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**Super Strong Holdings Limited**  
**宏強控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8262)**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS –  
ENTERING INTO OF THE LOAN AGREEMENT  
AND  
POSSIBLE ACQUISITION OF INTEREST IN A SUBSIDIARY  
(2) DISCLOSEABLE TRANSACTIONS –  
ENTERING INTO A JOINT VENTURE AGREEMENT  
AND  
ACQUISITION OF LANDS**

**LOAN AGREEMENT**

On 28 October 2019 (after trading hours), KV, a non-wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrowers, pursuant to which KV agreed to provide the Loan amounting to HK\$15,000,000 to the Borrowers repayable within 12 months from the date of the Loan Agreement, subject to an extension for further six months.

**POSSIBLE ACQUISITION**

Pursuant to the Loan Agreement, in case the Borrowers fail to repay the Loan and accrued interests on the Repayment Date or the Final Repayment Date (as the case may be), the Borrowers have pledged the 35% shareholdings of and in Grand Paradise, which are held by their controlled company, More Wealth, as repayment. This will result in a possible acquisition of the 35% interests in Grand Paradise by the Group. Grand Paradise will become a wholly-owned subsidiary of the Company and the financial results of Grand Paradise will continue to be consolidated into the financial statements of the Group.

## **JV AGREEMENT**

As set out in the announcement of the Company dated 9 August 2019, on 8 August 2019 (after trading hours), KV has entered into the JV Agreement. Pursuant to which, KV injected HK\$12,000,000 in cash as capital into Grand Paradise and More Wealth transferred and assigned the Lands to Grand Paradise as its capital injection. Upon completion of the Capital Injection, the issued share capital of Grand Paradise is owned as to 65% by KV and 35% by More Wealth, respectively.

Pursuant to the JV Agreement, KV will inject cash and More Wealth will inject the Lands as the share capital of Grand Paradise. Since Grand Paradise was accounted as a subsidiary of the Group, upon completion of the JV Agreement, the injection of the Lands by More Wealth into Grand Paradise constituted an acquisition of the Lands for the Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of each of the transactions contemplated under the Loan Agreement and the Possible Acquisition exceeds 5% but are below 25%, the entering into of the Loan Agreement and the Possible Acquisition each constitute a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules.

As both the Possible Acquisition and the Capital Injection involve the acquisition of equity interest in Grand Paradise, and the Loan Agreement and the JV Agreement were entered into within a 12-month period, the Possible Acquisition is required to be aggregated with the Capital Injection for the purpose of calculating the applicable percentage ratios (as defined under the GEM Listing Rules). As one or more of such applicable percentage ratios of the Possible Acquisition and the Capital Injection in aggregate exceed 5% but all are below 25%, the Possible Acquisition and the Capital Injection in aggregate constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules. At the time of entering into the JV Agreement, each of Mr. Chan, Ms. Yuen and More Wealth were independent third parties of the Group. Each of them became a connected person of Company after completion of the JV Agreement. Therefore, the entering into of the JV Agreement and the Capital Injection do not constitute connected transactions of the Company.

Mr. Chan and Ms. Yuen are the only directors and major shareholders of More Wealth which owns 35% of interests in Grand Paradise, a non-wholly owned subsidiary of the Company. Grand Paradise is owned as to 65% by KV. Mr. Chan, Ms. Yuen and More Wealth are therefore connected persons of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules. As such, each of the Loan Agreement and the Possible Acquisition also constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Since (1) Mr. Chan and Ms. Yuen are connected persons of the Company at the subsidiary level; (2) the entering into of the Loan Agreement, together with the Possible Acquisition, have been approved by the Board; and (3) the independent non-executive Directors have confirmed that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and that the entering into of the Loan Agreement is in the interests of the Company and Shareholders as a whole, pursuant to Rule 20.99 of the GEM Listing Rules, each of the Loan Agreement and the Possible Acquisition will be subject to the reporting and announcement requirements but exempted from the circular, independent financial adviser and shareholders' approval requirements.

