

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).

Reference is made to the announcements of the Company (the "**Announcements**") (i) dated 20 March 2018 in relation to the legal proceedings commenced by Asia-Europe Industry and Trade against Maoye Shangsha, Liaoning Logistics and Mr. Huang Mao Ru, the controlling shareholder, chairman of the Board and executive director of the Company, in relation to a shareholders dispute concerning Zhanye Property (the "**First Litigation**"); and (ii) dated 8 November 2018 in relation to the court ruling which dismissed the claim by Asia-European Industry and Trade in respect of the legal proceedings against Maoye Shangsha, Liaoning Logistics and Mr. Huang Mao Ru. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

Shareholders Dispute

The Company was informed that on 8 July 2019, the Court issued a subpoena (傳票), a notice of evidence (舉證通知書) and a notice of response (應訴通知書) regarding legal proceedings commenced by Asia-Europe Industry and Trade, a shareholder holding 45% of the equity interest of Zhanye Property (a company of which Liaoning Logistics holds 51% equity interest), at the Court against Maoye Shangsha, Liaoning Logistics and Commercial City for infringement of its rights (the "**Second Litigation**"). 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 Jiaying Baixiu significant amount of interest at the rate 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 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 Commercial City 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.

Regarding the First Litigation, the Court delivered its written judgment dismissing the claim by Asia-Europe Industry and Trade in respect of the legal proceedings against Maoye Shangsha, Liaoning Logistics and Mr. Huang Mao Ru on 29 October 2018. The Court has yet to hear the Second Litigation. The Company is in the course of seeking legal advice on the Second Litigation and will defend against the claims should the Second Litigation 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, 29 July 2019

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.