect of the money lending business, the Group focuses on conducting money lending business by providing secured or guaranteed loans to a variety of customers, including individuals and corporations. Customers included but were not limited to the company engaged in property development. The source of customers is mainly past customers or referrals by third parties. Loans are mainly large amounts of guaranteed loans. The source of funds for the lending business is funded by the internal resources of the Group. As at 31 December 2021, the loan receivables included thirteen customers, of which the largest and the five largest borrowers had loan receivables of approximately HK\$48,000,000 and HK\$150,000,000, respectively.

The loan impairment recognised was due to ECL and further recognised in 2021 is due to the increase of the ECLs. Due to the continuation of the epidemic in 2021, the Group is concerned that the economic downturn will continue, which will further affect the repayment ability of the borrower and the value and liquidity of their secured assets in future, thus affecting the Group's expectation to each borrower that if borrowers fail to repay their debts, the loss on default may increase when compared with 2020. Therefore, the Group when estimating the loss given default of loan receivables, the base rate of the loss given default rate to each borrower increased by 10% in 2021 when compared with 2020. Besides, the Group based on the borrowers' current financial status by communication with the borrowers, their past and current repayment records, loan terms, and the value of the collateral, make additional independent adjustments on top of the base rate, to calculate the loan impairment for the year.

As stated in the Annual Report, the Group manages credit risk through review and credit approval and post-transaction monitoring processes which are performed by management. Before the loans were granted, an independent assessment has been performed. The independent assessment included but was not limited to background checkings, such as the identity documents (identity card or business registration certificate, latest annual return or certificate of incumbency if an overseas company), income or asset proof of the borrower and guarantor, such as share certificates or bank statements, the evaluation of the value of the collateral and the verification of the authenticity of the information provided, to ensure the recovery ability of the loan. If necessary, the Group will also engage a valuation company to assist in assessing the value of the collateral. After the loan is granted, the Group will still conduct checks on the value of the collateral from time to time. Besides, the Group will conduct a value check on the collateral when the Group perceives that there is a huge fluctuation in the relevant market of the collateral, to ensure that there is no material deterioration in value.

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

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

Hong Kong, 18 August 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 Mr. Chow Wai Leung William, Mr. Leung Man Man and Mr. Tse Ting Kwan.