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Maoye International Holdings Limited

茂業國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 848)

**INSIDE INFORMATION
IN RELATION TO
UPDATE ON LOAN TO A CONNECTED PERSON**

This announcement is made by Maoye International Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company (the "**Announcements**") (i) dated 12 December 2017 and 29 December 2017 in relation to the Loan Agreement entered into among the Lender, an indirect non-wholly owned subsidiary of the Company, and the Borrower, pursuant to which the Lender agreed to provide a term loan to the Borrower in the principal amount of RMB399,933,400, bearing interest at a rate of 10.5% per annum for a term of 12 months commencing from the first date of the relevant drawdown; and (ii) dated 28 December 2018 in relation to the Supplemental Loan Agreement entered into among the Lender and the Borrower, pursuant to which, among others, the maturity date of the Loan was extended from 1 January 2019 to 31 December 2019. Save as supplemented by the Supplemental Loan Agreement, all other terms and provisions of the Loan Agreement shall remain in full force and effect. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

STATUS OF THE LOAN

Pursuant to the terms of the Loan Agreement and the Supplemental Loan Agreement, maturity date of the Loan falls on 31 December 2019, which has not been extended and accordingly. As at the date of this announcement, the Borrower has not repaid the principal amount and interest of the Loan in the amount of RMB484,034,463.33. Therefore, the Loan has expired and should be repaid by the borrower.

Pursuant to the terms of the Loan Agreement, the Loan is secured by a share pledge agreement dated 29 December 2017 executed by Victoria Holding in favour of the Lender with respect to 15%

equity interest in Inner Mongolia Victoria (the "**Share Charge**") . Based on the PRC audited accounts of Inner Mongolia Victoria, its net profit after tax for the year ended 31 December 2018 was approximately RMB390 million, and its net asset value as at 31 December 2018 was approximately RMB1693 million . Based on the above, it is estimated by the Borrower that the value of 15% equity interest in Inner Mongolia Victoria should largely cover the current aggregate outstanding amount of the Loan. The Board will seek professional advice from valuer or other professional advisers as to the value of the 15% equity interest of Inner Mongolia Victoria subject to the Share Charge as well as matters relating to, among others, the enforcement of the security under the Share Charge. The Group is also in active discussion with the Borrower as to repayment arrangement of the Loan, and the Company is also seeking advice from its legal counsels and other professional advisers as to other possible courses of action available to the Group in relation to the Loan.

Taking into account (i) the security available to the Group under the Share Charge; and (ii) the Group is in active discussion with the Borrower as to repayment arrangement of the Loan, the Directors believe that based on the initial assessment of the security available to the Group, it is probable that the security under the Share Charge, when realised, could largely cover the outstanding amount under the Loan. Based on such initial assessment of the Group which is subject to further verification of the Group, the Group believes that the default of the Loan should not have material impact on the business operation and financial positions of the Group.

The Group had cash and cash equivalents of approximately RMB3,305 million as at 31 December 2018.

The Company will continue to assess the financial impact on the Company and will also consider the potential courses of action available to the Group after taking into account the advice of its legal counsels and other professional advisers, including initialing legal proceedings against the Borrower to recover any shortfall of the Loan if the Company is unable to recover the full outstanding amount of the Loan through repayment of the Loan by the Borrower.

The Company will issue further announcement in relation to the further updates in relation to the Loan when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Maoye International Holdings Limited
Mr. Huang Mao Ru
Chairman

Hong Kong, 2 January 2020

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Huang Mao Ru and Mr. Zhong Pengyi; one non-executive director, namely Mr. Wang Bin; and three independent non-executive directors, namely, Mr. Chow Chan Lum, Mr. Pao Ping Wing and Mr. Leung Hon Chuen.