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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RESPECT OF FORMATION OF JOINT VENTURE IN HONG KONG

This announcement is made on a voluntary basis by the Company.

MOU

The Board announces that on 2 September 2020, the Company and Regenerative Biotech entered into the MOU whereby the Parties agreed to negotiate in good faith to enter into the Formal Agreement on the Proposed Cooperation.

A summary of the major terms of the MOU is set out below:

Parties : (i) the Company;
(ii) Regenerative Biotech

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Regenerative Biotech and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

- Subject matter** : Subject to further negotiations and the terms and conditions to be set out in the Formal Agreement, the Parties agreed to incorporate the JV Company in Hong Kong which will be equally owned by the Company and Regenerative Biotech. The total amount of share capital of the JV Company as well as the amount, timing and method of investment to be contributed by each Party will be subject to further negotiations and set out in the Formal Agreement.
- Under the MOU, the Parties agreed to jointly develop a platform in researching and manufacturing anti-aging and healthcare products using artificial intelligence (“AI”) and machine learning drug discovery technologies through the JV Company. The Company intends to assist the JV Company in expanding the sales channels of the Company and Regenerative Biotech and promoting their healthcare products. Details of the rights and obligations of the Parties will be set out in the Formal Agreement.
- Exclusivity** : Without the prior written consent of the Company, Regenerative Biotech shall not during the period commencing from the date of the MOU until the earlier of (i) the execution of the Formal Agreement; (ii) the expiry of the Exclusivity Period (being 60 days from the date of the MOU); or (iii) such later date as agreed among the Parties directly or indirectly negotiate or enter into any discussions or sign any document in relation to the Proposed Cooperation with any third party. The Exclusivity only applies to Hong Kong and Macao area.
- Formal agreement** : The Parties agreed to proceed to negotiate for a definitive and legally binding Formal Agreement within the Exclusivity Period.
- Termination** : The MOU will be terminated upon the earlier of any of the followings: (i) the execution of the Formal Agreement; (ii) the expiration of the Exclusivity Period; or (iii) the third (3rd) day from the date of the termination notice issued by the Company to Regenerative Biotech.
- Binding effect** : Save for certain provisions including but not limited to confidentiality, exclusivity and termination, the MOU does not create legally binding obligations on the Parties.

INFORMATION OF REGENERATIVE BIOTECH

Regenerative Biotech is a company incorporated in the British Virgin Islands with limited liability and located in the United States. It is a high-end company which is principally engaged in research and development of anti-aging and healthcare products. Regenerative Biotech uses AI and machine learning drug discovery technologies in its research and development of anti-aging and healthcare products.

REASONS FOR AND BENEFITS OF THE PROPOSED COOPERATION

The Group is principally engaged in the formulating, marketing, sale and distribution of health and beauty supplements and products in Hong Kong and the PRC, as well as the provision of e-commerce promotion business.

It has been the business strategy of the Group to consider promising business and investment opportunities from time to time in order to increase the value of the Company. The Group is expected to benefit through the combination of its experience in retail and e-commerce businesses together with Regenerative Biotech's professional background and expertise in research and development of and retailing anti-aging drugs and healthcare products.

The JV Company will develop and establish an AI-based research and development centre focusing on anti-aging healthcare products and set up scientific research projects. By virtue of the leading AI machine learning and the latest technologies in computational chemistry of Regenerative Biotech, the Group expects that the JV Company will help to expand and promote the growth of the Group's existing businesses of manufacturing of and retailing healthcare products. The Proposed Cooperation is also expected to expand the sales channel of the Company due to the similar business nature of the Company which is also mainly engaged in the formulation, sale and distribution of anti-aging health and beauty supplements, which is therefore expected to increase the Group's profitability and bring long term value to the Group.

GENERAL

Shareholders and potential investors of the Company should note that the MOU only sets out the intention of the Parties in relation to the Proposed Cooperation, and that the MOU is not legally binding and creates no legal obligations on the Parties. In the event that a legally binding definitive agreement is agreed and/or signed, further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate.

DEFINITIONS

“Company”	Shunten International (Holdings) Limited, an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 932)
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	a period of sixty (60) days commencing from the date of the MOU
“Formal Agreement”	the definitive and legally-binding agreement in relation to the Proposed Cooperation proposed to be entered into by the Parties
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“JV Company”	the joint venture company proposed to be incorporated in Hong Kong by the Parties pursuant to the MOU
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macao”	Macau Special Administrative Region of the People’s Republic of China
“MOU”	the memorandum of understanding dated 2 September 2020 between the Parties in relation to the Proposed Cooperation
“Parties”	the Company and Regenerative Biotech
“PRC” or “China”	the People’s Republic of China
“Proposed Cooperation”	the proposed cooperation between the Parties in relation to the joint investment and operation of the JV Company for, among other things, the development of a platform to research and manufacture anti-aging healthcare products and expansion of the Company’s sales channels in healthcare products in the PRC pursuant to the MOU
“Regenerative Biotech”	Regenerative Biotech Limited, a company incorporated in the British Virgin Islands with limited liability

“Shareholder(s)” holder(s) of the Share(s)
“Stock Exchange” The Stock Exchange of Hong Kong Limited
“%” per cent

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

Hong Kong, 2 September 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.