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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF THE
ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY
INVOLVING ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

THE ACQUISITION

The Board wishes to announce that on 24 December 2021 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, has entered into the conditional Sale and Purchase Agreement with the Vendors and the Vendors' Guarantors, pursuant to which the Purchaser has agreed to acquire and the Vendors have agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company as at Completion, at a maximum Consideration of HK\$114,236,118, which shall be settled by way of allotment and issue of a maximum of 171,783,636 Consideration Shares by the Company to the Vendors in three stages at the Issue Price of HK\$0.665 per Consideration Share under the General Mandate. Assuming the fulfillment of the 2022 Financial Guarantee and the 2023 Financial Guarantee, the Second Stage Consideration Shares and the Third Stage Consideration Shares will be allotted and issued, respectively, and the Maximum Consideration Shares (i.e. 171,783,636 Consideration Shares) represent approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Maximum Consideration Shares.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will therefore be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement, therefore the Acquisition may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE ACQUISITION

The Board wishes to announce that on 24 December 2021 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, has entered into the conditional Sale and Purchase Agreement with the Vendors and the Vendors' Guarantors to acquire the entire issued shares of the Target Company.

SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set forth below:

- Date : 24 December 2021
- Parties : (1) Vendor 1
(2) Vendor 2
(3) Vendor 3
(4) Vendor 4
(5) the Vendors' Guarantors
(6) the Purchaser

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners and the Vendors' Guarantors are Independent Third Parties.

Subject matter to be acquired

The Purchaser has conditionally agreed to acquire from the Vendors the Sales Shares, comprising 7,365 shares owned by Vendor 1, 1,232 shares owned by Vendor 2, 403 shares owned by Vendor 3 and 1,000 shares to be owned by Vendor 4 after Vendor 4's Entry, all of US\$0.0001 each in the issued share capital of the Target Company, representing its entire issued share capital as at Completion.

Consideration

The maximum Consideration is HK\$114,236,118, among which, the Purchaser shall pay to Vendor 1, Vendor 2, Vendor 3 and Vendor 4 a maximum of HK\$84,134,901, HK\$14,073,890, HK\$4,603,715 and HK\$11,423,612, respectively. All of the Consideration shall be settled by way of allotment and issue of a maximum of 171,783,636 Consideration Shares by the Company to the Vendors at the Issue Price of HK\$0.665 per Consideration Share, among which the Company shall allot and issue a maximum of 126,518,648 Consideration Shares, 21,163,744 Consideration Shares, 6,922,880 Consideration Shares and 17,178,364 Consideration Shares to Vendor 1, Vendor 2, Vendor 3 and Vendor 4, respectively. The Consideration shall be settled in three stages as follows:

- (1) the first stage of the Consideration shall be HK\$22,847,224, which shall be settled by allotment and issue of a total of 34,356,728 Consideration Shares by the Company to the Vendors on the Completion Date, among which, the Company shall allot and issue 25,303,730 Consideration Shares to Vendor 1; 4,232,749 Consideration Shares to Vendor 2; 1,384,576 Consideration Shares to Vendor 3; and 3,435,673 Consideration Shares to Vendor 4 (collectively, the "**First Stage Consideration Shares**");

- (2) subject to the fulfillment of the 2022 Financial Guarantee (as hereinafter defined), the second stage of the Consideration shall be HK\$34,270,835, which shall be settled by allotment and issue of a total of 51,535,090 Consideration Shares by the Company to the Vendors within one month after the Audited Financial Statements for the financial year ending 31 December 2022 is issued, among which, the Company shall allot and issue 37,955,594 Consideration Shares to Vendor 1; 6,349,123 Consideration Shares to Vendor 2; 2,076,864 Consideration Shares to Vendor 3; and 5,153,509 Consideration Shares to Vendor 4 (collectively, the “**Second Stage Consideration Shares**”); and
- (3) subject to the fulfillment of the 2023 Financial Guarantee (as hereinafter defined), the third stage of the Consideration shall be HK\$57,118,059, which shall be settled by allotment and issue of a total of 85,891,818 Consideration Shares by the Company to the Vendors within one month after the Audited Financial Statements for the financial year ending 31 December 2023 is issued, among which, the Company shall allot and issue 63,259,324 Consideration Shares to Vendor 1; 10,581,872 Consideration Shares to Vendor 2; 3,461,440 Consideration Shares to Vendor 3; and 8,589,182 Consideration Shares to Vendor 4 (collectively, the “**Third Stage Consideration Shares**”).

