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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
FURTHER DISPOSAL OF SHARES IN INZONEGROUP**

FURTHER DISPOSAL OF SHARES IN INZONEGROUP

Reference is made to the announcement of the Company dated 21 June 2022 in relation to the disposal of an aggregate of 10,401,400 shares of INZONEGROUP on the open market by Zhongzhao during the period from 15 June 2022 to 21 June 2022, for an aggregate consideration of approximately RMB54.26 million (exclusive of transaction costs).

During the period from 24 June 2022 to 22 September 2022, Zhongzhao and Shenzhen Maoye Department Store further disposed of an aggregate of 44,982,775 shares of INZONEGROUP on the open market for an aggregate consideration of approximately RMB248.13 million (exclusive of transaction costs).

LISTING RULES IMPLICATIONS

In respect of the Further 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 Further 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.

As the Previous Disposal and the Further Disposal were conducted within a 12-month period, they were required to be aggregated as a series of transactions pursuant to Rule

14.22 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposals (in aggregate) exceeds 25% but is less than 75%, the Disposals constitute a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Disposals. Thus, if the Company were to convene a general meeting to approve the Disposals, no Shareholder is required to abstain from voting on the resolutions in relation to the Disposals. Pursuant to Rule 14.44 of the Listing Rules, 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, representing approximately 81.71% of the issued share capital of the Company) for the approval of the Disposals in lieu of a resolution to be passed at the general meeting of the Company. As such, no extraordinary general meeting will be convened by the Company to approve the Disposals.

A circular containing further details of the Disposals and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 14 October 2022, being within 15 business days after the publication of this announcement.

FURTHER DISPOSAL OF SHARES IN INZONEGROUP

Reference is made to the announcement of the Company dated 21 June 2022 in relation to the disposal of an aggregate of 10,401,400 shares of INZONEGROUP on the open market by Zhongzhao during the period from 15 June 2022 to 21 June 2022, for an aggregate consideration of approximately RMB54.26 million (exclusive of transaction costs).

The Board announces that during the period from 24 June 2022 to 22 September 2022, Zhongzhao and Shenzhen Maoye Department Store further disposed of an aggregate of 44,982,775 shares of INZONEGROUP on the open market for an aggregate consideration

of approximately RMB248.13 million (exclusive of transaction costs), representing approximately 8.65% of the issued share capital of INZONEGROUP as at the date of this announcement. The average selling price of each INZONEGROUP Share was approximately RMB5.52. Immediately after the Further Disposal, the Group holds 19,042,749 INZONEGROUP Shares, representing approximately 3.66% of the issued share capital of INZONEGROUP as at the date of this announcement.

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

INFORMATION ON THE PARTIES

The Company is principally engaged in the operation and management of department stores and property development in the PRC, and is a leading department store chain operator in the affluent regions throughout the PRC. The Company is focused on developing more department stores, mainly in the second and third-tier cities and in the most economically developed regions, and regions with high economic growth, in the PRC.

INZONEGROUP is a company limited by shares established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600858). INZONEGROUP is mainly engaged in retail business in the PRC.

Based on the audited accounts of INZONEGROUP prepared based on PRC GAAP, the audited net profit (before taxation) and the audited net profit (after taxation) of INZONEGROUP for each of the financial years ended 31 December 2021 and 2020 are as follows:

	For the financial year ended 31 December	
	2021	2020
	RMB million	RMB million
Net profit before taxation	121.12	-295.02
Net profit after taxation	11.47	-427.22

As at 31 December 2021, the total assets and net assets of INZONEGROUP (based on PRC GAAP) were approximately RMB11,904.06 million and RMB2,397.03 million, respectively.

After the completion of the Disposals, the equity interest in INZONEGROUP held by the Group was reduced from 14.31% to 3.66%.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposals will enable the Company to further focus on its principal business and to optimise its financial structure. As at 31 December 2021, the book value of the INZONEGROUP Shares in relation to the Disposals was approximately RMB287.44 million. The INZONEGROUP Shares are accounted for as financial assets in the Company's accounts, and are designated as equity investments measured at fair value through other comprehensive income. Therefore, the Disposals will not affect the Company's current profit and loss. The Group intends to use the proceeds of the Disposals to repay its loans and to supplement its general working capital.

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

LISTING RULES IMPLICATIONS

In respect of the Further 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 Further 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.

As the Previous Disposal and the Further Disposal were conducted within a 12-month period, they were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposals (in aggregate) exceeds 25% but is less than 75%, the Disposals constitute a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Disposals. Thus, if the Company were to convene a general meeting to approve the Disposals, no Shareholder is required to abstain from voting on the resolutions in relation to the Disposals. Pursuant to Rule 14.44 of the Listing Rules, 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, representing approximately 81.71% of the issued share capital of the Company) for the approval of the Disposals in lieu of a resolution to be passed at the general meeting of the Company. As such, no extraordinary general meeting will be convened by the Company to approve the Disposals.

A circular containing further details of the Disposals and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 14 October 2022, being within 15 business days after the publication of this announcement.

DEFINITIONS

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

“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;
“Director(s)”	the director(s) of the Company;
“Disposals”	the Previous Disposal and the Further Disposal;
“Further Disposal”	the disposal of 44,982,775 shares of INZONEGROUP on the market by Zhongzhao and Shenzhen Maoye Department Store during the period from 24 June 2022 to [22 September 2022, for an aggregate consideration of approximately RMB248.13 million (exclusive of transaction costs);
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“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;

“Previous Disposal”	the disposal of 10,401,400 shares of INZONEGROUP on the market by Zhongzhao during the period from 15 June 2022 to 21 June 2022, for an aggregate consideration of approximately RMB54.26 million (exclusive of transaction costs);
“RMB”	Renminbi, the lawful currency of the PRC;
“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company;
“Shareholders”	the shareholders of the Company;
“Shenzhen Maoye Department Store”	Shenzhen Maoye Department Store Co., Ltd.* (深圳茂業百貨有限公司), a company established in the PRC and a non-wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“INZONEGROUP”	INZONEGROUP Co., Ltd.* (銀座集團股份有限公司), a company limited by shares established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600858);
“INZONEGROUP Shares”	the ordinary shares in the share capital of INZONEGROUP; 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, 22 September 2022

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.

** For identification purpose only*