

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 PROVISION OF A LOAN AND ADVANCE TO AN ENTITY

The Board is pleased to announce that on 6 December 2021 (after trading hours), the Lender, an indirect wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower and Mr. Sun Chuyue, pursuant to which the Lender agreed to provide to the Borrower a loan amount up to RMB60,000,000 for a term of six months, which carries interest at an interest rate of 0.39% per month and is secured by the Collateral provided by the Guarantors.

THE LISTING RULES IMPLICATIONS

The Loan as provided under the Loan Agreement constitutes a financial assistance provided by the Lender within the meaning of the Listing Rules. The Loan also constitutes an advance to an entity under Rule 13.13 of the Listing Rules.

As Xuzhou New Advantage entered into a loan agreement with the Borrower in relation to the provision of the 2021 First Loan on 18 June 2021, the Loan Agreement shall be regarded as entered into by the Group with the same party or with parties connected or otherwise associated with one another and are expected to complete within a 12-month period of each other. Hence, the provision of Loan and the 2021 First Loan will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the provision of Loan and the 2021 First Loan in aggregate are more than 5% but less than 25%, the provision of Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules. As the amount of the Loan exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the advance of the Loan is subject to the general disclosure obligation under Rules 13.13 and 13.15 of the Listing Rules.

Reference is made to the announcement of the Company dated 18 June 2021 in relation to the provision of loan provided by the Lender to the Borrower for a loan amount up to RMB60,000,000 for a term of six months (the “**2021 First Loan**”).

The Board is pleased to announce that on 6 December 2021 (after trading hours), the Lender, an indirect wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower and Mr. Sun Chuyue, pursuant to which the Lender agreed to provide to the Borrower a loan amount up to RMB60,000,000 for a term of six months, which carries interest at an interest rate of 0.39% per month and is secured by the Collateral provided by the Guarantors.

THE LOAN AGREEMENT

Principal terms of the Loan Agreement are set out as below

Date: 6 December 2021

Lender: The Lender

Borrower: The Borrower

Guarantors: Mr. Sun Yong

Mr. Sun Chuyue

To the best knowledge, information and belief of the Directors have made all reasonable enquiries, each of the Borrower, the ultimate owners of the Borrower and the Guarantors, is an independent third party not connected with the Company and its connected persons.

Term of the Loan: Six months from 6 December 2021 to 2 June 2022

Principal amount: Up to RMB60,000,000 which the Loan could be drawn down in whole or by parts within the term of the Loan. The maximum loan amount from the Lender to the Borrower (including the Loan and the outstanding amount of the 2021 First Loan which the Borrower has not repaid) shall not exceed RMB60,000,000.

Interest rate: 0.39% per month

- Repayment: The Borrower shall repay the principal with the interest at the end of the term of the Loan. Mr. Sun Chuyue also provides personal guarantee in the Loan Agreement for the Borrower's due performance and payment.
- Early repayment: The Borrower may make an early repayment of all or part of the Loan with the all interest accrued but unpaid after 4 months from the commencement of the term of the Loan.
- Collateral for the Loan:
- (i) The Share Charge: A share charge over its 60% equity interest in Suining Chuyue given by Mr. Sun Chuyue in favour of the Lender as collateral in respect of the Loan (together with interests, all costs, charges, expenses and damages) has been executed on 6 December 2021. The parties agree that every time the Borrower repays RMB10,000,000 to the Lender, the Lender will release 10% of equity interest in Suining Chuyue back to Mr. Sun Chuyue.
 - (ii) The Personal Guarantee: Mr. Sun Yong has also entered into a personal guarantee on 6 December 2021 to guarantee the Borrower's due performance and payment under the Loan Agreement.

Each of the Loan Agreement and the Collateral contains other usual representations, warranties and undertakings given by the Borrower and/or the Guarantors in favour of the Lender. The Loan will be funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

As the Board believes that the Borrower is creditable and the Loan can provide the Group with an opportunity to generate stable income as the Board considers that the Group currently has surplus cash resources and the entering into of the Loan Agreement can utilize such resources more efficiently.

The terms and conditions of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the Lender, the Borrower and the Guarantors with reference to the normal prevailing commercial practice and the terms and conditions of the loan agreement of the 2021 First Loan. The Directors consider that the Loan, the Loan Agreement and the Collateral are on normal commercial terms entered into based on the Group's credit assessment towards the Borrower and the Guarantors.

Taking into account the satisfactory assets owned by the Borrower, the creditability of the Borrower, the Collateral and the expected return to be generated from the Loan, the Directors consider that the terms of the transaction under the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE LENDER

The principal activities of the Group include sales of sub-processing cigarette films, properties development and related services and generation of photovoltaic power. The Lender is an indirect wholly-owned subsidiary of the Company which is principally engaged in properties development in Xuzhou City, the PRC.

INFORMATION OF THE BORROWER AND THE GUARANTORS

The Borrower is a company established in the PRC which is principally engaged in property sales, property lease and development.

Mr. Sun Chuyue, who holds 70% equity interest in the Borrower as at the date of this announcement, is one of the ultimate beneficial owners of the Borrower.

Mr. Sun Yong, is the father of Mr. Sun Chuyue and Ms. Sun Yijun.

THE LISTING RULES IMPLICATIONS

The Loan as provided under the Loan Agreement constitutes a financial assistance provided by the Lender within the meaning of the Listing Rules. The Loan also constitutes an advance to an entity under Rule 13.13 of the Listing Rules.

As Xuzhou New Advantage entered into a loan agreement with the Borrower and the Guarantors in relation to the provision of the 2021 First Loan on 18 June 2021, the Loan Agreement shall be regarded as entered into by the Group with the same party or with parties connected or otherwise associated with one another and are expected to complete within a 12-month period of each other. Hence, the provision of Loan and the 2021 First Loan will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the provision of Loan and the 2021 First Loan in aggregate are more than 5% but less than 25%, the provision of Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules. As the amount of the Loan exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the advance of the Loan is subject to the general disclosure obligation under Rules 13.13 and 13.15 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower” or “Suining Chuyue”	Suining Chuyue Zhiye Company Limited* (睢寧楚岳置業有限公司), a company established in the PRC with limited liability, which is owned as to 70% by Mr. Sun Chuyue and 30% by Mr. Sun Chuyue’s sister, Ms. Sun Yijun, respectively
“Collateral”	(i) the share charge entered into on 6 December 2021 (the “Share Charge”) in relation to 60% equity interest in Suining Chuyue which is held by Mr. Sun Chuyue in favour of the Lender; and (ii) a personal guarantee provided by Mr. Sun Yong executed on 6 December 2021 (the “Personal Guarantee”)
“Company”	Sheen Tai Holdings Group Company Limited (stock code: 1335), a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	(i) Mr. Sun Yong (孫勇), a PRC resident, who is the father of Mr. Sun Chuyue and Ms. Sun Yijun; and (ii) Mr. Sun Chuyue, who holds 70% equity interest in the Borrower as at the date of this announcement
“Independent Third Parties”	third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company

“Lender” or “Xuzhou New Advantage”	Xuzhou New Advantage Real Estate Development Co., Ltd.* (徐州新優勢房地產開發有限公司), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company, which is principally engaged in properties development in Xuzhou City, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the principal amount up to RMB60,000,000 to be drawn down by the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 6 December 2021 entered into among the Lender, the Borrower and Mr. Sun Chuyue
“Mr. Sun Chuyue”	Mr. Sun Chuyue (孫楚岳), a PRC resident who holds 70% equity interest in Suining Chuyue, an executive director and legal person of the Borrower
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 6 December 2021

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.

** For identification purposes only*