In case there is any consolidation or subdivision of Shares that alters the number of issued Shares prior to the dates of allotment and issuance of the Consideration Shares as set out above, the number of Consideration Shares to be allotted and issued to the Vendors and/or the Issue Price shall be adjusted in order to maintain the original percentage of Consideration Shares that the Vendors are entitled.

Financial guarantees

The allotment and issue of the Second Stage Consideration Shares and the Third Stage Consideration Shares shall be subject to the fulfilment of the following financial guarantees given by the Vendors (excluding Vendor 4) and the Vendors’ Guarantors with reference to the Audited Financial Statements for the financial years ending 31 December 2022 (the “**2022 Financial Guarantee**”) and 31 December 2023 (the “**2023 Financial Guarantee**”), respectively:

2022 Financial Guarantee

- (1) the audited consolidated revenue of the Target Group (after taxation and minority interest and exclude non-recurring income, extraordinary income and non-operating income) (“**Audited Consolidated Revenue**”) for the financial year ending 31 December 2022 shall be no less than RMB50,000,000; and
- (2) the audited consolidated net profit of the Target Group (after taxation and minority interest and exclude non-recurring income, extraordinary income and non-operating income) (“**Audited Consolidated Net Profit**”) for the financial year ending 31 December 2022 shall be no less than RMB5,000,000.

If the Target Group fails to meet the 2022 Financial Guarantee, no Second Stage Consideration Shares will be issued to the Vendors.

2023 Financial Guarantee

- (1) the Audited Consolidated Revenue for the financial year ending 31 December 2023 shall be no less than RMB120,000,000; and
- (2) the Audited Consolidated Net Profit for the financial year ending 31 December 2023 shall be no less than RMB24,000,000.

If the Target Group fails to meet the 2023 Financial Guarantee, no Third Stage Consideration Shares will be issued to the Vendors.

Basis of Consideration

The Consideration was arrived at after arm’s length negotiation between the Vendors and the Company with reference to, among others, (i) the historical operating performance of Changjing Wanxiang; (ii) the future prospect of the business of the Target Group; (iii) the valuation of the 100% equity interest in Changjing Wanxiang of RMB106,534,000 as at 31 October 2021 appraised by an independent valuer based on market approach; and (iv) the 2022 Financial Guarantee and the 2023 Financial Guarantee. The Directors consider that the Consideration is fair and reasonable.

Conditions precedent

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (1) the Reorganisation (including but not limited to the Target Company having owned the entire equity interest in Changjing Wanxiang through HK Company) having been completed lawfully in form and substance acceptable to the Purchaser, and that all approvals from relevant PRC government authorities having been obtained and that all relevant registrations having been completed;
- (2) the Purchaser having completed its due diligence on the financial, legal, business, operational and other matters of the Target Group to its reasonable satisfaction and no material adverse change in the financial, legal, business, operational and other matters of the Target Group has been identified prior to the Completion Date;
- (3) the Listing Committee having granted the listing of, and permission to deal in, the Consideration Shares (including an unconditional approval or subject to the condition(s) that neither the Vendors nor the Purchaser have reasonable objections) and such approval not having been revoked;
- (4) the Purchaser having received a legal opinion in form and substance acceptable to it from a PRC law firm acceptable to it covering matters including (i) the incorporation of Changjing Wanxiang in accordance with the law, the shareholders and scope of business of Changjing Wanxiang; (ii) the Reorganisation having been completed in accordance with the law; and (iii) such other matters as the Purchaser may reasonably require;
- (5) prior to Completion, the Purchaser has not notified the Vendors that the Purchaser has become aware of the existence or occurrence of any events and circumstances that would constitute a breach of any of the Vendors' warranties; and
- (6) all necessary consents, filings and approvals by such third parties (including any governmental, official body or regulatory authority) with respect to the Reorganisation and the Acquisition having been obtained and no act, statute, regulation or decision of any governmental, official body or regulatory authority has been proposed, promulgated or adopted that would prohibit or restrict the sale and purchase of the Sale Shares.

