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S&S Intervalue China Limited

搜搜互聯（中國）科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8506)

(the “Company”)

MAJOR TRANSACTION FINANCIAL ASSISTANCE

Reference is made to the Previous Announcements. Unless otherwise defined, capitalised terms used herein shall bear the same meanings as those defined in the Previous Announcements.

MAJOR TRANSACTION – PROVISION OF GUARANTEE

The Company’s forensic accountant discovered that Zhangzhou Kaixing, an indirect wholly-owned subsidiary of the Company, granted a guarantee on 21 October 2020 for a RMB20 million credit facility that ZK Borrower took out with RCBXM (Gaoqi).

Principal terms of the RCBXM (Gaoqi) Guarantee

Date:	21 October 2020
Parties:	Zhangzhou Kaixing (as guarantor); and Xiamen Free Trade Zone Gaoqi Branch of Xiamen Rural Commercial Bank Co., Ltd. (as guarantee)
Purpose of the Xiamen Rural Commercial Bank Loan Agreement:	To repay RMB10,000,000 loan to 廈門市融資擔保有限公司

Scope of guarantee:	Principal, interest, penalty interest, default penalty, damages, all cost for recovering the loan (including but not limited to litigation cost, arbitration cost, property retention cost, legal cost, etc)
Duration:	Commencing from the effective date of the RCBXM (Gaoqi) Guarantee and up to 3 years after the expiry of the repayment obligations of the debts under the RCBXM (Gaoqi) Credit Facility Agreement (2020).

The guarantee bears the signature of the then director of Zhangzhou Kaixing Chen Yihui signed by a Chen Xiaoyan, who is believed to be his friend, on his behalf and the seal of Zhangzhou Kaixing.

DETAILS OF THE XIAMEN RURAL COMMERCIAL BANK LOAN AGREEMENT

Below is the nature of events giving rise to the amounts based on the application for arbitration of RCBXM (Gaoqi).

On 25 November 2019, the ZK Borrower signed the Xiamen Rural Commercial Bank Credit Facility Agreement (2019) and an export bill purchase agreement with RCBXM (Gaoqi). The scope of credit facility included but not limited to loans in domestic and foreign currencies and export bill purchase. The duration of both agreements was from 25 November 2019 to 24 November 2020.

On 13 August 2020, the ZK Borrower took out a loan of US\$670,000 with RCBXM (Gaoqi). The interest rate was 5.090380% per annum. The due date for repaying the principal and interest was 27 January 2021.

On 17 August 2020, the ZK Borrower took out another loan of US\$670,000 with RCBXM (Gaoqi). The interest rate was 4.89038% per annum. The due date for repaying the principal and interest was 2 February 2021.

On 21 October 2020, the ZK Borrower signed the RCBXM (Gaoqi) Credit Facility Agreement (2020) with RCBXM (Gaoqi). The scope of credit facility was the same as the RCBXM (Gaoqi) Credit Facility Agreement (2019). The ZK Borrower agreed that the outstanding loan of US\$1,340,000 under the RCBXM (Gaoqi) Credit Facility Agreement (2019) would be transferred to the RCBXM (Gaoqi) Credit Facility Agreement (2020). The duration of this agreement was from 21 October 2020 to 20 October 2021.

On 21 October 2020, Mr. Zheng Songhui, a former chairman, chief executive officer and executive director of China Greenfresh Group Co Ltd (Hong Kong stock code: 6183) signed a contract of maximum guarantee with RCBXM (Gaoqi) to provide guarantee for all liabilities under the RCBXM (Gaoqi) Credit Facility Agreement (2020). The duration of guarantee was 21 October 2020 to 20 October 2021.

On 21 October 2020, Zhangzhou Kaixing signed the RCBXM (Gaoqi) Guarantee and Fujian Greenfresh (an indirectly wholly owned subsidiary of China Greenfresh Group Co Ltd.) also signed an irrevocable guarantee to provide guarantee for all liabilities under the RCBXM (Gaoqi) Credit Facility Agreement (2020).

On 28 October 2020, the ZK Borrower signed the RCBXM (Gaoqi) Working Capital Loan Agreement with RCBXM (Gaoqi). The duration of this loan agreement was 28 October 2020 to 20 October 2021. The interest rate was 6.525% per annum, payable per quarter.

The balance of the above liabilities was US\$1,340,000 and RMB10,000,000 plus interest.

INFORMATION RELATING TO THE GROUP, THE BANKS AND THE BORROWER

The Group is principally engaged in research and development, manufacturing and sales of circular knitting machines.

Xiamen Rural Commercial Bank Co., Ltd is a licensed bank established under the laws of the PRC.

The ZK Borrower is a limited liability company established in the PRC on 10 November 2009. The businesses of the ZK Borrower mainly includes the retail and wholesale of fresh fruits and vegetables.

To the best knowledge, information and belief of the Directors, the ZK Borrower, RCBXM (Gaoqi), 廈門市融資擔保有限公司 and their ultimate beneficial owner are Independent Third Parties.

