

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement*



**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**

### **LITIGATIONS INVOLVING THE SUBSIDIARIES OF THE COMPANY**

This announcement is made by Maoye International Holdings Limited (the "**Company**") 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).

#### **Equity Interest Transfer Dispute**

On 20 March 2018, the Company is informed by Shenyang Commercial City Co. Ltd. ("**Commercial City**"), an associated company of the Company, that Mr Shu Yong ("**Mr Shu**"), a shareholder of Liaoning Logistics Co., Ltd. ("**Liaoning Logistics**"), a non-wholly owned subsidiary of the Company, has commenced legal proceedings at the Intermediate People's Court of Shenyang City, Liaoning Province against Shenzhen Maoye Shangsha Co., Ltd ("**Maoye Shangsha**"), a wholly-owned subsidiary of the Company and Liaoning Logistics for infringement of his rights as a result of a transfer of 99.94% equity interest (the "**Equity Interest**") in Liaoning Logistics from Commercial City to Maoye Shangsha (the details of which are set out in the announcement of the Company dated 27 June 2014). The bases of such claim are set out below:

- (1) Commercial City failed to provide Mr Shu with specific and final terms of the equity transfer including the transfer price, thereby infringing Mr Shu's pre-emptive right in acquiring the Equity Interest.
- (2) Maoye Shangsha failed to perform its obligations under the equity transfer agreement for the Equity Interest (the "**Equity Transfer Agreement**") by failing to repay certain loans on behalf of Liaoning Logistics and its subsidiaries, thereby effectively acquired the Equity Interest from Commercial City on more favourable terms than those offered to Mr Shu and infringing his pre-emptive right in acquiring the Equity Interest.
- (3) Mr Shu suffered significant loss for failing to acquire the Equity Interest as a result of the infringement of Mr Shu's pre-emptive right as set out above. As such Commercial City and Maoye Shangsha should compensate Mr Shu for such losses.

The total amount claimed by Mr Shu in the above case is RMB70,934,500 and request that the Equity Transfer Agreement to be invalidated.

### **Shareholders Dispute**

In addition, on 20 March 2018, the Company is further informed by Commercial City that Shenyang Asian and European Industry and Trade Group Co., Ltd. ("**Asia-Europe Industry and Trade**"), a shareholder holding 45% of the equity interest of Shenyang Zhanye Property Co., Ltd. ("**Zhanye Property**") (a company of which Liaoning Logistics holds 51% equity interest), has commenced legal proceedings at the Intermediate People's Court of Shenyang City, Liaoning Province against Maoye Shangsha, Liaoning Logistics and Mr. Huang Mao Ru, the controlling shareholder, chairman and executive director of the Company, for infringement of its rights. The bases of such claim are set out below:

- (1) Maoye Shangsha breached the Equity Transfer Agreement by failing to repay certain loans on behalf of Zhanye Property, causing Zhanye Property to pay to Jiaxing Baixiu Investment Partnership (Limited Partnership) ("**Jiaxing Baixiu**") significant amount of interest at the rate of 45% per annum and damages, leading to a loss of hundreds of millions of RMB.
- (2) Maoye Shangsha abused its position as a majority shareholder of Liaoning Logistics and Commercial City to cause a delay in the repayment of Zhanye Property's loan, enabled the Beijing branch of China Huarong Asset Management Co., Ltd. ("**China Huarong**") to commence legal proceedings against Zhanye Property, and facilitated Jiaxing Baixiu to acquire and enforce such loan from Huarong. As a result, Maoye Shangsha abused its position as both a shareholder and a creditor to increase the debt of Zhanye Property and thus infringed the interests of Zhanye Property.
- (3) Maoye Shangsha abused its position as a majority shareholder of Liaoning Logistics and Commercial City, causing Zhanye Property to suffer loss and damage as a result of paying significant interest, damages and penalty interest. As such, Maoye Shangsha, Liaoning Logistics and Mr. Huang Mao Ru should compensate the losses caused to Zhanye Property.

The total amount claimed against Maoye Shangsha and Liaoning Logistics in respect of interest accrued from loans and relevant litigation costs of Zhanye Property is RMB 36,391,199.

The Intermediate People's Court of Shenyang City, Liaoning Province has yet to hear the abovementioned cases. The Company is in the course of seeking legal advice on the cases and will defend against the claims should the cases proceed. Further announcement(s) will be made by the Company as and when appropriate on further development or changes that in the view of the Company are material.

**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, 20 March 2018

*As at the date of this announcement, the board of directors of the Company comprises three executive Directors, namely, Mr. Huang Mao Ru, Mr. Zhong Pengyi and Mr. Liu Bo; 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*