## LOAN AGREEMENT

The Board announces that on 28 October 2019 (after trading hours), KV, a non-wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrowers, pursuant to which KV agreed to provide the Loan to the Borrowers. The principal terms of the Loan Agreements are summarised as follows:-

### *Principal terms of the Loan Agreement*

Date	:	28 October 2019 (after trading hours)
Parties	:	(1) KV as lender; and (2) Mr. Chan and Ms. Yuen as borrowers
Loan amount	:	HK\$15,000,000
Repayment Date	:	the repayment date (the “ <b>Repayment Date</b> ”) shall be the date falling 12 months from the date of the Loan Agreement, subject to the extension clause stated below
Interest Rate	:	3% per annum, commencing from the date on which the Loan or the first drawdown of the Loan is advanced to the Borrowers

- Payment of interest : payable on the Repayment Date, subject to the extension clause stated below
- Extension of the Repayment Date : the Borrowers may at any time serve a written notice on the Lender no later than one month before the Repayment Date to the effect that the Borrower wishes to renew the loan facility for further six months, in which case, the Lender shall renew the Loan facility to the Borrower for a term of six months.
- Upon the Borrowers extending the Loan for a term of six months pursuant to this clause, the final repayment date (the “**Final Repayment Date**”) will be the date at the end of the six months period after the Repayment Date, and the Borrowers shall repay the whole amount of the Loan and pay all the accrued interest due and payable on the Final Repayment Date.
- Covenants and warranties : the Borrowers have jointly and severally covenants with and warrants to the Lender that:
- (i) they will have a net asset value (including the value of the shares of all companies held by them) of not less than the Loan as at the date of the Loan Agreement and could repay the Loan together with all accrued interest to the Lender under, and in accordance with, the terms of the Loan Agreement; and
  - (ii) none of the Borrowers will, at any time after the signing of the Loan Agreement, further borrow and/or make any further borrowings from other third parties to such effect that the aggregated net asset value of the Borrowers (including the value of the shares of all companies held by them) becomes less than the Loan immediately thereafter such additional borrowing
- Security : the Borrowers jointly and severally covenant with and undertake to the Lender that the Borrowers will, in case if the Borrowers fail to repay the Loan and accrued interests to the Lender on the Repayment Date or the Final Repayment Date (as the case may be), cause and procure More Wealth to assign and transfer its 35% shareholdings of and in Grand Paradise as repayment thereof.

The Borrowers have delivered the signed document(s) in respect of the transfer of the 35% shareholdings of and in Grand Paradise as security. In case if the Borrowers fail to repay the Loan and accrued interests on or before the Repayment Date or the Final Repayment Date, the Lender is authorized to enforce the security by signing and executing the document(s) for the transfer of the 35% shareholdings of and in Grand Paradise.

Mr. Chan and Ms. Yuen equally own More Wealth which owns a 35% of interest in Grand Paradise, a non-wholly owned subsidiary of the Company and which is 65% owned by KV. Mr. Chan, Ms. Yuen and More Wealth are therefore connected persons of the Company at the subsidiary level.

### **POSSIBLE ACQUISITION OF INTERESTS IN A SUBSIDIARY**

Pursuant to the Loan Agreement, in case the Borrowers fail to repay the Loan and accrued interests on the Repayment Date or the Final Repayment Date (as the case may be), the Borrowers have pledged the 35% shareholdings of and in Grand Paradise, which are held by their controlled company, More Wealth, as repayment. This will result in a possible acquisition of the 35% interests in Grand Paradise by the Group. If it happens and upon completion of the Possible Acquisition, Grand Paradise will become a wholly-owned subsidiary of the Company and the financial results of Grand Paradise will continue to be consolidated into the financial statements of the Group. There is no restriction in the future sale of the 35% interests in Grand Paradise after the completion of the Possible Acquisition.

