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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)

THIRD SUPPLEMENTAL AGREEMENT DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF TREASURE CLOUD LIMITED INVOLVING ISSUE OF CONVERTIBLE BOND AND TERMINATION OF GUANG HE HUI YUN STRATEGIC COOPERATION AGREEMENT

References are made to the announcements dated 17 March 2016, 23 June 2016 and 25 July 2016 of Sheen Tai Holdings Group Company Limited (the “**Company**” together with its subsidiaries, collectively referred to as the “**Group**”) in relation to the Sale and Purchase Agreement dated 17 March 2016 involving the acquisition of the entire issued share capital of Treasure Cloud Limited by the Company by issuance of the Convertible Bond (the “**Acquisition Announcements**”) and the announcement of the Company dated 30 March 2016 in relation to the Guang He Hui Yun Strategic Cooperation Agreement of the same date (the “**Cooperation Announcement**”, together with the Acquisition Announcements, the “**Announcements**”). Unless otherwise stated, all capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

THIRD SUPPLEMENTAL AGREEMENT

The Board hereby announces that on 26 September 2018, the Company entered into a third supplemental agreement (the “**Third Supplemental Agreement**”) to the Sale and Purchase Agreement with the Vendor whereby the Company agreed to discharge the Vendor from the obligations arising from the Revenue Guarantees under the Sale and Purchase Agreement while the Company will no longer have to issue any Convertible Bond or settle the outstanding Consideration in other manner. Pursuant to the Third Supplemental Agreement, each of the Company and the Vendor has confirmed that there is no disagreement, legal dispute or unsettled debt between them under the Sale and Purchase Agreement, the Supplemental Agreement and the Supplemental Deed (the “**Agreements**”).

After careful consideration of the unsatisfactory operational and financial performance of the Treasure Cloud Group since 2017, the Board is of the view that the entering into of the Third Supplemental Agreement will substantially relieve the obligations of the Company under the Agreements and will enable the Company to explore more options for its cloud-related business.

TERMINATION OF THE GUANG HE HUI YUN STRATEGIC COOPERATION AGREEMENT

The Board further announces that, on 26 September 2018, the Company entered into a termination agreement (the “**Termination Agreement**”) with Guang He Hui Yun to terminate the Guang He Hui Yun Strategic Cooperation Agreement and other agreements made between the Group and Guang He Hui Yun in relation to the operation and maintenance of the Cloud Platforms. Pursuant to the Termination Agreement, each of the Company and Guang He Hui Yun has confirmed that there is no disagreement, legal dispute or unsettled debt between them and that neither party shall have any claim against the other upon the effective date of the Termination Agreement.

As the negotiations concerning the future operations of the Cloud Platforms among the Company and Guang He Hui Yun became futile, the Company considered that further cooperation with Guang He Hui Yun may only deteriorate the performance of the Cloud Platforms and impose unnecessary obstacles on itself in developing the Cloud Platforms in the future. As to the future management and operation of the Cloud Platforms after termination of the Agreements and the Guang He Hui Yun Strategic Cooperation Agreement, the Company is considering a number of options, including (i) looking for a competent third party in operating the Cloud Platforms; (ii) hiring its own team of personnel with expertise and experience in cloud industry in running the Cloud Platforms; or (iii) disposing of the Cloud Platforms. The Company will keep the public informed of the decision made regarding the Cloud Platforms and the development of the cloud-related business where necessary.

The Board considers that the entering into of the Third Supplemental Agreement and the Termination Agreement will not have any material adverse effect on the operation, business or financial position of the Group and is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 26 September 2018

As at the date of this announcement, the executive Directors are Mr. Guo Yumin, Ms. Xia Yu and Mr. Zeng Xiangyang and the independent non-executive Directors are Ms. Fan Qing, Mr. Fong Wo, Felix and Mr. Lo Wa Kei, Roy.