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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)

CONTINUING CONNECTED TRANSACTION RELATING TO INTERNET PROMOTION SERVICE AGREEMENT

THE INTERNET PROMOTION SERVICE AGREEMENT

The Board is pleased to announce that on 16 August 2024, Maoye Digital Intelligence, an indirect non-wholly owned subsidiary of the Company, entered into an Internet Promotion Service Agreement with Shenzhen Shijin, pursuant to which Maoye Digital Intelligence agreed to pay, and Shenzhen Shijin agreed to provide, among others, promotion services relating to the information designated by Maoye Digital Intelligence on multi-channel online platforms including Tencent and ByteDance.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shenzhen Shijin is 100% wholly-owned by Mr. HUANG, Tony, the son of Mr. Huang, a controlling shareholder and an executive Director of the Company. As Mr. HUANG, Tony is an existing non-executive director of the Company and an associate of Mr. Huang, therefore Shenzhen Shijin and Mr. HUANG, Tong are both connected persons of the Company under the Listing Rules. Accordingly, the Internet Promotion Service Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company in accordance with Rule 14A.31 of the Listing Rules.

As the relevant percentage ratios (other than the profits ratio) under Rule 14.07 of the

Listing Rules in respect of the proposed annual caps of the transactions under the Internet Promotion Service Agreement exceed 0.1% but are less than 5%, the Internet Promotion Service Agreement and the transactions contemplated thereunder are exempt from the circular (including independent financial advice) and Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 16 August 2024, Maoye Digital Intelligence, a indirect non-wholly owned subsidiary of the Company, entered into an Internet Promotion Service Agreement with Shenzhen Shijin, pursuant to which Maoye Digital Intelligence agreed to pay, and Shenzhen Shijin agreed to provide, promotion services relating to the information designated by Maoye Digital Intelligence on multi-channel online platforms including Tencent and ByteDance.

THE INTERNET PROMOTION SERVICE AGREEMENT

The terms of the Internet Promotion Service Agreement are set out below:

Date: 16 August 2024

Parties: (i) Maoye Digital Intelligence Information Technology (Shenzhen) Co., Limited, an indirect non-wholly owned subsidiary of the Company
(ii) Shenzhen Shijin Business Consulting Co., Ltd., a connected person of the Company

Duration: Three years commencing from 18 August 2024 to 17 August 2027

Principal terms: Maoye Data Intelligence guarantees that it has obtained, and will continue to maintain, the relevant qualifications required to perform the Internet Promotion Service Agreement and the business that it engages in. If Maoye Data Intelligence is not the advertiser, it shall ensure that the relevant advertiser has obtained and continues to maintain the relevant qualifications required for the business that it engages in.

Shenzhen Shijin guarantees that it has obtained and will continue to maintain the business qualifications required to carry out the Internet Promotion Service Agreement.

Pricing policy: The service fees charged by Shenzhen Shijin for the advertising and value-added services to be provided to Maoye Digital Intelligence are no less favourable than (i) the market service fee prices published by official platforms including Tencent and ByteDance, and (ii) fee quotes obtained from two independent third parties in the market for the provision of similar services. It also depends on the mode of advertisement and location of which the advertisement is to be published, e.g. the core city, the major city or the ordinary city.

Payment term: The service fees include advertising service fees and value-added service fees. The payment terms of which are set out below:

(i) the advertising service fees are charged on a per-time basis in the form of prepayment, and the corresponding prepayment is paid in full to Shenzhen Shijin before the relevant advertisement publishes online; and

(ii) the value-added service fees are settled on a monthly basis. Both parties shall confirm the value-added service fees accrued in the preceding calendar month by the 5th day of each month, and Maoye Digital Intelligence shall pay the outstanding value-added service fees to Shenzhen Shijin before the 20th day of each month.

