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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
PROVISION OF NEW SHAREHOLDER'S LOAN TO
A COMMONLY HELD ENTITY
AND
DISCLOSURE PURSUANT TO
RULES 13.13 AND 13.16 OF THE LISTING RULES**

THE NEW SHAREHOLDER'S LOAN

The Board hereby announces that after trading hours on 12 June 2023, MSEC HK, an indirect wholly owned subsidiary of the Company, entered into the New Shareholder's Loan Agreement with Minshang Zhihui, a commonly held entity of the Group, pursuant to which MSEC HK as lender conditionally agreed to grant to Minshang Zhihui as borrower a new unsecured shareholder's loan in an aggregate principal amount of HK\$11,000,000 at an interest rate of 8% per annum for a term of 12 months from the Drawdown Date (subject to an extension of a further term of 12 months upon service of the written notice by the parties thereto).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the provision of the New Shareholder's Loan, on a standalone basis and when aggregated with the provision of the Existing Shareholder's Loan, is more than 5% but all of them are less than 25%, the provision of the New Shareholder's Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

In addition, Minsheng E-commerce, a controlling shareholder and thus a connected person of the Company, is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of Minshang Zhihui. Therefore, Minshang Zhihui is a commonly held entity falling within the meaning of Rule 14A.27 of the Listing Rules. Accordingly, the provision of the New Shareholder's Loan will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. As the provision of the New Shareholder's Loan by the Group to the commonly held entity (i.e. Minshang Zhihui) is on normal commercial terms or better and in proportion to the equity interests held by the Company (through its subsidiaries) in Minshang Zhihui, the provision of the New Shareholder's Loan will be exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the amount of advances by the Group to an entity and the financial assistance to affiliated companies (as defined under Rule 13.11(2) of the Listing Rules) of the Group, as the case may be, exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). As the aggregate amount of the Group's advances to Minshang Zhihui, and the Group's financial assistance to its affiliated companies (i.e. Minshang Zhihui) under the Existing Shareholder's Loan and the New Shareholder's Loan exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Company is subject to the general disclosure obligation under Rules 13.13 and 13.16 of the Listing Rules.

THE NEW SHAREHOLDER'S LOAN

The Board hereby announces that after trading hours on 12 June 2023, MSEC HK, an indirect wholly owned subsidiary of the Company, entered into the New Shareholder's Loan Agreement with Minshang Zhihui, a commonly held entity of the Group, pursuant to which MSEC HK as lender conditionally agreed to grant to Minshang Zhihui as borrower a new unsecured shareholder's loan in an aggregate principal amount of HK\$11,000,000 at an interest rate of 8% per annum for a term of 12 months from the Drawdown Date (subject to an extension of a further period of 12 months upon service of the written notice by the parties thereto).

THE NEW SHAREHOLDER'S LOAN AGREEMENT

Principal terms of the New Shareholder's Loan Agreement are summarised below:

Date: 12 June 2023 (after trading hours)

Parties:

- (i) MSEC HK as lender
- (ii) Minshang Zhihui as borrower

Principal amount:	HK\$11,000,000
Drawdown Date:	One-off drawdown within 10 Business Days after the fulfillment of all the conditions precedent as set out in the sub-section headed “Conditions Precedent” of the section headed “The New Shareholder’s Loan Agreement” in this announcement
Term:	the period commencing from the Drawdown Date and ending on the expiry of 12 months (or may be extended for a further term of 12 months upon both parties giving the other party a written notice not less than one month prior to the expiry of the initial term of the New Shareholder’s Loan) from the date thereon (the “ Term ”)
Conditions Precedent:	<p>Drawing of the New Shareholder’s Loan by Minshang Zhihui is conditional upon the fulfillment of the following conditions:</p> <ul style="list-style-type: none"> (i) Minshang Zhihui having completed foreign exchange registration of the New Shareholder’s Loan in such form and substance acceptable to MSEC HK in compliance with the law; and having obtained such document proof issued by the relevant Chinese government bodies; (ii) Minshang Zhihui having provided to MSEC HK such other documents and/or information which MSEC HK reasonably considers to be necessary for the execution and performance of the New Shareholder’s Loan Agreement and the transactions contemplated thereunder, in such form and substance satisfactory to MSEC HK; 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 New Shareholder’s Loan and the execution, performance and delivery of the New Shareholder’s 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. <p>As at the date of this announcement, all of the aforesaid conditions have been fulfilled.</p>
Purpose:	To be used in ordinary course of business and daily operation of Minshang Zhihui

Undertakings: During the subsistence of the New Shareholder's Loan Agreement and as long as there is any borrowing(s) or payable(s) under the New Shareholder's Loan Agreement, Minshang Zhihui undertakes to MSEC HK that, among other things:

