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民商創科

Minshang Creative Technology Holdings Limited
民商創科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1632)

CHANGE IN USE OF PROCEEDS FROM LISTING

References are made to the prospectus of Minshang Creative Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 17 November 2016 in relation to the listing of shares of the Company on the main board of The Stock Exchange of Hong Kong Limited (the “**Listing**”), the announcement of the Company dated 19 September 2019 in relation to the change of use of proceeds from the Listing and the annual report of the Company for the financial year ended 31 March 2021 (the “**2021 Annual Report**”) in relation to the use of proceeds from the Listing.

CHANGE IN USE OF PROCEEDS FROM LISTING

As disclosed in the 2021 Annual Report, the Company has utilized approximately HK\$48.8 million of the net proceeds from the Listing (the “**Net Proceeds**”). The amount of Net Proceeds which remains unutilized (the “**Unutilized Net Proceeds**”) as at 31 March 2021 was approximately HK\$22.1 million. Having carefully considered the current business environment and development needs of the Group, the board of directors of the Company (the “**Board**”) has resolved to change the proposed use of part of the Unutilized Net Proceeds in the amount of HK\$10 million originally allocated for broadening cuisine offerings to working capital and general corporate purposes. Set out below is the original allocation and revised allocation of the Net Proceeds:

Use of Proceeds	Original allocation <i>(in HK\$ million)</i>	Re-allocation as disclosed in 2021 Annual Report <i>(in HK\$ million)</i>	Amount	Amount	Proposed re-allocation <i>(in HK\$ million)</i>	Revised allocation <i>(in HK\$ million)</i>
			utilized as disclosed in 2021 Annual Report <i>(in HK\$ million)</i>	remaining as disclosed in 2021 Annual Report <i>(in HK\$ million)</i>		
Maintain and expand Viet's Choice brand restaurants	16.5	–	(16.1)	0.4	–	0.4
Broaden cuisine offerings	43.6	(20)	(6.6)	17.0	(10.0)	7
Upgrade and expand food processing centre	2.3	–	(0.1)	2.2	–	2.2
Upgrade information technology systems	1.9	–	(1.4)	0.5	–	0.5
Broaden the promotion of brand image and recognition	1.1	–	(1.1)	–	–	–
Working capital and general corporate purposes	5.5	10	(13.5)	2	10.0	12
Invest in new supply chain business	0	10	(10)	–	–	–
Total	70.9	–	(48.8)	22.1	–	22.1

REASONS FOR THE CHANGE IN USE OF PROCEEDS FROM LISTING

In view of the outbreak of the COVID-19 pandemic and the uncertainty of the development of the COVID-Variant, the Board considered that continued investment in broadening cuisine offerings may increase the investment risks of the Group. Therefore, in order to lower the investment risk and in view of the other business needs of the Group, the Board has resolved to change the use of part of the Unutilized Net Proceeds of HK\$10 million originally allocated for broadening cuisine offerings to working capital and general corporate purposes.

The Board is of the view that the re-allocation of the Unutilized Net Proceeds of HK\$10 million will be able to meet the Company's current business and operational needs and in line with the Company's latest business development. The Board considers that the proposed change in the use of the Unutilized Net Proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

The Board will continuously assess the plans for use of the Net Proceeds, and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance of the Group.

Save as disclosed in this announcement, there are no other changes on the use of Net Proceeds.

By Order of the Board
Minshang Creative Technology Holdings Limited
WU Jiangtao
Chairman

Hong Kong, 24 September 2021

As at the date of this announcement, the executive Directors are Mr. Wu Jiangtao, Mr. Lu Sheng Hong, Ms. Li Jia and Mr. Tao Jingyuan; and the independent non-executive Directors are Mr. Choi Tze Kit, Sammy, Mr. Cheung Miu and Mr. Cheung Pak To, Patrick.