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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)**

**POSSIBLE DISCLOSEABLE TRANSACTION  
DISPOSAL OF SHARES IN UGO AND ACQUISITION OF  
CONSIDERATION SHARES**

**THE AGREEMENT**

The Company is pleased to announce that on 12 July 2019, the Vendors, including but not limited to Maoye Commercial, a nonwholly-owned subsidiary of the Company, and Zhongzhao, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendors conditionally agreed to sell and the Purchaser conditionally agreed to purchase, the Sale Shares (representing its entire issued equity interests), at the Consideration, which shall be satisfied by the allotment and issue by the Purchaser of the Consideration Shares at the Issue Price to the Vendors pro rata to their respective equity interests in UGO.

As at the date of this announcement, Maoye Commercial, a nonwholly-owned subsidiary of the Company, and Zhongzhao, a wholly-owned subsidiary of the Company, are interested in an aggregate of approximately 58.84% of the equity interests in UGO. Upon Completion of the Agreement, the Company will cease to hold any equity interest in UGO other than through its indirect interests in the Purchaser.

**LISTING RULES IMPLICATIONS**

Based on the information currently available, the Company expects the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal and the Acquisition to exceed 5% but below 25%. As such, the Transactions are expected to constitute discloseable transactions under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules. Further announcement(s) in respect of the Transactions will be made by the Company after

the Valuation and the determination of the Consideration and the number of Consideration Shares to be issued. The Company shall comply with all relevant Listing Rules requirements if the Transactions constitute a major transaction or above under Chapter 14 of the Listing Rules.

*As the Agreement is subject to, amongst others, the determination of the Consideration and the entering into of the Formal Agreement, the Transactions may or may not proceed to completion, shareholders and investors of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.*

## THE AGREEMENT

The Company is pleased to announce that on 12 July 2019, the Vendors, including but not limited to Maoye Commercial, a nonwholly-owned subsidiary of the Company, and Zhongzhao, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendors conditionally agreed to sell and the Purchaser conditionally agreed to purchase, the Sale Shares (representing its entire issued equity interests), at the Consideration, which shall be satisfied by the allotment and issue by the Purchaser of the Consideration Shares at the Issue Price to the Vendors pro rata to their respective equity interests in UGO.

The principal terms of the Agreement are set out below:

**Date:** 12 July 2019

**Purchaser:** The Purchaser

**Vendors:**

Names of Vendors	Equity interest in UGO
1、Maoye Commercial	40.88%
2、Zhongzhao	17.96%
3、Mr. Xu Kai (徐凱) ("Mr. Xu")	17.95%
4、Shenzhen Dingju Investment Limited ( 深圳市頂聚投資有限公司 ) ("Dingju")	17.67%
5、Shenzhen RuiheShengshi Investment Management Enterprises (Limited Partnership)(深圳市瑞合盛世投資管理企業(有限合夥)) ("Ruihe")	4.89%
6、Ping An Securities Co., Ltd. (平安證券股份有限公司) ("Ping An")	0.66%

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Purchaser, Mr. Xu, Dingju, Ruihe and Ping An and its ultimate beneficial owner(s) (as applicable) are Independent Third Parties.

### **Assets to be disposed of**

Subject to and in accordance with the terms and conditions of the Agreement, Maoye Commercial and Zhongzhao agreed to conditionally sell, and the Purchaser conditionally agreed to purchase, an aggregate of 17,063,205 shares of UGO, representing approximately 58.84% of the entire equity interests in UGO.

### **Assets to be acquired**

Subject to and in accordance with the terms and conditions of the Agreement, the Purchaser has conditionally agreed to allot and issue such number of Consideration Shares at the Issue Price representing an aggregate value of the Consideration to the Vendors, pro rata to their respective equity interests in UGO.

### **Consideration**

The Consideration shall be further agreed between the Vendors and the Purchaser based on the valuation of UGO, as assessed by a qualified accountant and valuer (the "**Valuation**"). The final Consideration is expected to be set out in the Final Agreement.

