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Shunten International (Holdings) Limited

順騰國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 932)

(1) SECOND SUPPLEMENTAL AGREEMENT TO THE AGREEMENT IN RELATION TO THE DISPOSAL OF 70% ISSUED SHARE CAPITAL OF A SUBSIDIARY; AND (2) COMPLETION OF THE DISPOSAL

References are made to the announcements of the Company dated 19 November 2019, 3 December 2019 and 17 February 2020 (the “**Announcements**”) in relation to the Disposal. Capitalised terms used herein, unless the context requires otherwise, shall bear the same meanings as defined in the Announcements and the 2017 Announcements.

SECOND SUPPLEMENTAL AGREEMENT TO THE AGREEMENT

The Board announces that on 27 March 2020, the Company, Empire Access Limited (“**Empire Access**”), Empire Advance Limited (“**Empire Advance**”) and the Purchaser entered into the second supplemental agreement to the Agreement (the “**Second Supplemental Agreement**”) to amend certain terms of the Agreement. The principal amendments contemplated under the Second Supplemental Agreement are set out as follows:

- (a) The parties to the Second Supplemental Agreement agreed to change the Sale Shares from 23,333 shares of N Dimension Limited (“**N Dimension**”) (representing 70% of the total number of issued shares) to 50,000 issued shares of Empire Access (representing 100% of the total number of issued shares).

At the time when the Agreement was entered into in November 2019, Empire Access and Empire Advance held 23,332 shares and 1 share of N Dimension, respectively. The Company holds the entire issued share capital of each of Empire Access and Empire Advance. Empire Advance subsequently transferred its 1 share of N Dimension to Empire Access. Therefore, as at the date hereof, Empire Access holds 23,333 shares of N Dimension, representing 70% of the total number of issued shares. Other than 23,333 shares of N Dimension, no other assets are held by Empire Access and Empire Advance as at the date hereof.

- (b) As a result of the change of the subject company to be disposed of, the Company agreed to join as a party to the Agreement while Empire Access and Empire Advance agreed to cease as parties to the Agreement. The Company shall sell 50,000 issued shares of Empire Access (representing 100% of the total number of issued shares) (instead of 23,333 shares of N Dimension (representing 70% of the total number of issued shares)) to the Purchaser and shall assign the Payment Obligations and all rights and obligations under the Promissory Notes to the Purchaser.
- (c) The cash portion of the Consideration, that is, HK\$101,893.798, shall be settled in the following manner:
 - (i) HK\$64,000,000 shall be settled by the Purchaser (the “**Second Settlement Portion**”); and
 - (ii) HK\$37,893,798 shall be settled by the Purchaser by way of issuance of half year promissory note with interest at 10% per annum (the “**2020 PN**”) to the Company.

Save and except the amendments under the Second Supplemental Agreement, all the terms and conditions of the Agreement (as amended and supplemented by the supplemental agreement thereto dated 17 February 2020 (the “**First Supplemental Agreement**”, together with the Second Supplemental Agreement, the “**Supplemental Agreements**”)) remain unchanged.

Following the entering into of the Agreement in November 2019, a combination of the social unrest in Hong Kong and the evolving novel coronavirus (COVID-19) epidemic (the “**Epidemic**”) has further adversely affected global economy and the overall investment sentiment. Government offices and enterprises suspended their operations in the PRC for a considerable period of time as part of the emergency public health measures in response to the Epidemic. The parties therefore entered into further negotiations and the terms of the Second Supplemental Agreement in respect of the settlement of the Consideration are the best terms that the Group can negotiate and achieve under the current circumstances with the view to complete the Disposal soonest possible and focus on its core business.

In light of the aforesaid and that the terms of the Second Supplemental Agreement have been arrived at by the parties thereto after arm's length negotiations and are on normal commercial terms, the Board is of the view that the terms of the Second Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

COMPLETION OF THE DISPOSAL

The Board is pleased to announce that all conditions precedent under the Agreement (as supplemented by the Supplemental Agreements) have been fulfilled and Completion took place today. Following the Completion, the Company ceased to hold any interest in Empire Access and its subsidiaries and their financial results will no longer be consolidated into the financial statements of the Group.

In respect of the Consideration of HK\$229,000,000, the cash portion thereof comprising the Deposit of HK\$4,800,000 and the Second Settlement Portion of HK\$64,000,000 have been received by the Company. New promissory notes in the aggregate principal amount of HK\$62,306,202 have been issued by the Purchaser to the Original Owners in replacement of those of the same amount issued by the Company to the Original Owners while the 2020 PN in the principal amount of HK\$37,893,798 has been issued to the Company today. In the meantime, the Company has been released from all obligations and liabilities in respect of the Payment Obligations which have been taken up and assumed by the Purchaser.

By Order of the Board
Shunten International (Holdings) Limited
Wang Xihua
Executive Director

Hong Kong, 27 March 2020

As at the date of this announcement, the executive Directors are Mr. WANG Xihua and Mr. LAI Wei Lam, William; and the independent non-executive Directors are Mr. LEUNG Winson Kwan Yau, Mr. TAM Kin Yip and Mr. LEUNG Man Loon.