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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 INZONEGROUP

THE DISPOSAL

The Board is pleased to announce that Zhongzhao, a wholly-owned subsidiary of the Company, disposed of 10,401,400 shares of INZONEGROUP on the open market during the period from 15 June 2022 to 21 June 2022, representing approximately 2.00% of the issued share capital of INZONEGROUP as at the date of this announcement, for an aggregate consideration of approximately RMB54.26 million (exclusive of transaction costs), and the average selling price of each INZONEGROUP Share was approximately RMB5.22. After the completion of the Disposal, the equity interest in INZONEGROUP indirectly held by the Company was reduced from 10.00% to 8.00%.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal exceeds 5% but is less than 25%, and all the other applicable percentage ratios are less than 5%. As such, 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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As the 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 Disposal, the equity interest in INZONEGROUP indirectly held by the Company was reduced from 10.00% to 8.00%.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal 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 Disposal was approximately RMB53.98 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 Disposal will not affect the Company's current 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.

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;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“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);
“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;
“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;
“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, 21 June 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*