Grand Paradise is a company incorporated in Hong Kong. It has been owned as to 65% by KV and 35% by More Wealth since the completion of the JV Agreement, pursuant to which More Wealth transferred the Lands to Grand Paradise as its capital injection. Grand Paradise is principally engaged in development and gardening of the Lands and operation of leisure paradise. As at the date of this announcement, the total assets of Grand Paradise amounted to HK\$24 million, representing the capital injection by KV and More Wealth, and Grand Paradise has no liabilities. At present, Grand Paradise is planning to fix the development plan and has not generated any income.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Board considered that the Group currently has surplus cash resources placed on fixed deposit with Banks earning interest income at approximately 0.85% to 2.1% per annum. The entering into of the Loan Agreement can utilize such resources more economically. Furthermore, it is expected that the Loan Agreement would enable the Group to generate a higher rate of interest income and thus maximize the Group's return and generate stable revenue and cash flow stream on its available cash reserves without compromising the Group's risk exposure. At the same time, the Group is optimistic in the prospects of the development of the leisure paradise by Grand Paradise. The Group considers the security of the 35% interests in Grand Paradise under the Loan Agreement to be a reasonable safeguard to protect the Group's interest, and the Possible Acquisition will allow the Group to obtain a full control of Grand Paradise so as to allow the Group to continue the development of the leisure paradise project.

Based on the above reasons and having considered all relevant factors, the Directors (including the independent non-executive Directors) believe and consider that the terms of the Loan Agreements are on normal commercial terms and are fair and reasonable and that the entering into of the Loan Agreement is in the interests of the Company and Shareholders as a whole.

The entering into of the Loan Agreement and the transactions contemplated thereunder has been approved by the Board. None of the Directors had any material interest in the transactions contemplated under the Loan Agreement. Therefore, none of them was required to abstain from voting on the board resolutions approving the Loan Agreement and the transactions contemplated thereunder.

## **JV AGREEMENT**

As set out in the announcement of the Company dated 9 August 2019, on 8 August 2019 (after trading hours), KV has entered into the JV Agreement with More Wealth to form Grand Paradise, to jointly carry out the business of the development and gardening of the Lands and operation of leisure paradise. Pursuant to which, KV injected HK\$12,000,000 in cash as capital into Grand Paradise and More Wealth transferred and assigned the Lands to Grand Paradise as its capital injection. Upon completion of the Capital Injection, the issued share capital of Grand Paradise is owned as to 65% by KV and 35% by More Wealth, respectively. There is no restriction in the sale of the 65% interests in Grand Paradise held by KV.

To the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, at the time of entering into the JV Agreement, More Wealth was a third party, independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

The principal terms of the JV Agreement are as follows:

**Date**

8 August 2019 (after trading hours)

**Parties**

KV, More Wealth and Grand Paradise

**The consideration**

Upon completion, KV shall inject HK\$12,000,000 in cash as capital into Grand Paradise and More Wealth shall transfer and assign the Lands to Grand Paradise as its capital injection. The above consideration was determined after arm's length negotiations between KV and More Wealth on normal commercial terms after taking into consideration the professional valuation of the Lands as at 8 August 2019 amounted to approximately HK\$12,000,000.

**ACQUISITION OF THE LANDS**

Since Grand Paradise would be accounted as a subsidiary of the Group, upon completion of the JV Agreement, the injection of the Lands by More Wealth into Grand Paradise constituted an acquisition of the Lands for the Group. The Lands include 34 pieces of lands within the lot numbers ranging from 84 to 295 located at D.D. 271 Sai Kung, New Territories, Hong Kong, with a total site area of approximately 151,571 square feet.

