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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)

INSIDE INFORMATION – MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that on 22 May 2024 (after trading hours), the Company entered into the MOU with the Vendor, pursuant to which, among others, the Vendor intends to sell, and the Purchaser intends to acquire, the Sale Shares.

A summary of the principal terms of the MOU is set out as follows:

Date: 22 May 2024 (after trading hours)

Parties: (i) the Company; and

(ii) the Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Consideration

The Consideration for the Proposed Acquisition will be negotiated and agreed upon between the Vendor and the Company with reference to the valuation in the Valuation Report.

Subject Matter

Pursuant to the MOU, the Purchaser intends to acquire and the Vendor intends to sell the Sale Shares, representing the entire issued shares of the Target Company. The Target Company indirectly owns the entire issued share capital of the Technology Company. The Technology Company is principally engaged in development of software and holds the equipment include but is not limited to 4,250 units of S19-95T and 650 units of S19-110T.

Conditions Precedent

Completion of the Proposed Acquisition is expected to be conditional upon, among other things, the fulfilment or waiver (if applicable) of the following conditions precedent:

- (a) the Technology Company lawfully operates, maintains and manages data processing facilities and equipment in relation to digital asset technologies;
- (b) the Formal Agreement having been duly executed;
- (c) the Purchaser fulfills all compliance requirements under the Listing Rules;
- (d) the purchase price for the Proposed Acquisition being agreed upon with reference to the Valuation Report;
- (e) the put option arrangement being agreed upon by between the Company and the Vendor;
- (f) the Company being satisfied with the results of its Due Diligence Review;
- (g) the representations and warranties in the MOU and the Formal Agreement remain true and accurate upon completion of the Proposed Acquisition;
- (h) (if required) all requisite waivers, consents and approvals from any relevant governmental or regulatory authorities or other relevant third parties in connection with the transactions as contemplated under the Formal Agreement having been obtained;
- (i) no material adverse change occurring in the financial and trading positions and prospects of the Target Group since the date of the MOU to the date of Completion; and
- (j) such other condition(s) precedent set out in the Formal Agreement.

Due Diligence Review

Subject to the confidentiality provision of this MOU, the Vendor agrees to provide, and shall procure the provision of, to the Company and its advisers any information and access as the Company and its advisers shall reasonably require to complete the Due Diligence Review on the subject matter of the Proposed Acquisition.

The Company shall be entitled to carry out the Due Diligence Review following the signing of the MOU.

Formal Agreement

The Company and the Vendor will proceed with further negotiations and target to enter into the Formal Agreement within 30 days from the date of the MOU (or such longer period as agreed between the parties). The Formal Agreement shall include terms, conditions, undertakings and indemnities for transactions of similar nature and the conditions precedent as set out in the section headed "Conditions Precedent" above.

Termination

The MOU shall terminate upon the earlier of (i) the expiration of the Exclusivity Period; (ii) the date of the Formal Agreement; (iii) 30 September 2024, in the event that any one of the conditions precedent is not fulfilled or waived (if applicable); or (iv) the day falling 7 days after the date of a notice of termination sent by the Company to the Vendor.

Legal Effect

The MOU is not legally binding on the parties thereto save for certain provisions including those relating to the exclusivity period, confidentiality and governing law.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU AND THE PROPOSED ACQUISITION

In recent years, digital assets have witnessed significant growth. Despite the price volatility associated with digital assets, the overall trend points towards a positive long-term outlook. Through the acquisition of the Target Group, we strategically position ourselves to leverage the potential future growth and value appreciation of digital assets.

The Proposed Acquisition provides us with an opportunity to enter or expand our presence in the digital asset industry. Digital asset plays a crucial role in the validation and security of the digital asset network, and it has become an integral part of the digital asset ecosystem. By integrating the Target Group's digital asset into our existing infrastructure, we can diversify our business portfolio and gain exposure to the growing market demand for digital asset services.

GENERAL

In the event the Proposed Acquisition materialises, the Proposed Acquisition may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company in respect of the Formal Agreement and/or the development of the Proposed Acquisition as and when appropriate in compliance with the Listing Rules.

The Company wishes to emphasise that no legally binding agreement in relation to the Proposed Acquisition has been entered into by the Company as at the date of this announcement. Shareholders and potential investors of the Company should note that the Proposed Acquisition may or may not materialise and the final structure and terms of the Proposed Acquisition, which are pending further negotiations between the parties, have yet to be finalised and may deviate from those set out in the MOU. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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
“Completion”	completion of the Proposed Acquisition in accordance with the terms and conditions of the Formal Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Proposed Acquisition to be set out in the Formal Agreement
“Director(s)”	the director(s) of the Company

“Due Diligence Review”	a due diligence review (whether legal, accounting, financial, operational or other aspects that the Company considers necessary) on the Target Group and related assets, liability, activities, operations, prospects and other status which it and/or its agents or professional advisers think necessary and appropriate to conduct
“Exclusivity Period”	the period from the date of the MOU to the later of: (a) the date of the Formal Agreement; (b) the day falling 30 days after the date of the MOU; or (c) such other date as the parties of the MOU may otherwise agree in writing
“Formal Agreement”	the definitive and legally-binding agreement in relation to the Proposed Acquisition to be entered into by the Purchaser and the Vendor
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Party(ies)”	person(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 22 May 2024 entered into between the Company and the Vendor in relation to the Proposed Acquisition
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	the Company or any of its subsidiaries as the purchaser in the Formal Agreement

“Sale Shares”	50,000 shares with a par value of US\$1 each, representing the entire issued shares of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Sino Leader Ventures Limited, a company incorporated in the BVI with limited liability
“Target Group”	the Target Company together with its subsidiaries
“Technology Company”	MetaSphere Innovations LLC, a company incorporated in the State of Nevada of the United States of America, a subsidiary of the Target Company
“Valuation Report”	a valuation report to be prepared by an independent, reputable valuation firm agreed upon between the Vendor and the Company
“Vendor”	Ms. Huang Weili (黃瑋莉), a PRC resident and a merchant
“%”	per cent.

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

Hong Kong, 22 May 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.