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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

BUSINESS UPDATE COOPERATION AGREEMENT IN RESPECT OF SALES AND MARKETING OF CHINESE MEDICINE, HEALTH AND BEAUTY SUPPLEMENTS AND PRODUCTS IN GREATER BAY AREA

This announcement is made on a voluntary basis by the Company to provide its shareholders and potential investors with the latest business development of the Group.

Cooperation Agreement

The Board announces that on 27 October 2020, the Company and Sino Faour entered into the Cooperation Agreement on the Proposed Cooperation.

A summary of the major terms of the Cooperation Agreement is set out below:

- Parties:**
- (i) the Company; and
 - (ii) Sino Faour

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

Subject matter: The Parties agreed to cooperate in developing the Group’s Chinese medicine, health and beauty supplements and products businesses in Greater Bay Area within the next three years. The Group will establish new sales channels and be responsible for the sales and marketing of various brands and products in Greater Bay Area, targeting to achieve a minimum sales amount of RMB800 million within three years. Sino Faour will arrange the issuance of a renewable two-year standby letter of credit in the amount of Euro 20 million as investment to the Group’s businesses in Greater Bay Area.

Term of cooperation: Three years, from 27 October 2020 to 26 October 2023

INFORMATION OF SINO FAOUR

Sino Faour is a company incorporated in Hong Kong with limited liability. Founded by its sole shareholder, Dr. Wong Wai Chi in 2008, Sino Faour has built up strong trade and network resources in the PRC and overseas (including Canada and Australia) as well as bank and finance resources. It participated in several international trade cooperation projects involving petroleum and other natural resources.

REASONS FOR AND BENEFIT 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 Proposed Cooperation is expected to help expand and promote the growth of the Group’s existing health and beauty supplements and products businesses in Greater Bay Area. It is also anticipated that the Proposed Cooperation will increase the Group’s profitability and bring long term value to the Group. As such, the Directors consider that the terms of the Cooperation Agreement are fair and reasonable and the Proposed Cooperation is in the interest of the Company and its shareholders as a whole.

DEFINITIONS

“Board” the board of Directors

“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
“Cooperation Agreement”	the cooperation agreement dated 27 October 2020 between the Parties in relation to the Proposed Cooperation
“Director(s)”	the director(s) of the Company
“Euro”	European dollar, the lawful currency of the European Union
“Greater Bay Area”	The Guangdong-Hong Kong-Macao Greater Bay Area
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Company and Sino Faour
“PRC”	the People’s Republic of China
“Proposed Cooperation”	the proposed cooperation between the Parties in relation to the sales and marketing of the Group’s Chinese medicine, healthy and beauty supplements and products businesses in Greater Bay Area
“RMB”	Renminbi, the lawful currency of the PRC
“Sino Faour”	Sino Faour Holdings Limited 華精集團有限公司, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 27 October 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.