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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
FURTHER EXTENSION OF THE SHAREHOLDER'S LOAN
TO A COMMONLY HELD ENTITY**

3RD SUPPLEMENTAL SHAREHOLDER'S LOAN AGREEMENT

The Board hereby announces that after trading hours on 11 May 2023, MSEC HK entered into the 3rd Supplemental Shareholder's Loan Agreement with Minshang Zhihui, pursuant to which MSEC HK and Minshang Zhihui agreed to extend the term of the Shareholder's Loan from the period commencing from the relevant Drawdown Date and ending on the 48th month from the date thereon to a period commencing from the relevant Drawdown Date and ending on the 84th month from the date thereon. Save as aforesaid, all other terms of the Shareholder's Loan Agreement (as supplemented and amended by the Supplemental Shareholder's Loan Agreement and the 2nd Supplemental Shareholder's Loan Agreement) shall remain in full force and effect.

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 Further Extension of the Shareholder's Loan is more than 5% but all of them are less than 25%, the Further Extension of the Shareholder's Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to (i) the announcement of Minshang Creative Technology Holdings Limited (the “**Company**”) dated 31 December 2018 and the circular (the “**Circular**”) of the Company dated 25 March 2019 in relation to, among other matters, the provision of the shareholder’s loan by MSEC Investment (HK) Limited (“**MSEC HK**”), an indirect wholly-owned subsidiary of the Company, to Beijing Minshang Zhihui E-commerce Co., Ltd.* (北京民商智惠電子商務有限公司) (“**Minshang Zhihui**”), a company in which the Company indirectly owns 50% of its equity interests; and (ii) its announcement of the Company dated 14 May 2021 in relation to the extension of the aforesaid shareholder’s loan (the “**Extension Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Extension Announcement.

SHAREHOLDER’S LOAN AGREEMENT (AS SUPPLEMENTED AND AMENDED BY THE SUPPLEMENTAL SHAREHOLDER’S LOAN AGREEMENT AND THE 2ND SUPPLEMENTAL SHAREHOLDER’S LOAN AGREEMENT)

On 31 December 2018, MSEC HK entered into the Shareholder’s Loan Agreement with Minshang Zhihui (as supplemented and amended by the Supplemental Shareholder’s Loan Agreement dated 20 March 2019 and the 2nd Supplemental Shareholder’s Loan Agreement dated 14 May 2021 entered into between the same parties), pursuant to which MSEC HK as lender conditionally agreed to grant to Minshang Zhihui as borrower an unsecured shareholder’s loan in an aggregate amount of HK\$22,500,000 at an interest rate of 8% per annum for a term of 48 months from each of the Drawdown Date. Given that only the conditions precedent to the drawdown of the First Loan had been fulfilled, an aggregate principal amount of HK\$15,000,000 was eventually drawn down by Minshang Zhihui and remains outstanding as at the date of this announcement (the “**Shareholder’s Loan**”).

On 31 December 2018, Minsheng E-commerce Holdings (Shenzhen) Co., Ltd. (民生電商控股(深圳)有限公司) (“**Minsheng E-commerce**”), a controlling shareholder of the Company indirectly holding 556,298,182 Shares, representing approximately 62.28% of the total issued share capital of the Company as at the date of this announcement, entered into a shareholder’s loan agreement (as supplemented and amended by the supplemental shareholder’s loan agreement dated 20 March 2019 and the second supplemental shareholder’s loan agreement dated 14 May 2021 entered into between the same parties) (collectively, the “**ME Shareholder’s Loan Agreement**”) with Minshang Zhihui, pursuant to which Minsheng E-commerce agreed to provide a shareholder’s loan in an aggregate amount of HK\$22,500,000 to Minshang Zhihui with terms of loan, conditions and interest rates identical to those set out in the Shareholder’s Loan Agreement (as supplemented and amended by the Supplemental Shareholder’s Loan Agreement and the 2nd Supplemental Shareholder’s Loan Agreement). As at the date of this announcement, an aggregate principal amount of HK\$15,000,000 had been drawn down by Minshang Zhihui under the ME Shareholder’s Loan Agreement from Minsheng E-commerce and remains outstanding (the “**ME Shareholder’s Loan**”).

