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Super Strong Holdings Limited

宏強控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8262)

DISCLOSEABLE TRANSACTION RELATING TO THE EXTENSION OF LOAN

THE THIRD SUPPLEMENTAL AGREEMENT

Further to the announcements of the Company dated 29 October 2019, 30 October 2019, 14 May 2021 and 29 July 2021 in relation to, among others, the Previous Loan, on 27 October 2021 (after trading hours), the Lender, a direct wholly-owned subsidiary of the Company, has entered into the Third Supplemental Agreement with the Borrowers, pursuant to which the Lender has agreed to extend the repayment date of the Previous Loan for another 4 months.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Third Supplemental Agreement exceeds 5% but are below 25%, the entering into of the Third Supplemental Agreement constitutes a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules.

THE THIRD SUPPLEMENTAL AGREEMENT

Reference is made to the announcements of the Company dated 29 October 2019, 30 October 2019, 14 May 2021 and 29 July 2021, in relation to, among others, the Previous Loan. On 26 October 2021, the Lender, a direct wholly-owned subsidiary of the Company, received a letter from the Borrowers stating that the Borrowers' additional financing arrangement with an amount of US\$10 million has been approved by a financial institution, and the related funds is expected to be received in the next few months upon completion of the submission of the requested documents to the financial institution. The Borrower also confirms that they will repay the Loan once they have received the Fund and settles all the due interest of the Loan. At the request of the Borrowers, the Lender has entered into the Third Supplemental Agreement with the Borrowers on 27 October 2021(after trading hours). Pursuant to the Third Supplemental Agreement, the parties thereto agreed that the repayment date of the Previous Loan shall be extended for 4 months from 27 October 2021 to 26 February 2022.

The terms of the Third Supplemental Agreement were determined after arm's length negotiations between the Lender and the Borrowers and were the same as the First Supplemental Agreement and the Second Supplemental Agreement.

The Directors, having considered the current market norm of interest rates in relation to similar transactions and the expected revenue to be generated to the Group, consider that the transactions contemplated under the Third Supplemental Agreement is on normal commercial terms and the terms of the Third Supplemental Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND THE LENDER

The Company is an investment holding company. The Group's principal activity is the provision of property construction services in Hong Kong.

The Lender is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company.

INFORMATION ON THE BORROWERS

The Borrowers are the former directors of a previous subsidiary company of the Group, which has been disposed on 29 December 2020. Since the subsidiary company is an insignificant subsidiary (as defined under Rule 20.08 of GEM Listing Rules), where the subsidiary company's total assets, profits and revenue at the time of disposal compared to the Group are less than:

- (a) 10% under the percentage ratios for each of the latest three financial years (or if less, the period since the incorporation or establishment of the subsidiary); or
- (b) 5% under the percentage ratios for the latest financial year.

The Borrowers are therefore deemed not to be a connected person under GEM Listing Rule. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrowers is an Independent Third Party of the Company and its connected person of the Company.

The Borrowers are merchant and the major land owner at D.D. 271 Sai Kung, New Territories, Hong Kong and holding about 330,000 square feet of land in the area.

REASONS FOR ENTERING INTO THE THIRD SUPPLEMENTAL AGREEMENT

As explained by the Borrowers, due to the COVID-19 pandemic, their cashflow has been delayed and additional financing has been obtained from a financial institution which has been approved, therefore requesting for an extension of repayment of the Previous Loan under the First Supplemental Agreement and the Second Supplemental Agreement. After arm's length negotiation, the Borrowers agreed to pay an interest rate of 6% per annum (3% per annum in the Previous Loan under the First Supplemental Agreement and 6% per annum under the Second Supplemental Agreement). The Borrowers have represented to the Lender that their additional financing have been approved subjected to submission of additional documents to the financial institution and they will settle the Previous Loan once they have received the fund from the financial institution. They expect that drawdown will be within the extended repayment period. The Board considers that legal actions is not appropriate at this stage as it involves a lot of legal costs and time. Having considered the Lender's confirmation, the asset backing of the Borrowers and the additional interest, the Board considers the extension of loan would enable the Group to generate a higher rate of interest income as compared to short-term deposits in banks and thus maximize the Group's return and generate stable revenue.

The Group has adequate cash reserve for its operation and the extension of repayment date of the loan will not create any risk exposure on the operation of the Group.

THE GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Third Supplemental Agreements exceeds 5% but is below 25%, the entering into of the Third Supplemental Agreement constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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
“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
“First Supplemental Agreement”	Supplemental agreement dated 14 May 2021 entered into between the Lender and the Borrowers relating to the extension of the term of the Previous Loan, please find the announcement dated 14 May 2021 as reference
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“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
“Independent Third Party”	an individual or a company who is independent of and not connected with (within the meaning of the GEM Listing Rules) any directors, chief executives or substantial shareholders of the Company, its subsidiaries or any of their respective associates.
“KV” or “Lender”	King Victory Investment Limited, a wholly owned subsidiary of the Company
“Loan”	an amount of 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
“Previous Loan”	a term loan in the principal amount of HK\$15,000,000.00 granted by the Lender to the Borrowers on 28 October 2019 under the terms of the Loan Agreement, as supplemented by First Supplemental Agreement and the Second Supplemental Agreement
“Mr. Chan”	Mr. Chan Hon Wing
“Ms. Yuen”	Ms. Yuen Sau Lin Florence

“Third Supplemental Agreement”	Supplemental agreement dated 27 October 2021 entered into between the Lender and the Borrowers relating to the extension of the term of the Previous Loan
“Second Supplemental Agreement”	Supplemental agreement dated 29 July 2021 entered into between the Lender and the Borrowers relating to the extension of the term of the Previous Loan
“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, 27 October 2021

As at the date of this announcement, the executive Directors are Mr. Kwok Tung Keung, Mr. Ko Chun Hay Kelvin and Ms. Wen Guojing; and the independent non-executive Directors are Mr. Sneddon Donald William, Mr. Ng Man Li 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 for at least 7 days from its date of posting and the Company’s website at www.wmcl.com.hk.