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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)

DISCLOSEABLE AND CONNECTED TRANSACTION — DISPOSAL OF A SUBSIDIARY

THE DISPOSAL OF SUBSIDIARY

On 14 February 2019, the Vendor, a wholly-owned subsidiary of the Company and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, which represented approximately 49.06% of the entire issued share capital of the Disposal Company, at a cash consideration of HK\$9,800,000 (the “**Agreement**”).

LISTING RULES IMPLICATIONS

As the Purchaser is the managing director who with existing ownership of 41.0% shareholding of the Disposal Company, the Purchaser is a connected person of the Company at the subsidiary level by virtue of Rule 20.07(4) of the GEM Listing Rules. Accordingly, the Disposal constitutes a connected transaction under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios set forth under Rule 19.07 of the GEM Listing Rules in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable and connected transaction of the Company, which is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules. Since (1) the Board has approved the entering into of the Agreement together with the Disposal contemplated thereunder; and (2) the independent non-executive Directors consider that the terms of the Agreement are fair and reasonable and on normal commercial terms or better, and the Disposal is in the interests of the Company and the Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and shareholders’ approval requirements pursuant to Rule 20.99 of the GEM Listing Rules, and is therefore subject to the notification and announcement requirements under the GEM Listing Rules.

DISPOSAL OF A SUBSIDIARY

On 14 February 2019, the Vendor, a wholly-owned subsidiary of the Company and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, which represented approximately 49.06% of the entire issued share capital of the Disposal Company, at a cash consideration of HK\$9,800,000 (the “**Agreement**”).

THE AGREEMENT

The principal terms of the Agreement are as follows:

Date of the Agreement and Completion Date

14 February 2019

Parties

- (i) the Vendor; and
- (ii) the Purchaser.

Consideration

The Consideration of HK\$9,800,000 was determined based on normal commercial terms after arm’s length negotiations between the Company and the Purchaser. The basis of Consideration is based on the original acquired costs. The Consideration has been received on the Completion Date in form of lawyer’s cheque.

The Directors considered that the Consideration was fair and reasonable.

INFORMATION OF THE DISPOSAL COMPANY

The Disposal Company is a company incorporated in Hong Kong with limited liability. The Disposal Company is engaging in building management services.

The audited financial information of the Disposal Company for the two years ended 31 March 2017 and 31 March 2018 and the unaudited financial information for the period ended 31 December 2018 are set out below:

	For the financial year ended 31 March		For the period ended 31 December
	2017	2018	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Turnover	79,019	91,851	83,335
Profit before tax	726	2,950	560
Profit after tax	619	2,510	514
Net Asset	7,566	7,166	7,711

FINANCIAL EFFECT OF THE DISPOSAL

The Sale Shares were acquired by the Group at a consideration of HK\$9,800,000 in May 2018. As at the date of this announcement, the Disposal Company is owned as to approximately 49.06% by the Vendor. As the Group has control over the Disposal Company, the Disposal Company is accounted for as a subsidiary of the Company. Upon completion of the Agreement, the Group will not hold any shares in the Disposal Company and the Disposal Company will cease to be a subsidiary of the Company. The financial results of the Disposal Company will no longer be consolidated in to the financial statements of the Group upon completion of the Agreement. In consideration to the period of acquisition and the Consideration being the same as the acquired costs, the Company currently estimates that there will be no material financial impact to the Group as a result of the Disposal.

USE OF PROCEEDS

The proceeds generated from the Disposal will be applied as general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

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

The Group has tried to integrate the operations of the Disposal Company in buildings management services with the operations of the Group. However, as a result of irreconcilable differences between the Group's strategy and the objectives of the management of the Disposal Company, the Directors agreed to sell the Sale Shares back to the Purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director has a material interest in the Disposal and was required to abstain from voting at the meeting of the Board approving the Agreement and the transactions contemplated thereunder. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Disposal are fair and reasonable and that the Disposal is in the interests of the Company and its shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) have approved the entering into of the Agreement together with the Disposal contemplated thereunder.

The independent non-executive Directors consider that the terms of the Agreement are fair and reasonable and on normal commercial terms or better, and that the Disposal, is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PURCHASER

The Purchaser is the founder and the managing director with existing ownership of 41.0% shareholding of the Disposal Company.

IMPLICATION UNDER THE GEM LISTING RULES

As the Purchaser is a director and a substantial shareholder of the Disposal Company which is a subsidiary of the Company, the Purchaser is a connected person (at the subsidiary level) of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As certain applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal also constitutes a discloseable and connected transaction of the Company, which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. Since (1) the Board has approved the entering into of the Agreement together with the Disposal contemplated thereunder; and (2) the independent non-executive Directors consider that the terms of the Agreement are fair and reasonable and on normal commercial terms or better, and the Disposal is in the interests of the Company and the Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules, and is therefore subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Super Strong Holdings Limited (宏強控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	HK\$9,800,000, being the cash consideration for the Sale Shares
“Director(s)”	the director(s) of the Company
“Disposal”	disposal of the Sale Shares by the Vendor pursuant to the Agreement
“Disposal Company”	Unimax Property Consultancy Limited, a company incorporated in Hong Kong with limited liability
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s)
“Purchaser”	Ms. Ng Lai Ching
“Sale and Purchase Agreement”	the Sales and Purchase agreement dated 14 February 2019 entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Shares
“Sale Shares”	260,000 ordinary shares in the Disposal Company, representing approximately 49.06% of the share equity of the Disposal Company
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	King Victory Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board
Super Strong Holdings Limited
Kwok Tung Keung
Chairman and executive Director

Hong Kong, 14 February 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. Sneddon Donald William, 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 for at least 7 days from its date of posting and the Company’s website at www.wmcl.com.hk.