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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF SHARES IN CQP

THE DISPOSAL

The Board is pleased to announce that Maoye Commercial, a non-wholly-owned subsidiary indirectly held by the Company with an 82.80% equity interest, disposed of 17,429,638 shares of CQP on the open market from 23 August 2021 to 31 August 2021, representing approximately 1.00% of the issued share capital of CQP (equivalent to the Company indirectly disposing of an 0.83% equity interest in CQP) as at the date of this announcement, for an aggregate consideration of approximately RMB85.44 million (exclusive of transaction costs), and the average selling price of each CQP Share in relation to the Disposal was approximately RMB4.90. After the Disposal, the equity interest in CQP indirectly held by the Company was reduced from approximately 3.48% to approximately 2.65%.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal exceeds 5% but all of the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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subsidiary indirectly held by the Company with an 82.80% equity interest, disposed of 17,429,638 shares of CQP on the open market from 23 August 2021 to 31 August 2021, representing approximately 1.00% of the issued share capital of CQP (equivalent to the Company indirectly disposing of an 0.83% equity interest in CQP) as at the date of this announcement, for an aggregate consideration of approximately RMB85.44 million (exclusive of transaction costs), and the average selling price of each CQP Share in relation to the Disposal was approximately RMB4.90. After the Disposal, the equity interest in CQP indirectly held by the Company was reduced from approximately 3.48% to approximately 2.65%.

As the Disposal was made through the open market, the Company is not aware of the identities of the buyers of the CQP Shares. To the best knowledge, information and belief of the Directors, the buyers of the CQP 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.

CQP is a joint stock limited company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000950). CQP is mainly engaged in the pharmaceutical distribution business.

Based on the audited accounts of CQP prepared based on PRC GAAP, the audited net profit (before taxation) and the audited net profit (after taxation) of CQP for each of the financial years ended 31 December 2019 and 2020 are as follows:

	For the financial year ended 31	
	December	
	2020	2019
	RMB million	RMB million
Net profit before taxation	1,374.46	1,117.70
Net profit after taxation	1,147.39	944.35

As at 31 December 2020, the total assets and net assets of CQP (based on PRC GAAP)

were approximately RMB42,432.47 million and RMB10,480.58 million, respectively.

After the Disposal, the equity interest in CQP indirectly held by the Company was reduced from approximately 3.48% to approximately 2.65%.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal will enable the Company to further focus on its principal business. As at 30 June 2021, the book value of the CQP Shares in relation to the Disposal was approximately RMB87.67 million. The CQP Shares account for financial assets in the Company's accounts, and are thus designated as equity investments measured at fair value and whose changes are included in other comprehensive income. Therefore, the Disposal will not affect the Company's profit and loss. The Group intends to use the proceeds of the Disposal to repay its loans and to supplement its general working capital.

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

Pursuant to Article 13 of the Implementation Rules for the Decrease in Shareholding of Shareholders, Directors, Supervisors and Senior Managers of Listed Companies, Maoye Commercial and its people acting in concert, as shareholders holding 5% or more of the CQP Shares and disposing the CQP Shares on the Shenzhen Stock Exchange through centralized auction transactions, should announce its plan to dispose of its shares 15 trading days before the disposal, if applicable. Any decisions in relation to the Group's interests in the CQP Shares will be made in compliance with the applicable regulations in the PRC and the Listing Rules.

LISTING RULES IMPLICATIONS

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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;
“CQP”	C.Q. Pharmaceutical Holding Co., Ltd., which is a joint stock limited company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000950);
“CQP Shares”	the ordinary shares in the share capital of CQP;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Disposal”	the disposal of 17,429,638 shares of CQP on the open market by Maoye Commercial from 23 August 2021 to 31 August 2021, for an aggregate consideration of approximately RMB85.44 million (exclusive of transaction costs);
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
"Maoye Commercial"	Maoye Commercial Co., Ltd. (茂業商業股份有限公司), a joint stock limited company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600828) and a non-wholly owned subsidiary of the Company;
“PRC”	the People’s Republic of China;

“PRC GAAP”	generally accepted accounting principles of the PRC in effect as modified from time to time;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 1 September 2021

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.