PROPOSED ANNUAL CAPS

According to the Internet Promotion Service Agreement, the total service fees payable by Maoye Digital Intelligence for the advertising services and value-added services to Shenzhen Shijin and the proposed annual caps are as follows:

| | From 18 August 2024 to 31 December 2024 | For the year ending 31 December 2025 | For the year ending 31 December 2026 | From 1 January 2027 to 17 August 2027 |
|-------------------------|--|---|---|--|
| | (RMB million) | (RMB million) | (RMB million) | (RMB million) |
| Proposed annual caps | 8.0 | 30.0 | 30.0 | 30.0 |

BASIS FOR DETERMINATION OF THE PROPOSED ANNUAL CAPS

Maoye Digital Intelligence has not entered into any internet promotion service agreement of similar nature with Shenzhen Shijin in the past. In relation to the proposed annual caps of the Internet Promotion Service Agreement, the Board has considered the following factors:

(i) the marketing strategies of the Group include both online and offline promotions. The proposed annual caps of the Internet Promotion Service Agreement are determined with reference to the historical amount of advertising and promotion expenses incurred or to be incurred by the Group in the preceding financial year, in order to provide an estimate of the internet promotion service fees to be paid to Shenzhen Shijin every year; and

(ii) the estimated future demand for internet promotion service based on the Group's business growth and market promotion needs, and the expected increase in internet promotion service fees for the corresponding financial year.

REASONS FOR AND BENEFITS OF THE INTERNET PROMOTION SERVICE AGREEMENT

The Company believes that entering into the Internet Promotion Service Agreement will strengthen the cooperation between the Group and Shenzhen Shijin by encouraging both parties to make full use of each other's competitive advantages and further enhance the promotion service business of the Group.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Internet Promotion Service Agreement and the transactions contemplated thereunder and the proposed annual caps are fair and reasonable, on normal commercial terms or better and have been entered into in the ordinary and usual course of business of the Company and in the interests of the Company and its Shareholders as a whole. None of the Directors (other than Mr. Huang、HUANG, Tony) has any material interest in the transaction and none of them (other than Mr. Huang、HUANG, Tony) has abstained from voting on the board resolution approving the transaction.

INFORMATION ON THE PARTIES

Maoye Digital Intelligence

Maoye Digital Intelligence Information Technology (Shenzhen) Co., Limited is a limited company established in PRC and an indirect non-wholly owned subsidiary of the Company. Its main business includes providing technical research and development services, information technology services, and online media advertising services for stores across the country.

Shenzhen Shijin

Shenzhen Shijin Business Consulting Co., Ltd is a limited company established in PRC and is 100% wholly-owned by Mr. HUANG, Tony, an existing non-executive director of the Company and the son of Mr. Huang, a controlling shareholder and an executive Director of the Company. Therefore, Shenzhen Shijin is a connected person of the Company. It mainly engages in advertising, designing advertisement, production, business information consulting,

marketing and planning, technical services and other businesses.

The Company

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 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.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following terms 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 and 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;

| | |
|--|---|
| "Group" | the Company and its subsidiaries; |
| "Internet Promotion Service Agreement" | The internet promotion service agreement entered into between Maoye Digital Intelligence and Shenzhen Shijin on 16 August 2024; |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange; |
| "Maoye Digital Intelligence" | Maoye Digital Intelligence Information Technology (Shenzhen) Co., Limited (茂業數智聯合信息技術(深圳)有限公司), which is a limited company established in PRC and an indirect non-wholly owned subsidiary of the Company; |
| "Mr. Huang" | Mr. Huang Mao Ru, the chairman, an executive Director and chief executive officer of the Company and controlling shareholder of the Company; |
| "PRC" | the People's Republic of China; |
| "RMB" | Renminbi, the lawful currency of the PRC; |
| "Shareholder(s)" | the shareholders of the Company; |
| "Shenzhen Shijin" | Shenzhen Shijin Business Consulting Co., Ltd. (深圳世金商貿諮詢有限公司), which is a limited company established in PRC and a connected person of the Company; |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited; |
| "%" | per cent |

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

Hong Kong, 16 August 2024

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Huang Mao Ru, Ms. Lu Xiaojuan and Mr. Tang Haifeng; one non-executive director, namely Mr. Tony Huang; and three independent non-executive directors, namely, Mr. Rao Yong, Mr. Pao Ping Wing and Mr. Gao Yajun.