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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 ACQUISITION OF ALL ISSUED SHARES OF THE TARGET COMPANY

THE ACQUISITION

The Board is pleased to announce that on 21 October 2024, the Purchaser (which is a wholly-owned subsidiary of the Company), and the Vendor, an Independent Third Party entered into the SPA in relation to the Acquisition, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares, representing 100% of the issued shares of the Target Company at the Consideration.

Upon the completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Group's financial statements.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the requirements of notification and announcement but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As the discounted cash flow method of the income approach was applied in the Valuation Report, the calculation of the value of all issued shares of the Target Company as set out in the Valuation Report is regarded as profit forecast under Rule 14.61 of the Listing Rules. Further announcement will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

Reference is made to the inside information announcement (the “**Announcement**”) of the Company dated 22 May 2024. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that on 21 October 2024, the Purchaser (a wholly-owned subsidiary of the Company), and the Vendor, an Independent Third Party entered into the SPA in relation to the Acquisition, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares, representing 100% of the issued shares of the Target Company at the Consideration.

Upon the completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

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

Date: 21 October 2024 (after trading hours)

Parties: (i) the Purchaser; 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.

Subject Matter

Pursuant to the SPA, the Purchaser agreed to acquire and the Vendor agreed to sell the Sale Shares, representing 100% of the 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 including (i) 4,250 units of HASH Super Computing Server S19; and (ii) 650 units of HASH Super Computing Server S19 pro.

Conditions Precedent

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

- (i) all necessary consents or approvals from all relevant governmental and regulatory authorities (including but not limited to the ratifications from the Stock Exchange and the Securities and Futures Commission of Hong Kong) must be obtained in respect of the Acquisition (this condition cannot be waived);
- (ii) the Purchaser is satisfied with the results of the due diligence on the Target Group at its sole discretion and for that, issued a written confirmation letter to the Vendor (this condition cannot be waived);
- (iii) no material adverse changes occurred in the financial or trading positions and prospects of the Target Group;

- (iv) the Company has complied with all compliance requirements under the Listing Rules (this condition cannot be waived); and
- (v) (if required) all necessary waivers, consents and approvals from other relevant third parties in connection with the transactions contemplated under the SPA have been obtained.

If any of the above conditions precedent has not been satisfied on or before the Long Stop Date or waived by the Purchaser in writing (if possible), the Purchaser shall make the following decisions at its sole discretion:

- (a) re-agree on a new Completion Date (which shall not be later than fifteen business days after the original Completion Date); or
- (b) issue a written notice (the “**Termination Notice**”) to the Vendor to terminate the SPA, at such time that all rights and obligations of the parties to the SPA will no longer be valid, but certain subsisting provisions shall remain valid after the termination of the SPA, and termination of the SPA shall not affect the rights and obligations of the parties to the SPA prior to such termination.

Once the SPA has been terminated, the Vendor shall, within fifteen (15) days from the date of the Termination Notice, deposit all the Refundable Deposit I (as defined below) (without interest) and the Refundable Deposit II (as defined below) (without interest and if already paid by the Purchaser) into a bank account designated by the Purchaser or otherwise paid as per the instructions of the Purchaser.

Consideration

The consideration HK\$75,000,000 of the Target Company was agreed after arm’s length negotiations between the Vendor and the Company on normal commercial terms with reference to, among others, (i) the business development opportunities and prospects of Target Company; (ii) the Valuation Report prepared by the Valuer which shows that the value of the all issued shares of the Target Company is US\$10,263,000 based on the income approach; and (iii) the factors set out in the paragraph headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below.

As the Valuer mainly applied the income approach and based on certain assumptions in the valuation to appraise the value of the Target Company, which constitutes a profit forecast under Rule 14.61 of the Listing Rules and the requirements of Rule 14.60A of the Listing Rules are therefore applicable.

The payment schedule for the Consideration is as follows:

- (a) within five days after the signing of the SPA, the first refundable instalment in the amount of HK\$25,000,000 (the “**Refundable Deposit I**”) shall be made;

- (b) provided that the Purchaser receives a formally issued Valuation Report of the Target Company, which is prepared at the Purchaser's request and deemed satisfactory at its sole discretion, and the valuation of the Target Company is not less than HK\$75,000,000, the Purchaser shall pay the second refundable instalment in the amount of HK\$25,000,000 (the "**Refundable Deposit II**") within three days of receiving the formal issued Valuation Report; and
- (c) the remaining amount of HK\$25,000,000 shall be paid on the date of Completion, provided that all other conditions precedent set forth in the SPA are fully satisfied or waived in writing by the Purchaser, if applicable.