On or before the Completion Date, the Vendors and the Purchaser shall use their best endeavours to procure and ensure that each of the above conditions precedent has been fulfilled. Save for the aforesaid conditions precedent (1), (3) and (6) which cannot be waived or unless otherwise contrary to any law and regulation, the Purchaser may, at any time, waive any of the above conditions precedent, in whole or in part in writing.

If the aforesaid conditions precedent are not fulfilled or waived by the Purchaser (save for conditions precedent (1), (3) and (6) above which cannot be waived) on or before the Long Stop Date, the Sale and Purchase Agreement and the transactions contemplated thereunder shall terminate and be of no force and effect and no parties thereto shall have any liability to the other party, save in respect of any antecedent breaches.

Reorganisation

As a condition to the Completion, the Target Group shall undergo a series of corporate reorganisations, including, among others, (i) the registered shareholders of Changjing Wanxiang, namely, Ms. Zhong Kaixin, 海口場景智連科技中心(有限合夥)(Haikou Changjing Zhilian Technology Centre LP*) (“**Haikou Changjing Zhilian**”), Tiantu VC I Limited (“**Tiantu**”) and 海口場景無限科技中心(有限合夥)(Haikou Changjing Wuxian Technology Centre LP*) (“**Haikou Changjing Wuxian**”) to transfer their respective equity interests in Changjing Wanxiang to HK Company; (ii) the respective offshore companies owned by Ms. Zhong Kaixin, Ms. Li Xin and Mr. Sun Xiang to incorporate the Target Company and Vendor 4 to subscribe for the Vendor 4 Shares (“**Vendor 4’s Entry**”); and (iii) the Target Company to acquire the entire issued share capital of HK Company.

Due diligence review

The Purchaser is entitled (but not obliged) to conduct due diligence review on the Target Group including but not limited to its asset, liability, contract, undertaking, business, sale, merchandising, expenses, accounts, and financial, legal and tax aspects of the Target Group. The Vendors (except Vendor 4) shall procure the Target Group, pursuant to any reasonable request by the Purchaser, its authorised person and/or professional advisers, to provide them with all information, data and documents in relation to the Target Group and grant them the right to access to the site of such members of the Target Group to inspect all account books, title deeds, records, accounts and other documents of the Target Group for the purpose of conducting such due diligence review.

Completion

Completion shall take place within 10 Business Days upon the fulfilment (or waiver, as the case may be) of the conditions precedent (or such other date as the parties to the Sale and Purchase Agreement may agree in writing).

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will therefore be consolidated into the consolidated financial statements of the Company.

Lock-up

Pursuant to the Sale and Purchase Agreement, each of the Vendors agreed and undertook that (i) for a period of twelve (12) months from the date of allotment of the relevant stage of the Consideration Shares, it will not in any way sell, transfer, distribute or dispose of or otherwise create any encumbrance on any of the Consideration Shares to be issued and allotted to them in the relevant stage; and (ii) for a period of twelve (12) months from the date of expiry of the period referred to in (i) above, it will not in any way sell, transfer, distribute or dispose of or otherwise create any encumbrance on more than 50% of the Consideration Shares to be issued and allotted to them in the relevant stage.

Guarantees

In consideration of the Purchaser entering into the Sale and Purchase Agreement with the Vendors, the Vendors' Guarantors irrevocably and unconditionally guaranteed the due and prompt performance and compliance by the Vendors of all their obligations under the Sale and Purchase Agreement.