- (i) unless with the prior written consent of the Company or MSEC HK, Minshang Zhihui shall not carry out any form of financing including but not limited to issue or allotment of any share or loan capital to any person;
- (ii) Minshang Zhihui shall not sell any of its assets unless such sale is conducted in ordinary course of business of Minshang Zhihui at a selling price not less than the fair market value, and such sale proceed shall only be used to repay any outstanding amount of the New Shareholder's Loan under the New Shareholder's Loan Agreement or used as general working capital of Minshang Zhihui; and
- (iii) Minshang Zhihui shall ensure that the Company, directly or indirectly, beneficially owns not less than 50% of the equity interests in Minshang Zhihui throughout the Term.

Interest: Interest shall be payable by Minshang Zhihui to MSEC HK on the Interest Payment Date at an interest rate of 8% per annum calculated on the actual number of days elapsed and on the basis of a 365-day year.

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

Repayment Date: the date on which the Term expires

The terms of the New Shareholder's Loan Agreement were arrived at after arm's length negotiations between MSEC HK and Minshang Zhihui with reference to (i) the terms of the Existing Shareholder's Loan, (ii) the prevailing market interest rate, (iii) the interest rate of 8.25% per annum of the notes issued by China Tonghai International Financial Limited and subscribed by the Company on 31 March 2021, and (iv) the interest rate of 8% per annum of the loan provided to Runming International Limited by the Company on 15 January 2020.

MSEC HK will finance the New Shareholder's Loan under the New Shareholder's Loan Agreement with its internal resources.

On 12 June 2023, Minsheng E-commerce entered into a new shareholder's loan agreement with Minshang Zhihui, pursuant to which Minsheng E-commerce agreed to provide a new unsecured shareholder's loan in an aggregate principal amount of HK\$11,000,000 to Minshang Zhihui with term (subject to an extension for a further term of 12 months), interest rate and other terms of such shareholder's loan identical to those as set out in the New Shareholder's Loan Agreement (the "**ME New Shareholder's Loan**").

REASONS FOR AND BENEFITS OF THE PROVISION OF THE NEW SHAREHOLDER'S LOAN

The New Shareholder's Loan to be granted to Minshang Zhihui is expected to be utilised by the Minshang Zhihui Group in its ordinary course of business and daily operation (such as market development, system development, purchase of equipment and settlement of marketing expenses and human resources costs).

Taking into account that (i) the Company is optimistic about the future prospect of the Minshang Zhihui Group, while it has yet to identify other suitable investment opportunities with profitable return; (ii) the provision of the New Shareholder's Loan is considered to be favorable to the Company as it enables the Company to earn a reasonable return of 8% per annum which is higher than the interest rate of fixed deposits offered by banks in the PRC; (iii) the Company is interested in 50% of the equity interests in Minshang Zhihui and the provision of the New Shareholder's Loan will strengthen the Minshang Zhihui Group's cash position to support its business operation and to promote sustainable growth; and (iv) Minsheng E-commerce has agreed to provide the ME New Shareholder's Loan to Minshang Zhihui on terms identical to those of the New Shareholder's Loan Agreement, whereby the Group's contribution in the New Shareholders' Loan to Minshang Zhihui remains in proportion to its equity interests in Minshang Zhihui in the ratio of 50%:50%, the Directors (including the independent non-executive Directors but excluding Mr. Wu Jiangtao ("**Mr. Wu**") and Mr. Tao Jingyuan ("**Mr. Tao**"), both being the executive Directors, who had abstained from voting on the resolutions proposed to the Board in relation to the provision of the New Shareholder's Loan for the reasons as disclosed in the section headed "Listing Rules Implications" below) consider that the terms of the New Shareholder's Loan Agreement are on normal commercial terms or better and fair and reasonable, and the entering into of the New Shareholder's Loan Agreement and the transactions contemplated thereunder, although not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND MSEC HK

The Group is principally engaged in (i) B2B trading business in the PRC; and (ii) information technology ("**IT**") solution business in the PRC, including provision and design of Software-as-a-Service, membership benefits solutions services, software customisation services and IT solutions. MSEC HK is an investment holding company which is holding 50% of the equity interests in Minshang Zhihui as at the date of this announcement.

INFORMATION ON MINSHANG ZHIHUI

Minshang Zhihui is a sino-foreign equity joint venture established in the PRC with limited liability which is principally engaged in technology and e-commerce related business with a focus on its scenario marketing system and supply chain management capability to provide various banks, financial institutions and sizable corporations with e-commerce service.

