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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)

CONNECTED TRANSACTION PROVISION OF LOAN

PROVISION OF LOAN

The Board hereby announces that after trading hours on 15 January 2020, the Company as lender entered into the Loan Agreement with Runming as borrower, pursuant to which the Company agreed to provide an unsecured loan in the principal amount of up to HK\$13,000,000 to Runming for a term of three months.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Runming is a controlling shareholder indirectly holding approximately 56.7% of the total issued share capital of the Company through MSEC Holding, and is a connected person of the Company. Hence, the provision of the Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) (other than the profits ratio) in respect of the provision of the Loan are less than 5%, the provision of the Loan is subject to the reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board hereby announces that after trading hours on 15 January 2020, the Company entered into the Loan Agreement with Runming, a controlling shareholder indirectly holding approximately 56.7% of the total issued share capital of the Company through MSEC Holding as at the date of this announcement, pursuant to which the Company agreed to provide an unsecured loan in the principal amount of up to HK\$13,000,000 to Runming for a term of three months.

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are summarised below:

Date:	15 January 2020 (after trading hours)
Lender:	the Company
Borrower:	Runming
Principal amount of the Loan:	Up to HK\$13,000,000
Drawdown Date	One-off drawdown within 1 Business Day after the fulfillment of the conditions precedent as set out in the sub-section headed “Conditions Precedent” of the section headed “The Loan Agreement” in this announcement
Term:	The period commencing from the Drawdown Date and ending on the expiry of three months from the date thereon (the “ Term ”)
Conditions Precedent:	<p>The provision of the Loan is conditional upon the fulfillment of the following conditions:</p> <p>(i) Runming having provided to the Company its most recent financial information;</p>

- (ii) Runming having provided to the Company such other documents and/or information which the Company, from time to time, considers to be necessary for the execution and performance of the Loan Agreement and the transactions contemplated thereunder, in such form and content satisfactory to the Company; and
- (iii) all requisite consents, approvals from and filing with the relevant third parties (including, without limitation, the government, authorities, regulatory bodies or creditors) necessary for, among others, the provision of the Loan, the execution, performance and delivery of the Loan Agreement and the transactions contemplated thereunder having been granted and such consents and approvals not having been revoked and remaining valid and in full force and effect on the Drawdown Date.

Undertakings:

During the subsistence of the Loan Agreement and as long as there is any borrowing(s) or payable(s) under the Loan Agreement, Runming undertakes to the Company that, among other things:

- (i) unless with the prior written consent of the Company, Runming shall not carry out any form of financing including but not limited to issue or allot any share or loan capital to any person; and
- (ii) Runming shall not sell any of its assets unless such sale is in ordinary course of business of Runming at a selling price not less than the fair market value, and such sale proceed shall only be used to repay any outstanding Loan amount under the Loan Agreement or used as its general working capital.

Interest: Interest shall be payable by Runming to the Company on the date on which the Term expires (the “**Maturity Date**”) at an interest rate of 8% per annum and calculated on the actual number of days elapsed and on the basis of a 365-day year.

In the event that Runming fails to make timely repayment of any outstanding Loan amount (including the principal, interest and/or other expenses, if any), the Company is entitled to charge Runming an overdue daily interest for such outstanding Loan amount calculated from the due date to the date on which the Company receives the outstanding payment at an interest rate of 15% per annum.

Repayment Date: The Maturity Date

Prepayment: The Borrower may prepay all or part of the outstanding principal amount of the Loan together with the interest thereon by serving 1 day prior written notice to the Company and after obtaining the Company’s prior written consent. The interest shall be calculated in the manner set forth in the sub-section headed “Interest” of the section headed “The Loan Agreement” in this announcement, provided that, if the actual number of days elapsed is less than a month, the interest shall be calculated as if such outstanding principal amount of the Loan is due for one month.

The terms of the Loan Agreement (including but not limited to the interest rate) were arrived at after arm’s length negotiations between the Company and Runming with reference to the prevailing market interest rate.

The Company will finance the Loan under the Loan Agreement with its internal resources.

INFORMATION ON THE COMPANY

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) Vietnamese-style restaurant business and (ii) trading business which focuses on B2B business offering of 3C electronic products, frozen foods and grain & oil products sourced from manufacturers or wholesalers located in the PRC to distributors of the relevant products in the PRC.

INFORMATION ON RUNMING

Runming is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding (including the holding of the entire issued share capital of MSEC Holding, a company which holds approximately 56.7% of the total issued share capital of the Company as at the date of this announcement) and investment in logistics sector. Runming is wholly owned by 上海盈昭投資管理有限公司 (Shanghai Yingzhao Investment Management Company Limited*) (“**Shanghai Yingzhao**”) which is in turn wholly owned by 北京睿韜科技有限責任公司 (Beijing Ruitao Technology Company Limited*) (“**Beijing Ruitao**”). Beijing Ruitao is wholly-owned by 民生電商控股(深圳)有限公司 (Minsheng E-Commerce Holdings (Shenzhen) Co., Ltd.) (“**Minsheng E-Commerce**”), a company established in the PRC with limited liability. Each of Shanghai Yingzhao, Beijing Ruitao and Minsheng E-Commerce is principally engaged in investment holding.