Consideration Shares

The Consideration Shares will be issued at the Issue Price of HK\$0.665 per Consideration Share, which:

- (1) represents a discount of approximately 2.21% to the closing price of HK\$0.68 per Share as quoted on the Stock Exchange as at the date of the Sale and Purchase Agreement;

- (2) represents a discount of approximately 2.21% to the closing price of HK\$0.68 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (3) represents a discount of approximately 1.04% to the average closing price of HK\$0.672 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day; and
- (4) is equivalent to the average closing price of HK\$0.665 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day.

The Maximum Consideration Shares to be issued pursuant to the Sale and Purchase Agreement will be 171,783,636 Consideration Shares, which represents:

- (1) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and
- (2) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Maximum Consideration Shares (assuming there is no other change in the issued share capital of the Company other than the allotment and issue of the Consideration Shares).

The Issue Price was arrived at after arm's length negotiations between the Vendors and the Company with reference to the average closing price of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day. The Directors consider that the Issue Price is fair and reasonable.

General Mandate

The Consideration Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM. The General Mandate entitles the Directors to allot, issue and deal with up to 171,783,636 Shares, being 20% of the total issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to and including the date of this announcement, no Shares have been allotted and issued under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Consideration Shares and the allotment and issue of the Consideration Shares is not subject to approval of the Shareholders. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with all the Shares then in issue.

An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the annual report of the Company for the year ended 31 March 2021, while the Company continuously strives to expand its core business, it also continuously explores the possibility of e-commerce business of other consumer products with a determination to establish a diversified and integrated e-commerce platform. The Group will also focus on the development of technology in relation to the optimisation and upgrade of scenario-based services.

The Directors consider that the Acquisition represents a good investment opportunity for the Company, having considered the growth potential of the SaaS industry and the business prospect of the Target Group leveraging on the experience of the management team of Changjing Wanxiang in the industry. The Directors believe that the Acquisition enables the Group to diversify its income stream, thereby enhance Shareholders value in the long run.

In view of the above factors, the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 858,918,182 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the allotment and issue of the First Stage Consideration Shares; (iii) immediately upon the allotment and issue of the First Stage Consideration Shares and Second Stage Consideration Shares (subject to the fulfillment of the 2022 Financial Guarantee); (iv) immediately upon the allotment and issue of the First Stage Consideration Shares and Third Stage Consideration Shares (subject to the fulfillment of the 2023 Financial Guarantee) and (v) immediately upon the allotment and issue of the Maximum Consideration Shares (subject to the fulfillment of the 2022 Financial Guarantee and the 2023 Financial Guarantee), and assuming there is no change to the issued share capital of the Company from the date of this announcement to the respective dates of the allotment and issue of the Consideration Shares:

Shareholders	As at the date of this announcement		Immediately upon the allotment and issue of the First Stage Consideration Shares		Immediately upon the allotment and issue of the First Stage Consideration Shares and Second Stage Consideration Shares (Note 1)		Immediately upon the allotment and issue of the First Stage Consideration Shares and Third Stage Consideration Shares (Note 2)		Immediately upon the allotment and issue of the Maximum Consideration Shares (Note 3)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
MSEC Holdings Limited (“MSEC”) (Note 4)	556,190,182	64.75	556,190,182	62.26	556,190,182	58.87	556,190,182	56.80	556,190,182	53.96
Vendor 1	–	–	25,303,730	2.83	63,259,324	6.70	88,563,054	9.04	126,518,648	12.27
Vendor 2	–	–	4,232,749	0.47	10,581,872	1.12	14,814,621	1.51	21,163,744	2.05
Vendor 3	–	–	1,384,576	0.15	3,461,440	0.37	4,846,016	0.50	6,922,880	0.67
Vendor 4	–	–	3,435,673	0.38	8,589,182	0.91	12,024,855	1.23	17,178,364	1.67
Existing public Shareholders	302,728,000	35.25	302,728,000	33.89	302,728,000	32.04	302,728,000	30.92	302,728,000	29.37
Total	858,918,182	100	893,274,910	100	944,810,000	100	979,166,728	100	1,030,701,818	100

Note 1 The allotment and issue of the Second Stage Consideration Shares is subject to the fulfillment of the 2022 Financial Guarantee.

