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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)

MAJOR TRANSACTION DISPOSAL OF SHARES IN ZHONGJIA BOCHUANG

Reference is made to the announcements (the "**Announcements**") of Maoye International Holdings Limited (the "**Company**") (i) dated 11 May 2020 in relation to the disposal of 13,445,000 ZhongJia BoChuang Shares by Zhongzhao; (ii) dated 15 May 2020 in relation to the disposal of 6,543,400 ZhongJia BoChuang Shares by Zhongzhao; and (iii) dated 19 May 2020 in relation to the disposal of 12,436,095 ZhongJia BoChuang Shares by Shenzhen Maoye. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

THE FOURTH DISPOSAL

The Board announces that Zhongzhao, a wholly owned subsidiary of the Company, disposed of 18,725,800 ZhongJia BoChuang Shares on the open market from 19 August 2020 to 7 September 2020, representing approximately 2.00% of the issued share capital of ZhongJia BoChuang as at the date of this announcement, for a consideration of approximately RMB130.87 million (exclusive of transaction costs). Together with the Disposal of 13,445,000 ZhongJia BoChuang Shares by Zhongzhao on 8 May 2020, the Further Disposal of 6,543,400 ZhongJia BoChuang Shares by Zhongzhao on 12 May 2020 and the Third Disposal of 12,436,095 ZhongJia BoChuang Shares by Shenzhen Maoye on 18 May 2020, Shenzhen Maoye and Zhongzhao disposed of an aggregate of 51,150,295 ZhongJia BoChuang Shares, representing an aggregate of approximately 6.85% of the issued share capital of ZhongJia BoChuang as at the date of this announcement (after taking into account the fact that ZhongJia BoChuang used its capital reserve to increase 4 shares for every 10 shares held by its shareholders on 10 July 2020). The total consideration of the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal was approximately RMB462.52 million (excluding transaction costs). The

average selling price of each ZhongJia BoChuang Share was approximately RMB10.23 in relation to the Disposal, the Further Disposal and the Third Disposal. As ZhongJia BoChuang used its capital reserve to increase 4 shares for every 10 shares held by its shareholders on 10 July 2020, it is calculated that the average selling price of each ZhongJia BoChuang Share was approximately RMB6.99 in relation to the Fourth Disposal. After the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal, the equity interest in ZhongJia BoChuang held by the Company was reduced from 22.18% to 15.66%.

LISTING RULES IMPLICATIONS

In respect of the Fourth Disposal, as one of the applicable percentage ratios on a stand-alone basis exceeds 5% but all of the applicable percentage ratios are less than 25%, the Fourth Disposal on a stand-alone basis constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In respect of the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal, as one of the applicable percentage ratios on an aggregate basis exceeds 25% but all of the applicable percentage ratios are less than 75%, the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal, on an aggregate basis, constitute a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Fourth Disposal. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving of the Fourth Disposal, the Company has obtained written shareholder's approval from Maoye Department Store Investment Limited (a controlling shareholder as defined under the Listing Rules and the holder of 4,200,000,000 Shares as at the date of this announcement) pursuant to Rule 14.44 of the Listing Rules. After the obtaining of such written shareholder's approval, the Company is not required to convene a general meeting for the approval of the Fourth Disposal.

A circular containing, among other things, further information on the Fourth Disposal will be despatched to the Shareholders. In order to allow sufficient time to prepare the information to be included in the circular such as the statement of indebtedness, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the circular to be despatched to the

Shareholders within 15 business days after the publication of this announcement. Accordingly, the circular is expected to be despatched to the Shareholders on or before 30 October 2020.

THE FOURTH DISPOSAL

The Board announces that Zhongzhao, a wholly owned subsidiary of the Company, disposed of 18,725,800 ZhongJia BoChuang Shares on the open market from 19 August 2020 to 7 September 2020 (the "**Fourth Disposal**"), representing approximately 2.00% of the issued share capital of ZhongJia BoChuang as at the date of this announcement, for a consideration of approximately RMB130.87 million (exclusive of transaction costs). Together with the Disposal of 13,445,000 ZhongJia BoChuang Shares by Zhongzhao on 8 May 2020, the Further Disposal of 6,543,400 ZhongJia BoChuang Shares by Zhongzhao on 12 May 2020 and the Third Disposal of 12,436,095 ZhongJia BoChuang Shares by Shenzhen Maoye on 18 May 2020, Shenzhen Maoye and Zhongzhao disposed of an aggregate of 51,150,295 ZhongJia BoChuang Shares, representing an aggregate of approximately 6.85% of the issued share capital of ZhongJia BoChuang as at the date of this announcement (after taking into account the fact that ZhongJia BoChuang used its capital reserve to increase 4 shares for every 10 shares held by its shareholders on 10 July 2020). The total consideration of the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal was approximately RMB462.52 million (excluding transaction costs). The average selling price of each ZhongJia BoChuang Share was approximately RMB10.23 in relation to the Disposal, the Further Disposal and the Third Disposal. As ZhongJia BoChuang used its capital reserve to increase 4 shares for every 10 shares held by its shareholders on 10 July 2020, it is calculated that the average selling price of each ZhongJia BoChuang Share was approximately RMB6.99 in relation to the Fourth Disposal. After the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal, the equity interest in ZhongJia BoChuang held by the Company was reduced from 22.18% to 15.66%.

As the Fourth 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
	approximate	approximate
	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.

After the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal, the equity interest in ZhongJia BoChuang held by the Company was reduced from 22.18% to 15.66%.

REASONS FOR AND BENEFITS OF THE DISPOSAL, THE FURTHER DISPOSAL, THE THIRD DISPOSAL AND THE FOURTH DISPOSAL

The Board considers that the Disposal, the Further Disposal, the Third Disposal and the Fourth 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 record pre-tax investment income of approximately RMB37.41 million as a result of the Disposal, the Further Disposal, the Third Disposal and the Fourth 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. As at 31 August 2020, the book value of the ZhongJia BoChuang Shares in relation to the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal was approximately RMB424.95 million. The Group intends to use the proceeds of the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal to repay its loans and to supplement its general working capital.

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

LISTING RULES IMPLICATIONS

In respect of the Fourth Disposal, as one of the applicable percentage ratios on a stand-alone basis exceeds 5% but all of the applicable percentage ratios are less than 25%, the Fourth Disposal on a stand-alone basis constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In respect of the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal, as one of the applicable percentage ratios on an aggregate basis exceeds 25% but all of the applicable percentage ratios are less than 75%, the Disposal, the Further Disposal, the Third Disposal and the Fourth Disposal, on an aggregate basis, constitute a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Fourth Disposal. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving of the Fourth Disposal, the Company has obtained written shareholder's approval from Maoye Department Store Investment Limited (a controlling shareholder as defined under the Listing Rules and the holder of 4,200,000,000 Shares as at the date of this announcement) pursuant to Rule 14.44 of the Listing Rules. After the obtaining of such written shareholder's approval, the Company is not required to convene a general meeting for the approval of the Fourth Disposal.

A circular containing, among other things, further information on the Fourth Disposal will be despatched to the Shareholders. In order to allow sufficient time to prepare the information to be included in the circular such as the statement of indebtedness, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the circular to be despatched to the Shareholders within 15 business days after the publication of this announcement. Accordingly, the circular is expected to be despatched to the Shareholders on or before 30 October 2020.

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

Hong Kong, 8 September 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.