As at the date of this announcement, Minsheng E-Commerce has 13 shareholders which are PRC established corporations and organisations. The single largest shareholder, Minsheng Royal Asset Management Co., Ltd. (民生加銀資產管理有限公司), a company principally engaged in asset management and a subsidiary of China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司) (a national joint stock commercial bank whose A shares and H shares are listed on Shanghai Stock Exchange and the Stock Exchange respectively), holds approximately 24.83% of the shareholding of Minsheng E-Commerce. The second largest shareholders, 南方希望實業有限公司 (South Hope Industry Co., Ltd.*) (“**South Hope**”) and Orient Group Commercial Investment Co., Ltd. (東方集團商業投資有限公司) (“**Orient Commercial**”), each holds approximately 18.18% of the shareholding of Minsheng E-Commerce, respectively. South Hope is a subsidiary of New Hope Group Co., Ltd. (新希望集團有限公司) which is in turn owned by, among others, Ms. Liu Chang and Mr. Liu Yonghao as to approximately 36.35% and 62.34% and mainly engages in modern agricultural and food production. Orient Commercial is wholly owned by Orient Group Co., Ltd. (東方集團股份有限公司), a company listed on the Shanghai Stock Exchange which is mainly involved in finance, trading, ports, industrial businesses. The third largest shareholder is 深圳民商創業投資中心 (有限合夥) (Shenzhen Minshang Chuangye Investment Center (Limited Partnership) *) (“**Minshang Chuangye**”), a limited partnership established in the PRC which holds approximately 11.29% of Minsheng E-commerce. Minshang Chuangye is owned by 深圳民商發展投資管理有限公司 (Shenzhen Minshang Development Investment Management Co., Ltd.*) (“**Shenzhen Minshang**”) as to 98.4% and each of Mr. Wu Jiangtao (“**Mr. Wu**”), an executive Director, Mr. Liang Di (“**Mr. Liang**”) and Mr. Zeng Wei (“**Mr. Zeng**”) as to 0.8%, 0.4% and 0.4% respectively. Mr. Wu, Mr. Liang and Mr. Zeng are all directors of Runming. Shenzhen Minshang is owned by Mr. Wu, Mr. Liang and Mr. Zeng as to 76.92%, 11.54% and 11.54% respectively. Each of Minshang Chuangye and Shenzhen Minshang is principally engaged in investment holding. The remaining 9 shareholders of Minsheng E-commerce each holds less than 5% shareholding in Minsheng E-commerce.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Loan will be used primarily by Runming as its working capital and to enhance its short term liquidity. Given that the Group has yet to identify suitable investment opportunities with profitable return, the provision of the Loan is considered to be favorable to the Company as it enables the Company to earn a reasonable return of 8% per annum in short term which is higher than the interest rate of fixed deposits offered by banks in Hong Kong and that the provision of the Loan can broaden the source of income of the Group. Accordingly, the Directors (including the independent non-executive Directors) consider that the provision of the Loan, although not in the ordinary and usual course of business of the Company, is on normal commercial terms and the terms of the Loan Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Save for Mr. Wu, an executive Director, who is also a director of Runming and has indirect shareholding interest in Runming, has abstained from voting on the Board resolution(s) in relation to approving the Loan Agreement and the transactions contemplated thereunder, no Director has a material interest or is required to abstain from voting on the said Board resolution(s).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Runming is a controlling shareholder indirectly holding approximately 56.7% of the total issued share capital of the Company through MSEC Holding, and is a connected person of the Company. Hence, the provision of the Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) (other than the profits ratio) in respect of the provision of the Loan are less than 5%, the provision of the Loan is subject to the reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday, public holiday or day(s) on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong
“Company”	Minshang Creative Technology Holdings Limited (民商創科控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1632)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Drawdown Date”	the date on which the Loan is drawn down by Runming pursuant to the Loan Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the unsecured loan to be provided by the Company to Runming in the principal amount of up to HK\$13,000,000 pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 15 January 2020 entered into between the Company and Runming in relation to the provision of the Loan
“MSEC Holding”	MSEC Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder holding approximately 56.7% of the total issued share capital of the Company as at the date of this announcement
“PRC”	the People’s Republic of China, which shall for the purpose of this announcement exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Runming”	RUNMING International Limited (潤銘國際有限公司), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the issued share capital of the Company

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

* *For identification purposes only*

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

Hong Kong, 15 January 2020

As at the date of this announcement, the executive Directors are Mr. Wu Jiangtao, Mr. Lu Sheng Hong and Ms. Li Jia; the non-executive Director is Mr. Wong Stacey Martin; and the independent non-executive Directors are Mr. Ko Po Ming, Mr. Choi Tze Kit, Sammy, Mr. Cheung Miu and Mr. Cheung Pak To, Patrick.