Note 2 The allotment and issue of the Third Stage Consideration Shares is subject to the fulfillment of the 2023 Financial Guarantee.

Note 3 The allotment and issue of the Maximum Consideration Shares is subject to the fulfillment of the 2022 Financial Guarantee and the 2023 Financial Guarantee.

Note 4 As at the date of this announcement, these Shares are held by MSEC as the controlling Shareholder. MSEC is wholly-owned by RUNMING International Limited (潤銘國際有限公司) which is in turn wholly-owned by 上海盈昭投資管理有限公司 (Shanghai Yingzhao Investment Management Company Limited*) (“Shanghai Yingzhao”). Shanghai Yingzhao is wholly-owned by 北京睿韜科技有限責任公司 (Beijing Ruitao Technology Company Limited*) which is in turn wholly-owned by 民生電商控股(深圳)有限公司 (Minsheng E-Commerce Holdings (Shenzhen) Co., Ltd.*).

Note 5 The percentage of the Shares is rounded to the nearest two decimal places, and the total percentage may not be equal to 100% due to rounding.

INFORMATION OF THE PARTIES

The Purchaser, the Company and the Group

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the operation of restaurant chains under the “Viet’s Choice (越棧)” brands and “Five Spice (5越)” brands in Hong Kong, trading business and technology services business in the PRC.

The Vendors and the Vendors’ Guarantors

Vendor 1 is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, Vendor 1 is wholly-owned by Ms. Zhong Kaixin, one of the Vendors’ Guarantors.

Vendor 2 is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, Vendor 2 is wholly-owned by Ms. Li Xin.

Vendor 3 is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, Vendor 3 is wholly-owned by Mr. Sun Xiang.

Vendor 4 is an exempted USD fund limited partnership established in the Cayman Islands. The general partner of Vendor 4 is Tiantu GP Limited Company, a company indirectly wholly owned by Tian Tu Capital Co., Ltd., a company whose shares are listed on the National Equities Exchange and Quotations, which is owned as to approximately 40.35% by Mr. Wang Yonghua.

Mr. Wu Sheng and Ms. Zhong Kaixin, the Vendors’ Guarantors, are the founders of Changjing Wanxiang.

The Target Group

The Target Company is a company incorporated in the Cayman Islands with limited liability on 6 August 2021 and is owned as to 81.83%, 13.69% and 4.48% by Vendor 1, Vendor 2 and Vendor 3, respectively, as at the date of the Sale and Purchase Agreement. Following Vendor 4's Entry, the Target Company will be owned as to 73.65%, 12.32%, 4.03% and 10.00% by Vendor 1, Vendor 2, Vendor 3 and Vendor 4, respectively. Other than the holding of the entire issued share capital of HK Company, the Target Company has not carried out any business activities. Accordingly, no management accounts have been prepared. The Target Company directly owns the entire issued share capital of HK Company.

HK Company is a company incorporated in Hong Kong with limited liability on 24 August 2021 and is wholly-owned by the Target Company. Other than the proposed acquisition of the entire equity interest in Changjing Wanxiang as part of the Reorganisation, HK Company has not carried out any business activities. Accordingly, no management accounts have been prepared. HK Company will directly own the entire registered capital of Changjing Wanxiang upon completion of the Reorganisation.

Changjing Wanxiang is a company established in the PRC with limited liability on 23 November 2015 with a total registered capital of RMB3,000,000. Prior to June 2019, Changjing Wanxiang was principally engaged in the provision of design services. Changjing Wanxiang commenced its e-commerce business in September 2020 and ceased operation of its design business. Since January 2021, Changjing Wanxiang has been principally engaged in the provision and design of SaaS systems and IT solution services to its customers, including financial institutions and merchants ranging from the retail, food and beverage, travel, lifestyle sectors, to build and improve their direct operation capabilities with their digital users through membership services. The services offered to brand owners include design, procurement, distribution, checkout and settlement, as well as direct sales to consumers through online platforms.

