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CHINA TANGSHANG HOLDINGS LIMITED

中國唐商控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

DISCLOSEABLE TRANSACTION PROVISION OF GUARANTEE TO AN ENTITY

THE GUARANTEE AGREEMENT

On 29 October 2020, the Guarantor, an indirect non-wholly owned subsidiary of the Company, entered into the Guarantee Agreement with the Lender, pursuant to which the Guarantor agreed to guarantee the repayment obligations of the Borrower under the Loan Agreement in respect of the Loan Facility provided by the Lender.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the provision of the Guarantee based on the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules at the material time are more than 5% but less than 25%, the transaction contemplated under the Guarantee Agreement constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Thus, the provision of Guarantee by the Guarantor is subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

On 29 October 2020, the Guarantor, an indirect non-wholly owned subsidiary of the Company, entered into the Guarantee Agreement with the Lender, pursuant to which the Guarantor agreed to guarantee the repayment obligations of the Borrower under the Loan Agreement in respect of the Loan Facility provided by the Lender.

Pursuant to the Loan Agreement, the Lender agreed to grant the Loan Facility to the Borrower for a term of 3 years from 10 October 2020 to 9 October 2023. The Borrower shall pay interest at a fixed rate of 7%.

To the best of the information, knowledge and belief of the Directors, as at the date of this announcement, RMB16,000,000 was drawn under the Loan Facility on 29 October 2020 and the outstanding principal balance of the Loan Agreement is RMB16,000,000.

The principal terms of the Guarantee Agreement are set out below.

THE GUARANTEE AGREEMENT

Date	29 October 2020
Guarantor	Nanjing Yinkun Investment Corporation Co., Ltd.* (南京垠坤投資實業有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company
Lender and the beneficiary of the Guarantee Agreement	Bank of Nanjing, a financial institution in the PRC, an Independent Third Party
Borrower	Nanjing Yinrui Wanjin Intelligent Technology Co., Ltd.*(南京垠瑞萬錦智能科技有限公司), a company established in the PRC
Guaranteed obligations	the Guarantor agreed to guarantee on a joint liability basis the repayment of the Loan Facility under the Loan Agreement by the Borrower, including but not limited to the payment of principal amount, interest, penalty, liquidated damages, compensations and the Lender's expenses in relation to the enforcement of the Loan Agreement
Term	up to 2 years after the due date for the Borrower to perform its repayment obligations under the Loan Agreement

INFORMATION OF THE GROUP, THE GUARANTOR AND THE BORROWER

The Company is a Hong Kong-based investment holding company principally engaged in exhibition and property businesses. The Company has four segments. Exhibition-related business organizes exhibition events and meeting events. Food and beverages represents the sales of food and beverages and restaurant operations. Money lending represents the business of loan to customers, including individuals and corporation, pursuant to the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). Property sub-leasing, property development and investment represents the sub-leasing and development of real estates and the leasing of investment properties.

The Guarantor is a company established in the PRC and an indirect non-wholly owned subsidiary of the Company, which is principally engaged in the business of property sub-leasing, development and investment in the PRC.

The Borrower is a company established in the PRC which is principally engaged in the business of research and development, manufacturing, sales and technical services of intelligent products; operation and management of technology business incubators; premises leasing; enterprise management services; factory construction and leasing; design and construction of housing construction engineering and intelligent building engineering; corporate marketing planning; marketing planning; exhibition services and conference services. Ms. Tang Sze Lok (鄧詩諾) is the ultimate beneficial owner of the Borrower. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower and its ultimate beneficial owner are Independent Third Parties.

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REASONS FOR THE ENTERING INTO THE GUARANTEE AGREEMENT

The Loan Facility is guaranteed by the Guarantor under the Guarantee Agreement and is secured by certain properties in the PRC. The Guarantor will receive 1% guarantee fee of the outstanding loan amount under the Loan Agreement from the Borrower on an annual basis as a consideration for providing the Guarantee. The Directors are of the view that the provision of the Guarantee under the Guarantee Agreement will not have any material adverse effects on the losses and assets and liabilities of the Group.

Having considered the above factors, the Board considers the terms of the Guarantee Agreement are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Borrower”	Nanjing Yinrui Wanjin Intelligent Technology Co., Ltd.*(南京垠瑞萬錦智能科技有限公司), a company established in the PRC and an Independent Third Party

“Company”	China Tangshang Holdings Limited, a company incorporated in Bermuda with limited liability, and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 674)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by the Guarantor in favour of the Lender in relation to the Loan Facility under the Guarantee Agreement
“Guarantee Agreement”	the guarantee agreement dated 29 October 2020 entered into by the Guarantor in favour of the Lender in relation to the Loan Facility
“Guarantor”	Nanjing Yinkun Investment Corporation Co., Ltd.* (南京垠坤投資實業有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) independent of the Company and its connected persons as defined under the Listing Rules
“Lender”	Bank of Nanjing, a financial institution in the PRC, an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement entered into between the Borrower and the Lender in relation to the Loan Facility
“Loan Facility”	the loan facility for the principal amount of up to RMB40,000,000 provided by the Lender to the Borrower from 10 October 2020 to 9 October 2023 under the Loan Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

By Order of the Board
China Tangshang Holdings Limited
Chen Weiwu
Chairman

Hong Kong, 29 October 2020

As at the date of this announcement, the Executive Directors are Mr. Chen Weiwu (the Chairman), and Mr. Zhou Houjie; and the Independent Non-executive Directors are Mr. Chen Youchun, Ms. Lui Mei Ka and Mr. Zhou Xin.

* *For identification purpose only*