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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF SHARES IN ZHONGJIA BOCHUANG

THE DISPOSAL

The Board announces that Zhongzhao, a wholly-owned subsidiary of the Company, disposed of 13,445,000 shares of ZhongJia BoChuang on the open market on 8 May 2020, representing approximately 2.01% of the issued share capital of ZhongJia BoChuang as at the date of this announcement, for an aggregate consideration of approximately RMB142.16 million (exclusive of transaction costs), the average selling price of each ZhongJia BoChuang Share was approximately RMB10.57. After the Disposal, the equity interest in ZhongJia BoChuang held by the Company was reduced from 22.18% to 20.17%.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal exceeds 5% but all of the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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As the Disposal was made through the open market, the Company is not aware of the identities of the buyers of the ZhongJia BoChuang Shares. To the best knowledge, information and belief of the Directors, the buyers of the ZhongJia BoChuang Shares and their ultimate beneficial owners (as applicable) are third parties independent of the Company and its connected persons.

INFORMATION ON ZHONGJIA BOCHUANG

Zhongjia Bochuang is a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000889) and an associate of the Company. ZhongJia BoChuang is mainly engaged in intelligent information transmission, communication network maintenance and financial service outsourcing business.

Based on the audited accounts of ZhongJia BoChuang prepared based on PRC GAAP, the audited net profit (before taxation) and the audited net profit (after taxation) of ZhongJia BoChuang for each of the financial years ended 31 December 2018 and 2019 are as follows:

	For the financial year ended 31 December	
	2019	2018
	RMB million	RMB million
Net profit (loss) before taxation	(1,221.25)	294.90
Net profit (loss) after taxation	(1,240.17)	252.90

As at 31 December 2019, the total assets and net assets of ZhongJia BoChuang (based on PRC GAAP) were approximately RMB3,907.60 million and RMB2,322.63 million, respectively.

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REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal will enable the Company to further focus on its principal business and to optimise its financial structure. Subject to the results of the audit procedures to be carried out, the Group is expected to recognise a gain of approximately RMB17.82 million as a result of the Disposal, which is calculated on the basis of the difference between book value and the consideration (exclusive of the transaction expenses) for ZhongJia BoChuang Shares by the long-term equity investment equity method. The Group intends to use the proceeds of the Disposal to repay its loans and to supplement its general working capital.

As the Disposal was made based on the market price, the Directors (including the independent non-executive Directors) are of the view that the Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Maoye International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Disposal”	the disposal of 13,445,000 shares of ZhongJia BoChuang on the market by Zhongzhao on 8 May 2020, for an aggregate consideration of approximately RMB142.16 million (exclusive of transaction costs);
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“PRC GAAP”	generally accepted accounting principles of the PRC in effect as modified from time to time;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“ZhongJia BoChuang”	ZhongJia BoChuang Information Technology Co., Ltd. (中嘉博創信息技術股份有限公司), a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000889) and an associate of the Company;
“ZhongJia BoChuang Shares”	the ordinary shares in the share capital of ZhongJia BoChuang; and
“Zhongzhao”	Zhongzhao Investment Management Co., Ltd. (中兆投資管理有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company.

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

Hong Kong, 11 May 2020

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Huang Mao Ru, Mr. Zhong Pengyi and Ms. Lu Xiaojuan; one non-executive director, namely Mr. Wang Bin; and three independent non-executive directors, namely, Mr. Rao Yong, Mr. Pao Ping Wing and Mr. Gao Yajun.