As at the date of this announcement, Minshang Zhihui is owned (i) as to 50% by MSEC HK; (ii) as to 15% by Minsheng E-commerce; (iii) as to 30% by the Limited Partnership; and (iv) as to 5% by Super Fine which is an Independent Third Party and 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 which is principally engaged in asset management and an indirect 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 equity interests in Minsheng E-commerce. The second largest shareholders, South Hope Industry Co., Ltd.* (南方希望實業有限公司) (“**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 equity interests in Minsheng E-commerce, respectively. South Hope is a subsidiary of New Hope Group Co., Ltd. (新希望集團有限公司) (“**New Hope Group**”) which is mainly engaged in modern agricultural and food production and is, in turn, owned, among others, as to 62.34% by Mr. Liu Yonghao (劉永好) and as to approximately 36.35% by Mr. Liu Chang (劉暢). Orient Commercial is wholly owned by Orient Group Incorporation (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 and industrial businesses. The third largest shareholder is Shenzhen Minshang Chuangye Investment Center (Limited Partnership)* (深圳民商創業投資中心(有限合夥)) (“**Minshang Chuangye**”), a limited partnership established in the PRC which holds approximately 11.29% of the equity interests in Minsheng E-commerce. Minshang Chuangye is owned by, among others, as to 98.4% by Shenzhen Minshang Development Investment Management Co., Ltd.* (深圳民商發展投資管理有限公司) (“**Shenzhen Minshang**”) and as to 0.8% by Mr. Wu. Shenzhen Minshang is owned, among others, as to 76.92% by Mr. Wu. 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.

As at the date of this announcement, the Limited Partnership is formed by, among others, the employee(s) of Minshang Zhihui and Minsheng E-commerce and Beijing Dande Consulting Management Co., Ltd.* (北京丹德諮詢管理有限公司), which is owned as to 40% by Mr. Wu, as to 40% by Mr. Li Jun (李軍) and as to 20% by Ms. Qi Wenya (祁文雅). Beijing Dande Consulting Management Co., Ltd.* (北京丹德諮詢管理有限公司) is the general partner of the Limited Partnership and holds approximately 0.1% of the equity interests in the Limited Partnership. The remaining approximately 99.9% of the equity interests in the Limited Partnership are owned by Beijing Ruitao Technology Co., Ltd.* (北京睿韜科技有限責任公司), a wholly-owned subsidiary of Minsheng E-commerce.

ADVANCES TO AN ENTITY AND FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

The Board would like to disclose details of advances to an entity and financial assistance to affiliated companies (as defined under Rule 13.11(2)(a) of the Listing Rules) of the Group in accordance with Rules 13.13 and 13.16 of the Listing Rules.

As at the date of this announcement, the aggregate amount of the Group's advances to an entity, and the financial assistance to affiliated companies of the Group (i.e. Minshang Zhihui), under the Existing Shareholder's Loan and the New Shareholder's Loan exceeded 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). Details are set out as follows:

Name of affiliated companies	The Group's interest in affiliated companies	Loans to affiliated companies	Committed capital injection	Guarantees for facilities granted to affiliated companies	Aggregate amount of financial assistance and guarantees
		(HK\$'000) A	(HK\$'000) B	(HK\$'000) C	(HK\$'000) A+B+C
Minshang Zhihui	50%	26,000 (Note 1)	– (Note 2)	– (Note 3)	26,000
Total		<u>26,000</u>	<u>–</u>	<u>–</u>	<u>26,000</u>

Notes:

- (1) The loans provided to affiliated companies of the Group (i.e. Minshang Zhihui) are the Existing Shareholder's Loan and the New Shareholder's Loan. The Existing Shareholder's Loan and the New Shareholder's Loan (i) are unsecured; (ii) bear interest of 8% per annum; (iii) will mature on 15 May 2026 and upon the expiry of 12 months from the Drawdown Date (subject to an extension of a further term of 12 months), respectively; and (iv) are repayable on the expiry of their respective terms. For further details of the Existing Shareholder's Loan, please refer to (i) the announcement of the Company dated 31 December 2018 and its circular dated 25 March 2019 in relation to, among other matters, provision of the Existing Shareholder's Loan, (ii) its announcement dated 14 May 2021 in relation to the extension of the Existing Shareholder's Loan; and (iii) its announcement dated 11 May 2023 in relation to the further extension of the Existing Shareholder's Loan.

- (2) There is no committed capital injection by the Group to its affiliated companies.
- (3) There is no guarantees given by the Group for facilities granted to affiliated companies.