REASONS FOR THE TRANSACTION AND BENEFIT

Since the current director of Zhangzhou Kaixing took office after it had granted the RCBXM (Gaoqi) Guarantee, and the director in office when Zhangzhou Kaixing granted the RCBXM (Gaoqi) Guarantee has resigned, the Company does not have information about why Zhangzhou Kaixing granted the RCBXM (Gaoqi) Guarantee.

ARBITRATION

RCBXM (Gaoqi) commenced arbitration in February 2021. RCBXM (Gaoqi), ZK Borrower, Zheng Songhui, Zhangzhou Kaixing and Fujian Greenfresh entered into a settlement agreement on 30 April 2021 in relation to the RCBXM (Gaoqi) Credit Facility Agreement (2019), the RCBXM (Gaoqi) Credit Facility Agreement (2020) and the RCBXM (Gaoqi) Working Capital Loan Agreement. An arbitrator issued a settlement dated 6 May 2021 in relation to the above dispute. Pursuant to the settlement agreement, ZK Borrower agreed to repay principal of US\$1,340,000 and RMB10,000,000 with interest and legal cost of RMB30,000 to RCBXM (Gaoqi). Zhangzhou Kaixing and Fujian Greenfresh agreed to bear joint liability for the above amount. Xiamen Municipal Intermediate People's Court served an enforcement judgment dated 24 June 2021 on Zhangzhou Kaixing in relation to such settlement. According to such judgment, a sum of RMB21,310,000 of ZK Borrower, Zheng Songhui, Zhangzhou Kaixing and Fujian Greenfresh shall be frozen or distrained, or properties with an equivalent value of shall be impounded, arrested, auctioned and sold.

GEM LISTING RULES IMPLICATIONS

The Company unintentionally failed to notice the existence of the RCBXM (Gaoqi) Guarantee and to make timely disclosure of its provisions and sought for Shareholders' approval.

If the RCBXM (Gaoqi) Guarantee is viewed on a standalone basis, one or more of the percentage ratios would exceed 5% but would be less than 25%. On such calculation, the provision the RCBXM (Gaoqi) Guarantee would constitute a disclosable transaction of the Company and would be subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Alternatively, if the RCBXM (Gaoqi) Guarantee is aggregated with the RMB40,000,000 Loan Agreement dated 2 November 2020 entered into between Zhangzhou Kaixing and the ZK Borrower, one or more of the percentage ratio would exceed 25% but would be less than 75%. On such calculation, the provision of the RCBXM (Gaoqi) Guarantee would constitute a major transaction and would therefore be subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules. Accordingly, the Company regrettably admits that it has breached Rules 19.34, 19.38, 19.40 and 19.41 of the GEM Listing Rules regarding the provision of the RCBXM (Gaoqi) Guarantees.

The Company was only made aware of the existence of the RCBXM (Gaoqi) Guarantee recently by its forensic accountant. The Company has immediately investigated the matter and made this announcement as a remedial measure after becoming aware of the omission.

REMEDIAL MEASURES

In order to avoid recurrence of such incidents in the future, the remedial measures stated in the Company's announcement dated 20 May 2021 have been or will be taken by the Group.

DEFINITION

“Previous Announcements”	collectively, the Company's announcements dated 30 December 2020, 10 March, 20 May, 4 June, 20 August 2021
“RCBXM (Gaoqi)”	Xiamen Free Trade Zone Gaoqi Branch of Xiamen Rural Commercial Bank Co., Ltd.
“RCBXM (Gaoqi) Credit Facility Agreement (2019)”	the credit facility agreement entered into between RCBXM (Gaoqi) (as lender) and the ZK Borrower (as borrower) on 25 November 2019 in relation to the grant of a RMB20,000,000 credit facility
“RCBXM (Gaoqi) Credit Facility Agreement (2020)”	the credit facility agreement entered into between RCBXM (Gaoqi) (as lender) and the ZK Borrower (as borrower) on 21 October 2020 in relation to the grant of a RMB20,000,000 credit facility

“RCBXM (Gaoqi) Guarantee”	the guarantee entered into between Zhangzhou Kaixing as guarantor in favour of RCBXM (Gaoqi), pursuant to which the Zhangzhou Kaixing agreed to provide guarantee in favour of RCBXM (Gaoqi) for the due performance of the repayment obligations of the ZK Borrower to RCBXM (Gaoqi) under the Xiamen Rural Commercial Bank Credit Facility Agreement
“RCBXM (Gaoqi) Working Capital Loan Agreement”	A RMB10,000,000 loan agreement dated 28 October 2020 entered into between the ZK Borrower (as borrower) and RCBXM (Gaoqi) (as lender)

By order of the Board
S&S Intervalue China Limited
Cheng Jun
Chairman and executive Director

Hong Kong, 31 December 2021

As at the date of this announcement, the executive Directors are Mr. Cheng Jun (Chairman), Mr. Guan Min, and Mr. Wang Kun; the non-executive Director is Mr. Hu Lixiang; and the independent non-executive Directors are Mr. Shum Shing Kei, Mr. Chan Ka Leung Kevin and Mr. Wong Wah.

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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.kx-machine.com.