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承兴国际控股有限公司

Camsing International Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2662)

CONNECTED TRANSACTION THE SUPPLEMENTAL SECURED LOAN AGREEMENT

Reference is made to the Announcements dated 18 September 2020, 16 October 2020 and 23 October 2020 in relation to, among others, the Unsecured Loan Agreement and the Secured Loan Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

SUPPLEMENTAL SECURED LOAN AGREEMENT

Pursuant to the Secured Loan Agreement, the Original Secured Loan advanced from the Lender to the Company amounted to HK\$13,000,000. On 1 December 2020, the Company and the Lender entered into the Supplemental Secured Loan Agreement, pursuant to which the Lender has agreed to make available to the Company an Additional Secured Loan amounted to HK\$5,000,000. Together with the Secured Loan Agreement, the total Secured Loan amount has become HK\$18,000,000.

LISTING RULES IMPLICATIONS

On 18 September 2020 and 16 October 2020, the Company and the Lender entered into the Unsecured Loan Agreement and the Secured Loan Agreement, respectively, whereby the Lender was an independent third party from the Group at the relevant time. As such, the Unsecured Loan Agreement and the Secured Loan Agreement did not constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Mr. Shen Yang has subsequently become an executive Director. As at the date of this announcement, the Lender is a company wholly-owned by Mr. Shen Yang. The Lender is therefore a connected person of the Company under the Listing Rules as at the date of this announcement. As such, the entering into of the Supplemental Secured Loan Agreement between the Company and the Lender constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the Unsecured Loan Agreement, the Secured Loan Agreement and the Supplemental Secured Loan Agreement were conducted within 12 months, the transactions contemplated under the Unsecured Loan Agreement, the Secured Loan Agreement and the Supplemental Secured Loan Agreement shall be aggregated in accordance with Chapter 14A of the Listing Rules. The transaction under the Unsecured Loan Agreement was not a connected transaction, and even if it is, it was conducted on normal commercial terms or better and it was not secured by the assets of the Group, such transaction would be fully exempted from the connected transaction requirements under Rule 14A.90 of the Listing Rules. As certain applicable percentage ratios in respect of the transactions contemplated under the Secured Loan Agreement and the Supplemental Secured Loan Agreement on an aggregated basis, are more than 0.1% but less than 5%, the transactions contemplated under the Secured Loan Agreement and the Supplemental Secured Loan Agreement are subject to reporting and announcement requirements, but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcements (the “**Announcements**”) of Camsing International Holding Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) dated 18 September 2020, 16 October 2020 and 23 October 2020 in relation to, among others, the Unsecured Loan Agreement and the Secured Loan Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

SUPPLEMENTAL SECURED LOAN AGREEMENT

Pursuant to the Secured Loan Agreement, the original secured loan advanced from the Lender to the Company amounted to HK\$13,000,000 (the “**Original Secured Loan**”). On 1 December 2020, the Company and the Lender entered into a supplemental loan agreement (the “**Supplemental Secured Loan Agreement**”) pursuant to which the Lender has agreed to make available to the Company an additional secured loan amounted to HK\$5,000,000 (the “**Additional Secured Loan**”). Together with the Secured Loan Agreement, the total loan amount has become HK\$18,000,000 (the “**Secured Loan**”).

The principal terms of the Supplemental Secured Loan Agreement are as follows:

Date	:	1 December 2020
Lender	:	Runjing Holdings Limited
Borrower	:	The Company
Principal amount	:	Additional Secured Loan of HK\$5,000,000, together with the Original Secured Loan of HK\$13,000,000, the total amount of the Secured Loan is HK\$18,000,000.
Term	:	Eight months commencing from the date of the Secured Loan Agreement dated 16 October 2020, i.e. 15 June 2021.

Securities for the Loan : In addition to the share charge of First Creative and the Debenture as stipulated under the Secured Loan Agreement, the Supplemental Secured Loan Agreement included (i) a first priority share charge in favour of the Lender in relation to the entire issued share capital in Golden Glory V Development Limited (“GGV”); and (ii) a first priority debenture in favour of the Lender creating a fixed and floating charge over the undertaking, property and assets of GGV. Pursuant to which, the Group entered into a supplemental deed of share charge in relation to the charge of securities of GGV in favour of the Lender over the period commencing from the date of the First Drawdown up to the date on which the Company fulfills all its repayment obligations under the Secured Loan Agreement and the Supplemental Secured Loan Agreement.

GGV is a company incorporated in the British Virgin Islands (the “BVI”) and is indirectly wholly-owned by the Company. As at the date of this announcement, GGV is an investment holding company. It is the intention of the Group to transfer the shares of POW! held by First Creative to GGV as part of its internal reorganisation plan. The Lender has provided an irrevocable waiver to the Company to transfer the assets, including the shares of POW!, held by First Creative to GGV for the purpose of the Group’s internal reorganisation.

Drawdown : The First Drawdown is increased from HK\$5,500,000 to HK\$10,500,000, which has included the Additional Secured Loan.

Conditions precedent : In addition to the conditions precedent as stipulated under the Secured Loan Agreement, the First Drawdown is subject to (i) the first priority share charge in relation to the entire issued share capital of GGV in favour of the Lender having been executed; and (ii) the first priority debenture in favour of the Lender creating a fixed and floating charge over the undertaking, property and assets of GGV.