The Company will comply with the disclosure requirements under Rules 13.20 to 13.22 of the Listing Rules where the circumstances giving rise to the disclosure under Rules 13.13 and 13.16 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the provision of the New Shareholder's Loan, on a standalone basis and when aggregated with the provision of the Existing Shareholder's Loan, is more than 5% but all of them are less than 25%, the provision of the New Shareholder's Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

In addition, Minsheng E-commerce, a controlling shareholder and thus a connected person of the Company, is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of Minshang Zhihui. Therefore, Minshang Zhihui is a commonly held entity falling within the meaning of Rule 14A.27 of the Listing Rules. Accordingly, the provision of the New Shareholder's Loan will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. As the provision of the New Shareholder's Loan by the Group to the commonly held entity (i.e. Minshang Zhihui) is on normal commercial terms or better and in proportion to the equity interests held by the Company (through its subsidiaries) in Minshang Zhihui, the provision of the New Shareholder's Loan will be exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the amount of advances by the Group to an entity and the financial assistance to affiliated companies (as defined under Rule 13.11(2) of the Listing Rules) of the Group, as the case may be, exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). As the aggregate amount of the Group's advances to Minshang Zhihui, and the Group's financial assistance to its affiliated companies (i.e. Minshang Zhihui) under the Existing Shareholder's Loan and the New Shareholder's Loan exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Company is subject to the general disclosure obligation under Rules 13.13 and 13.16 of the Listing Rules.

As at the date of this announcement, Mr. Wu, who is an executive Director and a director of Minshang Zhihui, indirectly, owning certain equity interests in the Limited Partnership, and Mr. Tao, who is an executive Director and both a director and the legal representative of Minshang Zhihui, were considered to have material interest in the provision of the New Shareholder's Loan. As such, both Mr. Wu and Mr. Tao had abstained from voting on the resolutions proposed to the Board in relation to the provision of the New Shareholder's Loan. Save as disclosed above, no Director was required to abstain from voting on the Board resolutions approving the provision of the New Shareholder's Loan.

DEFINITIONS

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

“Board”	board of Directors
“Business Day(s)”	day(s) (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
“commonly held entity”	has the meaning ascribed to it under the Listing Rules
“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 (stock code: 1632)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Drawdown Date”	the date on which the New Shareholder's Loan is drawn down by Minshang Zhihui pursuant to the New Shareholder's Loan Agreement

“Existing Shareholder’s Loan”	the existing shareholder’s loan granted by MSEC HK to Minshang Zhihui in the outstanding principal amount of HK\$15,000,000 pursuant to the shareholder’s loan agreement dated 31 December 2018 entered into between MSEC HK and Minshang Zhihui (as supplemented and amended by the supplemental shareholder’s loan agreement dated 20 March 2019, the second supplemental shareholder’s loan agreement dated 14 May 2021 and the third supplemental shareholder’s loan agreement dated 11 May 2023 entered into between the same parties)
“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
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Interest Payment Date”	the date, falling every 12 months from the Drawdown Date, on which the interest under the New Shareholder’s Loan Agreement is payable by Minshang Zhihui
“Limited Partnership”	Beijing Dandeliant Consulting Management Center (Limited Partnership)* (北京丹德利昂諮詢管理中心(有限合夥)), holding 30% equity interests in Minshang Zhihui as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minshang Zhihui”	Beijing Minshang Zhihui E-commerce Co., Ltd.* (北京民商智惠電子商務有限公司), a sino-foreign equity joint venture established in the PRC with limited liability and a commonly held entity of the Group
“Minshang Zhihui Group”	Minshang Zhihui and its subsidiaries
“Minsheng E-commerce”	Minsheng E-commerce Holdings (Shenzhen) Co., Ltd (民生電商控股(深圳)有限公司), a company established in the PRC with limited liability, an indirect holding company of the Company
“MSEC HK”	MSEC Investment (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company

“New Shareholder’s Loan”	the conditional new shareholder’s loan to be granted by MSEC HK to Minshang Zhihui in an aggregate principal amount of HK\$11,000,000 pursuant to the New Shareholder’s Loan Agreement
“New Shareholder’s Loan Agreement”	the conditional new shareholder’s loan agreement dated 12 June 2023 entered into between MSEC HK and Minshang Zhihui in relation to the New Shareholder’s Loan
“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
“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
“Super Fine”	Super Fine Development Limited (超輝發展有限公司), a company incorporated in Hong Kong with limited liability, holding 5% of the equity interests in Minshang Zhihui as at the date of this announcement
“%”	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
Executive Director and Chairman

Hong Kong, 12 June 2023

As at the date of this announcement, the executive Directors are Mr. Wu Jiangtao, Mr. Tao Jingyuan and Mr. Lai Xiaopeng Michael; and the independent non-executive Directors are Mr. Choi Tze Kit, Sammy, Mr. Cheung Miu and Mr. Cheung Pak To.