3RD SUPPLEMENTAL SHAREHOLDER’S LOAN AGREEMENT

The Board hereby announces that after trading hours on 11 May 2023, MSEC HK entered into the third supplemental agreement to the Shareholder’s Loan Agreement (as supplemented and amended by the Supplemental Shareholder’s Loan Agreement and the 2nd Supplemental Shareholder’s Loan Agreement) (the “**3rd Supplemental Shareholder’s Loan Agreement**”) with Minshang Zhihui, pursuant to which MSEC HK and Minshang Zhihui agreed to extend the term of the Shareholder’s Loan from the period commencing from the relevant Drawdown Date and ending on the 48th month from the date thereon to a period commencing from the relevant Drawdown Date and ending on the 84th month from the date thereon (i.e. 15 May 2026) (the “**Further Extension of the Shareholder’s Loan**”).

Save as aforesaid, all other terms of the Shareholder’s Loan Agreement (as supplemented and amended by the Supplemental Shareholder’s Loan Agreement and the 2nd Supplemental Shareholder’s Loan Agreement) shall remain in full force and effect.

On 11 May 2023, Minsheng E-commerce entered into the third supplemental agreement to the ME Shareholder’s Loan Agreement with Minshang Zhihui, pursuant to which Minsheng E-commerce agreed to extend the term of the ME Shareholder’s Loan to a period commencing from the relevant drawdown date and ending on the 84th month from the date thereon (i.e. 15 May 2026).

REASONS FOR AND BENEFITS OF THE FURTHER EXTENSION OF THE SHAREHOLDER’S LOAN

The terms of the 3rd Supplemental Shareholder’s Loan Agreement were arrived at after arm’s length negotiations between MSEC HK and Minshang Zhihui. Taking into account that (i) the Company is optimistic about the future prospect of Minshang Zhihui; (ii) the Company is interested in 50% of the equity interests in Minshang Zhihui and the Further Extension of the Shareholder’s Loan will enable Minshang Zhihui and its subsidiaries to maintain and stabilise their current cash position to support their business operation and future growth; (iii) the ensuing interest income of 8% per annum from the Further Extension of the Shareholder’s Loan is higher than the existing bank deposit interest rate of the Group; and (iv) Minsheng E-commerce agreed to further extend the term of the ME Shareholder’s Loan to such length of period identical to the term as extended by the 3rd Supplemental Shareholder’s Loan Agreement, whereby the Group’s contribution in the 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 Further Extension of the Shareholder’s Loan for the reasons as disclosed in the section headed “Listing Rules Implications” below) consider that the terms of the 3rd Supplemental Shareholder’s Loan Agreement are on normal commercial terms or better and fair and reasonable, and the entering into of the 3rd Supplemental Shareholder’s Loan Agreement and the transactions contemplated thereunder (including the Further Extension of the Shareholder’s Loan) 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% equity interests in Minshang Zhihui.

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 Beijing Dandeliantang Consulting Management Center (Limited Partnership)* (北京丹德利昂諮詢管理中心(有限合夥)) (the “**Limited Partnership**”); and (iv) as to 5% by Super Fine Development Limited (超輝發展有限公司) 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.

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 Further Extension of the Shareholder's Loan is more than 5% but all of them are less than 25%, the Further Extension of the Shareholder's Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting 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 entering into of the 3rd Supplemental Shareholder's Loan Agreement and the transactions contemplated thereunder (including the Further Extension of the Shareholder's Loan) will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. As the provision of the Shareholder's Loan by the Group to the commonly held entity (i.e. Minshang Zhihui) for a term extended by the 3rd Supplemental Shareholder's Loan Agreement 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 entering into of the 3rd Supplemental Shareholder's Loan Agreement and the transactions contemplated thereunder (including the Further Extension of the Shareholder's Loan) will be exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A 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 Further Extension of the 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 Further Extension of the Shareholder's Loan. Save as disclosed above, no Director was required to abstain from voting on the Board resolutions approving the Further Extension of the Shareholder's Loan.

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

Hong Kong, 11 May 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.

** 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.*