**REASONS FOR ENTERING INTO THE JV AGREEMENT**

The Company was actively looking for opportunities to create shareholders' value through making investments on that have promising outlooks and prospects. The Directors considered that lands in Hong Kong is precious. Throughout the developing and gardening of the Lands, the value of the Lands will be appreciated and there is lack of leisure paradise with natural environment in Hong Kong. The operation of leisure paradise may be a profitable business. Grand Paradise can provide an opportunity to the Company to integrate its operation to develop lands in Hong Kong and to improve the profitability of the Group as well. The Directors considered that the terms of the JV Agreement are fair and reasonable. Therefore, the entering into the JV Agreement and the acquisition of the Lands were in the interest of the Company and its shareholders as a whole.

## **INFORMATION ON THE PARTIES**

The principal activity of the Group is the provision of property construction services in Hong Kong.

The principal activity of KV is investment holding.

The principal activity of More Wealth is investment in lands in Hong Kong.

## **LISTING RULES IMPLICATIONS**

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Mr. Chan and Ms. Yuen are the only directors and major shareholders of More Wealth which owns 35% of interests in Grand Paradise, a non-wholly owned subsidiary of the Company. Grand Paradise is owned as to 65% by KV. Mr. Chan, Ms. Yuen and More Wealth are therefore connected persons of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules. As such, each of the Loan Agreement and the Possible Acquisition also constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.



Since (1) Mr. Chan and Ms. Yuen are connected persons of the Company at the subsidiary level; (2) the entering into of the Loan Agreement, together with the Possible Acquisition, have been approved by the Board; and (3) the independent non-executive Directors have confirmed that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and that the entering into of the Loan Agreement is in the interests of the Company and Shareholders as a whole, pursuant to Rule 20.99 of the GEM Listing Rules, each of the Loan Agreement and the Possible Acquisition will be subject to the reporting and announcement requirements but exempted from the circular, independent financial adviser and shareholders' approval requirements.

## DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Borrowers”	Mr. Chan and Ms. Yuen (each a “ <b>Borrower</b> ”)
“Capital Injection”	the capital contribution by KV in cash in the amount of HK\$12,000,000 to Grand Paradise pursuant to the JV Agreement
“Company”	Super Strong Holdings Limited, a company incorporated in the Cayman Islands and listed on GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Grand Paradise”	Grand Paradise Development Limited, a non-wholly owned subsidiary of the Company and is owned as to 65% by KV
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“JV Agreement”	the joint venture agreement dated 8 August 2019 entered into among KV, More Wealth and Grand Paradise
“KV” or “Lender”	King Victory Investment Limited, a non-wholly owned subsidiary of the Company
“Lands”	pieces of land held by Grand Paradise in Sai Kung, New Territories, Hong Kong
“Loan”	a facility amounting to HK\$15,000,000 to be provided by KV to the Borrowers pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 28 October 2019 entered into between KV, Mr. Chan and Ms. Yuen in relation to the provision of loan by KV as lender to Mr. Chan and Ms. Yuen as borrowers, the principal terms of which are summarised in this announcement
“More Wealth”	More Wealth Development Limited, a company incorporated in Hong Kong and is controlled by Mr. Chan and Ms. Yuen and owned by Fast Upward Investment Development Limited, Mr. Chan and Ms. Yuen
“Mr. Chan”	Mr. Chan Hon Wing
“Ms. Yuen”	Ms. Yuen Sau Lin Florence
“Possible Acquisition”	possible acquisition of 35% interests in Grand Paradise pursuant to the terms of the Loan Agreement
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board of  
**Super Strong Holdings Limited**  
**Ko Chun Hay Kelvin**  
*Chief Executive Officer*

Hong Kong, 29 October 2019

*As at the date of this announcement, the executive Directors are Mr. Kwok Tung Keung and Mr. Ko Chun Hay Kelvin; the non-executive Director is Mr. Woo See Shing; and the independent non-executive Directors are Mr. Donald William Sneddon, Mr. So Chi Wai and Ms. Wong Shuk Fong.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from its date of posting and the Company’s website at [www.wmcl.com.hk](http://www.wmcl.com.hk).*