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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF TREASURE CLOUD**

#### **THE DISPOSAL**

The Board is pleased to announce that on 17 May 2022 (after trading hours), the Company (as the Vendor) and the Purchaser entered into the Share Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Share at a consideration of HK\$21,380,000, which will be satisfied in cash. Upon Completion, the Company will not hold any interest in the Target Company and the Target Company and its subsidiaries will cease to be the subsidiaries of the Company.

#### **THE LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

#### **INTRODUCTION**

The Board is pleased to announce that on 17 May 2022 (after trading hours), the Company (as the Vendor), entered into the Share Purchase Agreement with the Purchaser on the Disposal.

## **PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT**

The principal terms of the Share Purchase Agreement are set out as follows:

### **Date**

17 May 2022

### **Parties**

Vendor: the Company

Purchaser: the Purchaser

### **The Disposal**

Pursuant to the Share Purchase Agreement, the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company. The Target Company is a direct wholly-owned subsidiary of the Company as at the date of this announcement.

### **Consideration and payment terms**

The Consideration for the Disposal to be paid by the Purchaser to the Vendor shall be HK\$21,380,000. The Consideration shall be paid in cash by the Purchaser by the Completion Date.

### **Basis of determination of the Consideration**

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the book value of the net assets of the Subject Matter of the Disposal.

### **Non-competition undertakings**

Under the Share Purchase Agreement, within three years after the Completion Date, the Vendor shall not (without the written consent of the Purchaser) in any way directly engage in or indirectly control any company which is principally engaged in cloud-related business.

### **Completion and effect of Completion**

Completion shall take place on the Completion Date.

Upon Completion, the Company will not hold any interest in the Target Company and the Target Company and its subsidiaries will cease to be the subsidiaries of the Company.

## INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding. The Purchaser is beneficially owned by Wang Yufeng, who is a PRC resident and a merchant.

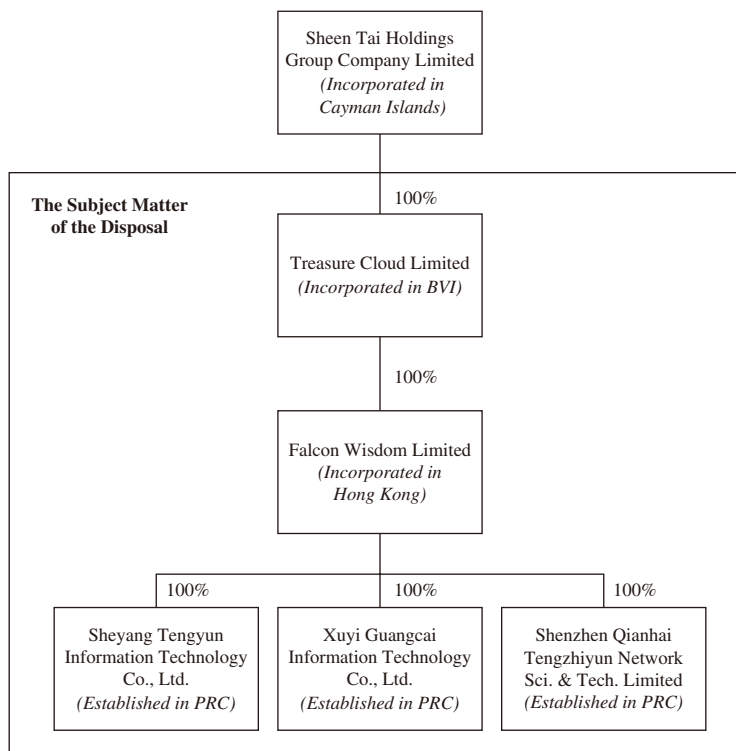
To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and Wang Yufeng is an Independent Third Party as at the date of this announcement.

## INFORMATION OF THE COMPANY

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the businesses of sales of sub-processing cigarette films, properties development and related services, generation of photovoltaic power and cloud-related business.

## INFORMATION OF THE SUBJECT MATTER OF THE DISPOSAL

The following diagram illustrates the shareholding structure of the Company and the Subject Matter of the Disposal as at the date of this announcement:



## THE TARGET COMPANY AND ITS SUBSIDIARIES

The Target Company is a company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of the Company. The principal activity of the Target Company is investment holding. As at the date of this announcement, the Target Company holds 100% equity interest in Falcon Wisdom Limited.

Falcon Wisdom Limited is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The principal activity of Falcon Wisdom Limited is investment holding. As at the date of this announcement, Falcon Wisdom Limited holds 100% equity interest in Sheyang Tengyun Information Technology Co., Limited, Xuyi Guangcai Information Technology Co., Limited and Shenzhen Qianhai Tengzhiyun Network Sci. & Tech. Limited.

Sheyang Tengyun Information Technology Co., Limited is a company established in PRC with limited liability. The principal activity of Sheyang Tengyun Information Technology Co., Limited is cloud-related business.