The repayment terms and interest rate stipulated under the Secured Loan Agreement regarding the Original Secured Loan shall also be applied to the Additional Secured Loan in the same manner as it applied to the Original Secured Loan. All other terms stipulated under the Secured Loan Agreement remain valid.

As at the date of this announcement, the unsecured loan of HK\$2,000,000 has been drawn in full under the Unsecured Loan Agreement and the Secured Loan of HK\$5,500,000 has been drawn under the Secured Loan Agreement.

Background of First Creative, POW! and GGV

First Creative is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, which holds 85% shareholding interest in POW!.

POW! is a US company formed under the Laws of Delaware and a licensing company that owns intellectual properties developed by or related to Mr. Stan Lee which are in operation or under development.

GGV is a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, GGV was an investment holding company and has not commenced any operation since its incorporation.

Information of the Company and the Group

The Company is a company incorporated in the Cayman Islands, and it is an investment holding company. The business operations of the Group comprise two major segments, namely (i) sale and distribution of IP derived products and mobile devices; and (ii) IP licensing and comprehensive services. As disclosed in the announcement dated 18 July 2019, the Group had temporarily halted the business operations of the two subsidiaries whose bank accounts have been restricted for use.

Information of the Lender

The Lender is a company incorporated in the BVI with limited liability. The Lender is wholly-owned by Mr. Shen Yang, who is an executive Director. As at the date of this announcement, the Lender was an investment holding company.

REASONS FOR AND BENEFITS OF THE UNSECURED LOAN AGREEMENT, THE SECURED LOAN AGREEMENT AND THE SUPPLEMENTAL SECURED LOAN AGREEMENT

The Directors consider that entering into of the Unsecured Loan Agreement, the Secured Loan Agreement and the Supplemental Secured Loan Agreement will enable the Group to obtain additional capital for its general operations purpose. The terms of the Unsecured Loan Agreement, the Secured Loan Agreement and the Supplemental Secured Loan Agreement, including the applicable interest rate, are entered into after arm's length negotiations between the parties and taking into account, among others, (i) the estimated market price of the Company's interest in POW!; (ii) the net liabilities value of POW! as at 31 December 2019 based on its unaudited consolidated management accounts; (iii) the value of trademarks owned by the subsidiaries of POW!; (iv) the prolonged suspension of trading in the shares of the Company on the Stock Exchange since 19 July 2019; (v) the interest rates of loans obtained by the Group prior to the suspension of trading in the shares of the Company; (vi) the available offers received by the Group to obtain financing; (vii) Mr. Shen Yang's relevant experience in the pan-cultural entertainment industry which the Directors believe that Mr. Shen Yang may be able to help further develop and expand the Group's current business; and (viii) the future prospects of the Group. As such, the Directors (excluding Mr. Shen Yang who was not a Director at the time of entering into of the Unsecured Loan Agreement and the Secured Loan Agreement, and who had abstained

from voting on the board resolutions in relation to the Supplemental Secured Loan Agreement) are of the view that the transactions contemplated under the Unsecured Loan Agreement, the Secured Loan Agreement and the Supplemental Secured Loan Agreement, although are not in the ordinary and usual course of business, are entered into on normal commercial terms, fair and reasonable and in the best interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

On 18 September 2020 and 16 October 2020, the Company and the Lender entered into the Unsecured Loan Agreement and the Secured Loan Agreement, respectively, whereby the Lender was an independent third party from the Group at the relevant time. As such, the Unsecured Loan Agreement and the Secured Loan Agreement did not constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Mr. Shen Yang has subsequently become an executive Director. As at the date of this announcement, the Lender is a company wholly-owned by Mr. Shen Yang. The Lender is therefore a connected person of the Company under the Listing Rules as at the date of this announcement. As such, the entering into of the Supplemental Secured Loan Agreement between the Company and the Lender constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the Unsecured Loan Agreement, the Secured Loan Agreement and the Supplemental Secured Loan Agreement were conducted within 12 months, the transactions contemplated under the Unsecured Loan Agreement, the Secured Loan Agreement and the Supplemental Secured Loan Agreement shall be aggregated in accordance with Chapter 14A of the Listing Rules. The transaction under the Unsecured Loan Agreement was not a connected transaction, and even if it is, it was conducted on normal commercial terms or better and it was not secured by the assets of the Group, such transaction would be fully exempted from the connected transaction requirements under Rule 14A.90 of the Listing Rules. As certain applicable percentage ratios in respect of the transactions contemplated under the Secured Loan Agreement and the Supplemental Secured Loan Agreement on an aggregated basis, are more than 0.1% but less than 5%, the transactions contemplated under the Secured Loan Agreement and the Supplemental Secured Loan Agreement are subject to reporting and announcement requirements, but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in share on the Stock Exchange was halted with effect from 9:00 a.m. on 19 July 2019 and will remain suspended until further notice.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board of Directors
Camsing International Holding Limited
Liu Hui
Executive Director

Hong Kong, 1 December 2020

As at the date of this announcement, the Board comprises Ms. Liu Hui, Mr. Guo Ben and Mr. Shen Yang as the executive Directors and Mr. Ross Yu Limjoco and Mr. Zheng Yilei as the independent non-executive Directors.