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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)**

## **FURTHER ANNOUNCEMENT**

### **PROFIT FORECAST IN RELATION TO DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION AT THE SUBSIDIARY LEVEL**

Reference is made to the announcements (the "Announcements") of Maoye International Holdings Limited (the "Company") (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; (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; (iii) dated 2 January 2020 in relation to fact that the Borrower has not repaid the principal amount and interest of the Loan; (iv) dated 16 March 2020 in relation to the Acquisition; and (v) dated 3 April 2020 in relation to the completion of the Acquisition. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information of the profit forecast in relation to the Acquisition Agreement as follows:

The Valuer was appointed by the Purchaser to assess the fair value of the Target Company to determine the consideration for the Acquisition. Such valuation was carried out based on the income approach, which

involved the calculation of discounted cash flow method. The valuation report was finalised on 11 March 2020, and the valuation of the Target Company's 100% equity interests was RMB3,900,027,400 as at 30 September 2019.

The letter issued by the Board in accordance with Rule 14.62 (3) of the Listing Rules, which is valid from 16 March 2020, has been submitted to the Stock Exchange, the texts of which are set out in Appendix I to this announcement.

### **GRANT OF WAIVER UNDER RULES 14.62 AND 14A.68(7) OF THE LISTING RULES**

Further to the Announcements, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.62 and 14A.68(7) of the Listing Rules (the "**Waiver**"). On 16 April 2020, the Stock Exchange granted the Waiver on the condition that the Company will announce a letter from the Company's auditors or reporting accountants confirming that they have reviewed the accounting policies and calculations for the forecast and containing their report (the "**Auditor's Confirmation**") by the end of April 2020.

The reasons for the Waiver application are:

- (i) **Time sensitivity of the transaction to protect shareholders' interests:** In light of the Borrower's inability to repay the Loan upon its maturity, it is of paramount importance for the Company to take measure as appropriate to protect the interests of its shareholders. At such volatile times, the Company is keen to take measure at the earliest opportunity to preserve the value of its pledged assets. The Company believes that it is in the best interests of the Company and its shareholders as a whole to enter into legally binding agreements with respect to the acquisition as soon as possible without having to wait for the issuance of the Auditor's Confirmation;
- (ii) **Timing of the Valuation:** To avoid duplication of work and incurring unnecessary costs to the detriment of its shareholders, the Company intends to engage auditors to prepare the confirmation letter under Rule 14.62(2) of the Listing Rules only upon the completion of the formal valuation report. The valuation was only made available on 11 March 2020, shortly before the date of the transaction. At the time of the submission of the Waiver application, the Company was in the process of appointing an auditor to prepare the Auditor's Confirmation, and understood that the Auditor's Confirmation will be available by the end of April 2020; and
- (iii) **Limited prejudice to the shareholders:** The Company believes that the delay in preparation of the relevant documents is of limited prejudice to the shareholders. As the Target Company is a non-wholly owned indirect subsidiary of the Company, even though the Auditor's Confirmation is not expected to be available at the time of signing, the Company is familiar with its operations and financial conditions when considering and evaluating the transaction.

The Stock Exchange may withdraw or change the Waiver if the Company's situation changes.

The Company will issue the Auditor's Confirmation in accordance with Rule 14.62(2) of the Listing Rules in due course.

On behalf of the Board  
**Maoye International Holdings Limited**  
**Mr. Huang Mao Ru**  
*Chairman*

Hong Kong, [17] April 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.*

## APPENDIX I — LETTER FROM BOARD OF DIRECTORS

Listing Division  
The Stock Exchange of Hong Kong Limited  
12/F, Two Exchange Square  
8 Connaught Place, Central  
Hong Kong

Dear Sirs and Madam,

### **Discloseable Transaction and Connected Transaction at the Subsidiary Level**

We refer to the announcement of Maoye International Holdings Limited (the “**Company**”) dated 16 March 2020 relation to the acquisition of 15% of the equity interest in the Target Company (the “**Announcement**”) by the Purchaser. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We refer to the valuation report prepared by Xiamen University Valuation Land Real Estate Valuation Co., Ltd. (廈門市大學評估土地房地產估價有限責任公司) in relation to the asset value of the Target Company as at 30 September 2019 (the “**Valuation**”).

As the Valuation was based on income approach, which involves the calculation of discounted cash flows method, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and accordingly, Rules 14.60A, 14.62 and 14A.68(7) of the Listing Rules are applicable.

We have discussed with the Valuer about different aspects of the Valuation, including the bases and assumptions upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. We have also preliminarily discussed with RSM Hong Kong (羅申美會計師事務所), regarding the accounting policies and calculations for the Valuation and understand that a report by RSM Hong Kong is expected to be available on or before 30 April 2020.

On the basis of the above, pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the Board confirmed that the profit forecast has been made after due and careful enquiry by the Directors.

On behalf of the Board

**Maoye International Holdings Limited**  
**Mr. Huang Mao Ru**  
Chairman