Xuyi Guangcai Information Technology Co., Limited is a company established in PRC with limited liability. The principal activity of Xuyi Guangcai Information Technology Co., Limited is cloud-related business.

Shenzhen Qianhai Tengzhiyun Network Sci. & Tech. Limited is a company established in PRC with limited liability. The principal activity of Shenzhen Qianhai Tengzhiyun Network Sci. & Tech. Limited is cloud-related business.

## FINANCIAL INFORMATION OF THE SUBJECT MATTER OF THE DISPOSAL

The unaudited financial information of the Subject Matter of the Disposal for the two years ended 31 December 2021 and the four months ended 30 April 2022 is as follows:

	<b>For the year ended</b>		<b>For the</b>
	<b>31 December</b>	<b>31 December</b>	<b>four months</b>
	<b>2020</b>	<b>2021</b>	<b>ended</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<b>30 April 2022</b>
			<i>(HK\$'000)</i>
Revenue	–	–	–
Net profit/(loss) before taxation	280	(1,004)	(353)
Net profit/(loss) after taxation	280	(1,004)	(353)

The unaudited net asset value of the Subject Matter of the Disposal as at 31 December 2020, 31 December 2021 and 30 April 2022, was approximately HK\$22,481,000, HK\$23,693,000 and HK\$23,878,000, respectively.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

Since April 2022, Century Leader Asia Limited (one of the wholly-owned subsidiaries of the Company) has started the trading business of wafer and micro SD card in Hong Kong.

As the Subject Matter of the Disposal was in loss making position in the last financial year and the Company is not optimistic about those future performance, the Board is of the view that the Disposal provides a good opportunity for the Group to withdraw from cloud-related business and could rearrange the resources of the Group on the existing business.

The Group intends to use the net proceeds from the Disposal as operation fund of trading business of wafer and micro SD card in Hong Kong.

In view of the above, the Board is of the view that the transaction under the Share Purchase Agreement is on normal commercial terms, the terms and conditions of the Share Purchase Agreement are fair and reasonable and the transaction contemplated thereunder is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Following the Completion, the Company will cease to hold any interest in the Target Company, the Target Company and its subsidiaries will cease to be the subsidiaries of the Company and the results of the Target Company and its subsidiaries will no longer be consolidated into the consolidated financial statements of the Group.

The Consideration of the Disposal is HK\$21,380,000. The unaudited consolidated net asset value of the Subject Matter of the Disposal as at 31 December 2021 was approximately HK\$23,693,000. Based on the unaudited consolidated financial information of the Target Company as at 31 December 2021, and assuming the Completion has taken place, the Group is expected to record a loss (before tax and expenses) from the Disposal of not more than approximately HK\$2,363,000, representing the difference between the Consideration of the Disposal received under the Share Purchase Agreement and the carrying value of the assets in the accounts of the Target Company. Shareholders should note that the actual loss from the Disposal to be recorded by the Company will depend on the carrying value of the assets of the Target Company as at the date of Completion, and therefore may be different from the amount mentioned above.

## **USE OF PROCEEDS**

The net proceeds from the Disposal (after deducting the expenses directly related to the Disposal) are estimated to be approximately HK\$21,330,000. The Group intends to use the net proceeds from the Disposal as operation fund of trading business of wafer and micro SD card in Hong Kong.

## IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Sheen Tai Holdings Group Company Limited (順泰控股集團有限公司) (Stock code: 1335), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal when the transfer of the Sale Share from the Vendor to the Purchaser is completed
“Completion Date”	30 May 2022 (or any later date as agreed by both parties in writing)
“Consideration”	HK\$21,380,000, being the consideration for the Disposal
“Directors”	the directors of the Company
“Disposal”	the proposed disposal of the Subject Matter of the Disposal by the Vendor to the Purchaser in accordance with the terms of the Share Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and is/are not connected persons (as defined under the Listing Rules) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Yuko International Investment Limited (日高國際投資有限公司), a company incorporated in Hong Kong with limited liability and is owned solely by Wang Yufeng
“Sale Share”	comprising one ordinary share with a par value of USD1 per share of the Target Company and representing its entire issued share capital of the Target Company held by the Company as at the date of this announcement
“Share Purchase Agreement”	the share purchase agreement dated 17 May 2022 entered into between the Vendor and the Purchaser in relation to the Disposal
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Matter of the Disposal”	comprises the Target Company and the subsidiaries of the Target Company
“Target Company” or “Treasure Cloud”	Treasure Cloud Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company immediately before the Completion
“USD”	US dollar, the lawful currency of the United States of America

“Vendor” the Company

“%” per cent

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

Hong Kong, 17 May 2022

*As at the date of this announcement, the executive Directors are Mr. Guo Yumin and Ms. Xia Yu and the independent non-executive Directors are Ms. Fan Qing, Mr. Dai Tin Yau and Mr. Chan Yin Lam.*