As at the date of this announcement, the Valuation has not completed. Based on information currently available, including but not limited to the financial information of UGO, the Company expects the Disposal to be a discloseable transaction (as defined under the Listing Rules). The Company shall comply with all relevant Listing Rules requirements if the Transactions constitute a major transaction or above under Chapter 14 of the Listing Rules.

The Consideration shall be satisfied by the allotment and issue by the Purchaser the Consideration Shares, at the Issue Price, to the Vendors pro rata to their respective equity interests in UGO.

As the Consideration is subject to the Valuation, the financial effects of the Disposal cannot be determined as at the date of this announcement. The Company will announce the details of the gain or loss expected to accrue to the Company arising from the Disposal upon completion of the Valuation and finalisation of the Consideration.

### **Issue Price**

The Issue Price shall be RMB6.66 per Consideration Share, which is equivalent to 90% of the average trading price of the A shares of the Purchaser for the consecutive 120 trading days prior to

12 July 2019. In the event that during the period between 12 July 2019 and the issuance date of the Consideration Shares, the Purchaser distributes dividends, issues bonus or new shares or rights issue, capitalises capital reserves or conducts other ex-rights and ex-dividends matters, the Issue Price shall be adjusted on the same basis or in accordance with the relevant rules or regulations of the CSRC or the Shanghai Stock Exchange.

The Issue Price was arrived at arm's length negotiations between the Purchaser and the Vendors with reference to the current market price and the current market conditions. The Directors consider that the Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

The Agreement shall be effective when all of the following conditions precedent are fulfilled:

1. the issuance of Consideration Shares for the acquisition of UGO is approved by the board of directors and shareholders of the Purchaser;
2. the acquisition of the Consideration Shares for the disposal of UGO is approved by the board of directors and shareholders (if needed) of the Vendors; and
3. the issuance of Consideration Shares by the Purchaser is approved by the CSRC.

### **Lock-up Period**

Maoye Commercial and Zhongzhao have agreed that no Consideration Shares issued by the Purchaser to each of them will be transferred to any third party within 36 months from the date of the listing of such Consideration Shares (the "**Lock-up Period**"). In the event that the closing price of the A shares of the Purchaser is lower than the Issue Price (a) for the consecutive 20 trading days within 6 months after the date of issue of the Consideration Shares or (b) at the end of the 6-month period after the date of issue of the Consideration Shares, the Lock-up Period for the Consideration Shares will be automatically extended for an additional period of at least 6 months.

After the issuance of the Consideration Shares, if the shareholdings of the Vendors in the Purchaser increase due to the issuance of bonus or new shares or capitalise capital reserves, the additional A share(s) in the Purchaser held by the relevant Vendors will also be submit to the relevant lock up periods.

### **Performance and profit guarantee**

The Purchaser and Maoye Commercial, Zhongzhao, Mr. Xu Kai, Dingju and Ruihe are expected to separately enter into performance and profit guarantee undertaking(s) with the Purchaser. Further details will be announced once the relevant performance and profit guarantee undertakings are executed.

### **INFORMATION ON PARTIES**

## UGO

UGO is a company established under the laws of the PRC, which is a design and sales company for fashionable women apparels supported by analytical ability of big data application. Guided by market demand and driven by the business model of data analysis, UGO follows the trend of women apparels, designs and purchases fashionable women styles and sells via online e-commerce channel. As at the date of this announcement, Maoye Commercial, a non-wholly owned subsidiary of the Company, and Zhongzhao, a wholly-owned subsidiary of the Company, are interested in an aggregate of approximately 58.84% of the equity interests in UGO. Upon completion of the Agreement, the Company will cease to hold any equity interest in UGO other than through its indirect interests in the Purchaser.

Set out below is a summary of certain financial information of UGO for the two financial years ended 31 December 2017 and 2018:

	<b>For the year ended 31 December 2017</b>	<b>For the year ended 31 December 2018</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	28,855,363	53,255,471
Net profit after tax	25,670,708	41,681,866

The unaudited net asset value of UGO as at 31 December 2018 was approximately RMB258,984,572.

