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Sheen Tai Holdings Group Company Limited

順泰控股集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 01335)

PROFIT WARNING

This announcement is made by Sheen Tai Holdings Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Company’s preliminary review of the latest unaudited consolidated management accounts of the Group and the information currently available to the Company, the Group is expected to record a substantial increase in loss attributable to the equity owners of the Company for the year ended 31 December 2019 (the “**Reporting Period**”) as compared with the corresponding period in 2018.

The Board considers that the substantial increase in loss for the Reporting Period was primarily attributable to:

- (i) the decrease in revenue arising from the sales of sub-processing cigarette film segment of the Group during the Reporting Period;
- (ii) a substantial impairment loss that subjected to a professional assessment by independent valuer expected to be made during the Reporting Period regarding property, plant and equipment of the Group; and
- (iii) the decrease of gross profit from the BOPP films during the Reporting Period, which is one of the principal business activities of the Group.

The information contained in this announcement is based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the Reporting Period and is not based on any figure or information which has been audited or reviewed by the Company's auditors and the audit committee of the Company and is subject to possible adjustments upon further review. The Company is in the process of finalising the annual consolidated results of the Group for the Reporting Period. Further information and other details of the Group's financial performance for the Reporting Period will be announced in the forthcoming annual results announcement in March 2020.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Sheen Tai Holdings Group Company Limited
Guo Yumin
Chairman

Hong Kong, 31 January 2020

As at the date of this announcement, the executive Directors are Mr. Guo Yumin, Ms. Xia Yu and Mr. Zeng Xiangyang and the independent non-executive Directors are Ms. Fan Qing, Mr. Lo Wa Kei, Roy and Mr. Fong Wo, Felix