As at the date hereof, Changjing Wanxiang is owned as to (i) 45.9% by Ms. Zhong Kaixin, (ii) 35.1% by Haikou Changjing Zhilian, a limited partnership owned as to 68.83% by Ms. Zhong Kaixin, 19.70% by Ms. Li Xin and 11.47% by Mr. Sun Xiang, (iii) 10% by Tiantu, a limited company wholly-owned by Vendor 4 and (iv) 9% by Haikou Changjing Wuxian, a limited partnership owned as to 40% by Ms. Zhong Kaixin and 60% by Ms. Li Xin. Upon completion of the Reorganisation, Changjing Wanxiang shall be wholly-owned by HK Company.

場景派(北京) 科技有限公司 (Changjing Pai (Beijing) Technology Co., Ltd.*), a company interested as to approximately 47.37 % by Mr. Wu Sheng, one of the Vendors' Guarantors, has sublet a premises located at Chaoyang district in Beijing to Changjing Wanxiang for office use at nil consideration and will continue to sublet such premises to Changjing Wanxiang at nil consideration until the expiry of its tenancy agreement with the landlord which is due to expire on 28 February 2023.

Changjing Wanxiang's Management

Set out below are the relevant experiences of the management team of Changjing Wanxiang who will continue to serve their respective positions at Changjing Wanxiang after Completion:

Ms. Zhong Kaixin (“**Ms. Zhong**”)

Ms. Zhong is the chief executive officer of Changjing Wanxiang. She has 13 years of experience in the internet and e-commerce industries, and has personally experienced the development of the e-commerce industry in the PRC. She has worked at Amazon China, VANCL (凡客誠品(北京) 科技有限公司)(“**VANCL**”) and is the co-founder of Yiguo Qihua (Beijing) Technology Co., Ltd (壹果企畫(北京) 科技有限公司)(“**Yiguo**”).

Ms. Li Xin (“**Ms. Li**”)

Ms. Li is the chief marketing officer of Changjing Wanxiang. She graduated with a bachelor's degree in social science from the University of Southampton in 2006 and obtained a master of science in operational research from the London School of Economics and Political Science in 2007. She has over 10 years of work experience in strategic consulting and working in internet companies, including VANCL and 北京藍色印象品牌顧問有限公司 (Beijing Blue Impression Brand Consulting Co., Ltd*).

Mr. Sun Xiang (“**Mr. Sun**”)

Mr. Sun is the chief operating officer of Changjing Wanxiang. He graduated with a bachelor's degree in chemical engineering and technology from Zhengzhou University in 2001. He has 13 years of experience in the internet and e-commerce industries. He has worked at Amazon China, Dangdang.com (當當網), VANCL and is the co-founder of Yiguo.

Mr. Jiang Yunbo (“**Mr. Jiang**”)

Mr. Jiang is the chief technology officer of Changjing Wanxiang. He graduated with a bachelor’s degree in computer science and technology from Northeast Electric Power University in 2007. He has 10 years technology development experience and has worked at VANCL, 北京千極運通科技有限公司 (Beijing Qianjiyuntong Technology Co., Ltd*) and has been the chief technology officer of Yiguo).

Financial Information of Changjing Wanxiang

Set out below is the financial information of Changjing Wanxiang for the two years ended 2019 and 2020 prepared in accordance with the accounting principles generally accepted in the PRC and Hong Kong respectively:

	For the year ended	
	31 December	31 December
	2020	2019
	(Audited)	(Unaudited)
	<i>RMB</i>	<i>RMB</i>
Profit/(Loss) before taxation	255,000	(21,902)
Profit/(Loss) after taxation	244,300	(23,754)

The unaudited net asset value of Changjing Wanxiang as at 30 November 2021 was approximately RMB7,629,059.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement, therefore the Acquisition may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“AGM”	the annual general meeting of the Company held on 31 August 2021
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audited Financial Statements”	audited consolidated financial statements of the Target Group
“Board”	board of Directors
“Business Day”	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 throughout their normal business hours