### **The Vendors**

Each of the Vendors is an existing shareholder of UGO. Zhongzhao is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. The principal business of Zhongzhao is investment holding. Maoye Commercial is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600828). As at the date of this announcement, Maoye Commercial is a subsidiary of the Company where approximately 80.90% of the issued share capital of Maoye Commercial is held by the Company. Maoye Commercial is principally engaged in the operation of department stores. Mr. Xu is a substantial shareholder of UGO. Dingju is principally engaged in investment consultancy services and management. Ruihe is principally engaged in investment in industrial development and consultancy services for investment, business information and business management. Ping An is principally engaged in securities brokerage, securities investment consultancy services, and financial advisory services related to securities trading and securities investment activities.

### **The Purchaser**

The Purchaser is a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 600306). It is principally engaged in retail industry and the operation of department stores in Shenyang city, Liaoning province, PRC. As at the date of this announcement, the Purchaser is held as to approximately 24.22% by Zhongzhao, a wholly-owned subsidiary of the Company.

Set out below is a summary of certain financial information of the Purchaser for the two financial years ended 31 December 2017 and 2018:

	<b>For the year ended 31 December 2017</b>	<b>For the year ended 31 December 2018</b>
	<b>(audited)</b>	<b>(audited)</b>
	<i>RMB</i>	<i>RMB</i>
Net profit/(loss) before tax	87,975,122	(121,604,866)
Net profit/(loss) after tax	82,431,392	(127,634,010)

The audited net asset value of the Purchaser as at 31 December 2018 was approximately RMB22,392,284.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE ACQUISITION**

Through the Transaction, the Company will be able to further consolidate its shareholding position and control in the Purchaser, and gain further access to A shares of the Purchaser, which are traded on the Shanghai Stock Exchange. In addition, the Directors believe that the Purchaser can obtain relatively high-quality long-term profitable assets, which will help improve its profitability.

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Based on the information currently available, the Company expects the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal and the Acquisition to exceed 5% but below 25%. As such, the Transactions are expected to constitute discloseable transactions under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules. Further announcement(s) in respect of the Transactions will be made by the Company after the Valuation and the determination of the Consideration and the number of Consideration Shares to be issued. The Company shall comply with all relevant Listing Rules requirements if the Transactions constitute a major transaction or above under Chapter 14 of the Listing Rules.

**As the Agreement is subject to, amongst others, the determination of the Consideration and the entering into of the Formal Agreement, the Transactions may or may not proceed to**

**completion, shareholders and investors of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the Consideration Shares pursuant to the Agreement
“Agreement”	the agreement dated 12 July 2019 entered into among the Vendors and the Purchaser in relation to the Transactions
“Board”	the board of Directors
“Company”	Maoye International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
“connected persons”	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration for the Sale Shares determined based on the Valuation
"Consideration Shares"	the A share(s) to be issued to the Vendors by the Purchaser at the Issue Price
“Directors”	the directors of the Company
"Disposal"	the disposal of the Sale Shares by the Vendors to the Purchaser pursuant to the Agreement
"Formal Agreement"	the formal agreement to be entered into among the Vendors and the Purchaser in relation to, among others, the determination of the Consideration
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	A person who is not a connected person to the Company pursuant to Chapter 14A of the Listing Rules
"Issue price"	The issue price of RMB6.66 per Consideration Share subject to certain adjustments (if any)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

"MaoyeCommercial"	Maoye Commercial Co., Ltd. (茂業商業股份有限公司), a joint stock company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600828) and a subsidiary of the Company
"PRC"	the People's Republic of China and for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
"Purchaser"	Shenyang Commercial City Co., Ltd.(瀋陽商業城股份有限公司), a joint stock company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600306), which is indirectly held as to 24.22% by the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	29,002,695 issued shares of UGO, representing the entire equity interest in UGO
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transactions"	The Disposal and the Acquisition
"UGO"	Shenzhen Ugo E-commerce Co., Ltd. (深圳優依購電子商務股份有限公司), a company established in the PRC
"Valuation"	as set out in the paragraph headed "The Agreement – Consideration" in this announcement
"Vendors"	as set out in the paragraph headed "The Agreement – Vendors" in this announcement
"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
"% "	percent

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

Hong Kong, 15 July 2019

*As at the date of this announcement, the Board 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.*