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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)

POSITIVE PROFIT ALERT

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 for the year ended 31 December 2020 (the “**Period**”), the Group expected to record a net profit not more than HK\$20 million for the Period as compared with a net loss for the corresponding period in 2019.

Based on the information currently available to the Company, the Board considers that the turnaround of the Group’s performance for the Period was primarily due to (i) profit generated from discontinued operation not more than HK\$20 million and (ii) the Group made an impairment loss on property, plant and equipment of HK\$12.1 million in the subsidiaries mainly engaged in the sales of sub-processing cigarette films segment and cloud-related business segment during the year ended 31 December 2019 but such significant impairment loss is not expected to repeat in the Period.

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 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 finalizing the annual consolidated results of the Group for the Period. Further information and other details of the Group’s financial performance for the Period will be announced in the forthcoming final results announcement in March 2021.

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, 8 March 2021

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. Dai Tin Yau and Mr. Chan Yin Lam.