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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)**

## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSABLE TRANSACTION AND EXTENSION OF LOAN PERIOD**

### **SUMMARY**

The Company wishes to provide more information about the increased interest rate for the extension of repayment time of the Loan and its assessment of the credit worthiness of the Borrower and the guarantor of the Borrower.

### **BACKGROUND**

Reference is made to the announcement (the “**Announcement**”) of Sheen Tai Holdings Group Company Limited (the “**Company**”) dated 28 March 2024 in relation to the disclosable transaction of extension of loan period.

Capitalised terms used in this Supplemental Announcement, unless otherwise specified, shall have the same meaning as those defined in the Announcement.

### **EXTENSION OF LOAN PERIOD**

On 12 June 2023, the Lender and the Borrower entered into the Loan Agreement whereby the principal should be repaid and the interest should be paid to the Lender on 18 March 2024. The Borrower requested extension of time to repay the principal and to pay the interest to the Lender.

The Directors approved the Lender to extend the time for repayment of the principal and payment of interest of the Loan but requiring the Borrower to accept increase of interest to 1% per month and to provide the Additional Security.

## **LEGAL BASIS FOR A HIGHER INTEREST RATE**

The Directors considered that by extending the repayment time to the Borrower, the risk to the Lender would increase. Therefore, a higher interest should be charged. However, the increase of interest rate should be within the range allowed by the law of the Mainland and hence the Lender requested the Borrower to pay 1% interest per month.

According to Article 25 of the “Provisions of the Supreme People’s Court on Civil Lending Cases” (最高人民法院關於審理民間借貸案件適用法律若干問題的規定), if a lender requests a borrower to pay interest at the agreed contractual rate, the people’s courts shall support such request, unless the agreed interest rate exceeds 4 times the “annual loan market quoted interest rate” (一年期貸款市場報價利率) at the time of contract formation.

On 20 March 2024, the annual loan market quoted interest rate was 3.45%. Therefore, 4 times the quoted interest rate would be 13.8%. The rate under the Supplemental Agreement at 1% per month complies with the legal provision of the Mainland.

## **ASSESSMENT OF THE CREDIT WORTHINESS OF THE BORROWER AND ITS GUARANTOR**

The Chairman of the Company knew Mr. Sun Yong (孫勇), the controlling shareholder and guarantor of the Borrower, since 1996. Through the business community and the reviewing of the financial statement of a few major companies controlled by Mr. Sun Yong, the Chairman of the Company considered Mr. Sun Yong a businessman with great substance. The Chairman informed the other Directors about his view.

The Company also did credit risk search in the Mainland on Mr. Sun Yong through the Credit Search Centre of the People’s Bank of China and did not find any materially adverse information against him. In addition, the executive Directors of the Company regularly check the construction progress of the project and consider the progress normal.

The Company checked information about the recent sale of car parking spaces same as or similar to the 70 car parking spaces mortgaged to the Lender as the Additional Security. The sale price per car parking space was about RMB300,000.

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

Hong Kong, 29 April 2024

*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.*