Completion

Completion will take place on the Completion Date subject to the fulfillment of all of the conditions precedent set out in the SPA.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Group will be consolidated into the financial statements of the Group.

Put Option of the Sale Shares

As the Consideration is paid by the Purchaser under the terms of the SPA, the Vendor granted the Purchaser an irrevocable put option of the Sale Shares (the "**Put Option**"), pursuant to which the Purchaser has the right to exercise the put option at any time within twelve months from the Completion Date without having to provide reasons, requesting the Vendor to repurchase all of the Sale Shares at the original price (i.e. the Consideration of HK\$75,000,000) (the "**Repurchase Consideration**").

Upon exercising the Put Option, the Purchaser shall give a notice in writing (the "**Repurchase Notice**") to the Vendor, together with the documents to be signed by both parties in relation to the repurchase of the Sale Shares (the "**Repurchase Documents**"). Within fifteen (15) days from the date of the Repurchase Notice or such other later date in compliance to the Listing Rules (the "**Repurchase Period**"), the Vendor shall (1) execute all of the Repurchase Documents; (2) pay the Repurchase Consideration in the manner requested by the Purchaser; and (3) take any other necessary actions required by the Purchaser to complete the repurchase of the Sale Shares.

INFORMATION OF THE PARTIES IN THE SPA

The Company and the Group

The Company is a limited liability company incorporated in the Cayman Islands and an investment holding company. The principal activities of the Group include sales of semiconductors, properties development and related services and generation of photovoltaic power.

The Purchaser

Sheen Tai Cloud Network Limited, a wholly-owned subsidiary of the Company was incorporated in the BVI with limited liability and is an investment holding company.

The Vendor

Ms. Huang Weili (黃瑋莉), a PRC resident and a merchant.

The Target Company and the Target Group

The Target Company is a company incorporated in the BVI with limited liability on 13 March 2024 and is an investment holding company. The main subsidiary of the Target Company, namely, MetaSphere Innovations LLC (i.e. the Technology Company), a company incorporated in the State of Nevada of the United States of America on 8 May 2024, was 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.

As at the date of the SPA and this announcement, the Vendor held all issued shares of the Target Company. As the Target Company was incorporated less than one year ago, the consolidated financial information of the Target Group for the below period is set out as follows:

	For the period from 28 March 2024 to 31 July 2024 (Unaudited) (US\$)
Revenue	NA (Note)
Loss before taxation	888,525.72
Loss after taxation	888,525.72

As at 31 July 2024, the unaudited net liabilities of the Target Company was US\$838,525.72.

Note: The Technology Company has commenced its operation since 1 June 2024 and has not engaged in any selling activities as at the date of this announcement. Therefore, no revenue or income has been generated since the incorporation of the Target Company.

REASONS FOR AND BENEFITS OF THE 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, the Company strategically positions itself to leverage the potential future growth and value appreciation of digital assets.

The Acquisition provides the Company with an opportunity to enter or expand the Company's 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 the Group's existing infrastructure, the Company can diversify its business portfolio and gain exposure to the growing market demand for digital asset services.

LISTING RULES IMPLICATION

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As the discounted cash flow method of the income approach was applied in the Valuation Report, the calculation of the value of all issued shares of the Target Company as set out in the Valuation Report is regarded as profit forecast under Rule 14.61 of the Listing Rules. Further announcement will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the SPA
“Completion Date”	the second business day after all conditions precedent have been satisfied or waived (if possible) (or such other date agreed by the parties to the SPA in writing)
“Consideration”	the consideration for the Acquisition to be set out in the SPA
“Long Stop Date”	30 January 2025 (or such other date agreed by the parties to the SPA in writing)
“Purchaser”	Sheen Tai Cloud Network Limited, an indirectly wholly-owned subsidiary of the Company
“SPA”	the sale and purchase agreement entered into between the Vendor and the Purchaser in relation to the Acquisition on 21 October 2024

“Valuation Report” the valuation report prepared by the Valuer

“Valuer” Valplus Consulting Limited, an independent valuer

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

Hong Kong, 21 October 2024

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