“Changjing Wanxiang”	場景萬象(北京)科技有限公司 (Changjing Wanxiang (Beijing) Technology Co., Ltd.*), a company established in the PRC with limited liability and will be an indirectly wholly-owned subsidiary of the Target Company upon completion of the Reorganisation
“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 issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	consideration for the Sale Shares pursuant to the Sale and Purchase Agreement
“Consideration Share(s)”	a total of not more than 171,783,636 new Shares to be issued by the Company to the Vendors in accordance with the terms and conditions of the Sale and Purchase Agreement as the Consideration
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the AGM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Company”	CISC (HK) Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Target Company and will own the entire registered capital of Changjing Wanxiang upon the completion of the Reorganisation
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of and not connected with the Company and its connected person(s)
“Issue Price”	the issue price of HK\$0.665 per Consideration Share
“Last Trading Day”	23 December 2021, being the last trading day immediately before the date of the Sale and Purchase Agreement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2022 (or such other date as the Vendors and the Purchaser may agree)
“Maximum Consideration Shares”	the maximum number of Consideration Shares to be issued by the Company to the Vendors pursuant to the Sale and Purchase Agreement, being 171,783,636 Consideration Shares in aggregate

“PRC”	the People’s Republic of China
“Purchaser”	MSCT Investment Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly owned subsidiary of the Company
“Reorganisation”	a series of corporate reorganisation relating to the Target Group as set out in the section headed “Reorganisation” in this announcement, including but not limited to (i) Vendor 4’s Entry; and (ii) the completion of the acquisition of the entire issued share capital of HK Company by the Target Company and the entire registered capital of Changjing Wanxiang by HK Company and the approval of the relevant PRC government authorities having been obtained
“RMB”	Renminbi, the lawful currency of the PRC
“SaaS”	Software as a Service
“Sale and Purchase Agreement”	the agreement for sale and purchase of the Sale Shares dated 24 December 2021 entered into among the Vendors, the Vendors’ Guarantors and the Purchaser
“Sale Shares”	Vendor 1 Shares, Vendor 2 Shares, Vendor 3 Shares and Vendor 4 Shares
“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

“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Context Image Holdings Limited, a company incorporated in the Cayman Islands with limited liability which is legally and beneficially owned as to 81.83% by Vendor 1, 13.69% by Vendor 2, and 4.48% by Vendor 3 as at the date of the Sale and Purchase Agreement, and shall be legally and beneficially owned as to 73.65% by Vendor 1, 12.32% by Vendor 2, 4.03% by Vendor 3 and 10.00% by Vendor 4 upon Vendor 4’s Entry
“Target Group”	the Target Company and its subsidiaries
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“Vendors”	Vendor 1, Vendor 2, Vendor 3 and Vendor 4
“Vendor 1”	CIKZ Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor 1 Shares”	the 7,365 ordinary shares of US\$0.0001 each, fully paid up in the issued capital of the Target Company and legally and beneficially owned by Vendor 1, representing 73.65% of the total issued share capital of the Target Company upon Vendor 4’s Entry
“Vendor 2”	CIVL Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor 2 Shares”	the 1,232 ordinary shares of US\$0.0001 each, fully paid up in the issued capital of the Target Company and legally and beneficially owned by Vendor 2, representing 12.32% of the total issued share capital of the Target Company upon Vendor 4’s Entry

“Vendor 3”	CIXS Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor 3 Shares”	the 403 ordinary shares of US\$0.0001 each, fully paid up in the issued capital of the Target Company and legally and beneficially owned by Vendor 3, representing 4.03% of the total issued share capital of the Target Company upon Vendor 4’s Entry
“Vendor 4”	Tiantu VC USD Fund I L.P., an exempted limited partnership registered in the Cayman Islands
“Vendor 4’s Entry”	has the meaning as defined in the section headed “Reorganisation” in this announcement
“Vendor 4 Shares”	the 1,000 ordinary shares of US\$0.0001 each, to be legally and beneficially owned by Vendor 4 upon Vendor 4’s Entry, representing 10.00% of the total issued share capital of the Target Company upon Vendor 4’s Entry
“Vendors’ Guarantors”	Mr. Wu Sheng and Ms. Zhong Kaixin
“%”	per cent

* *In this announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

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

Hong Kong, 24 December 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.