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## **Miji International Holdings Limited**

### **米技國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1715)**

### **INSIDE INFORMATION DISCLOSEABLE TRANSACTION – FORMATION OF A JOINT VENTURE**

#### **FORMATION OF SHANGHAI JV**

The Board wishes to announce that on 17 January 2020 after trading hours, Miji Shanghai (an indirect wholly-owned subsidiary of the Company) entered into the Cooperation Agreement with the JV Partner, pursuant to which the parties agreed to (i) form Shanghai JV for the purpose of investing in the Shanghai Project; and (ii) regulate their respective rights and obligations in Shanghai JV.

Upon establishment, Shanghai JV will be (i) owned as to 60% by Miji Shanghai and 40% by the JV Partner respectively; and (ii) accounted for as a non-wholly owned subsidiary of the Company. Shanghai JV will be intended for investment in the Shanghai Project which involves the acquisition of the Target Land for the construction of production plant, office, research and development center, staff quarter and other ancillary facilities. The Shanghai Project is expected to enhance the Company's production capacity and research and development ability in respect of the production of intelligent kitchen appliances for both retail and commercial customers, enrich product portfolio and provide sufficient space for the Group to integrate its production facilities, offices, research and development center and other ancillary facilities into one single location, which in turn enables the Group to broaden its revenue streams, increase its market share and manage its business operations more efficiently.

## **LISTING RULES IMPLICATIONS**

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction are above 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

This announcement is made by the Company pursuant to Rules 13.09(2) and 14.34 of the Listing Rules and the provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) regarding inside information (as defined under the Listing Rules).

The Board wishes to announce that on 17 January 2020 after trading hours, Miji Shanghai (an indirect wholly-owned subsidiary of the Company) entered into the Cooperation Agreement with the JV Partner, pursuant to which the parties agreed to (i) form Shanghai JV for the purpose of investing in the Shanghai Project; and (ii) regulate their respective rights and obligations in Shanghai JV.

## **THE COOPERATION AGREEMENT**

### **Date:**

17 January 2020

### **Parties:**

- Miji Shanghai : Miji Electronics and Appliances (Shanghai) Ltd. (米技電子電器(上海)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
- JV Partner : 上海米之海企業發展有限公司 (Shanghai Mizhihai Enterprise Development Co., Ltd.\*), a company established in the PRC with limited liability

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the JV Partner and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

## **Formation of Shanghai JV:**

Pursuant to the Cooperation Agreement, Miji Shanghai and JV Partner shall establish Shanghai JV for the purpose of investing in the Shanghai Project.

Upon establishment, Shanghai JV will be (i) owned as to 60% by Miji Shanghai and 40% by the JV Partner respectively; and (ii) accounted for as a non-wholly owned subsidiary of the Company. Shanghai JV will be intended for investment in the Shanghai Project which involves the acquisition of the Target Land for the construction of production plant, office, research and development center, staff quarter and other ancillary facilities.

## **Principal terms of the Cooperation Agreement:**

Capital commitment : Shanghai JV shall have a registered capital of RMB50 million, which shall be contributed by Miji Shanghai and JV Partner in proportion to their respective equity interests in Shanghai JV as follows:

Miji Shanghai – RMB30 million  
JV Partner – RMB20 million

The registered capital of Shanghai JV will be used for the acquisition of the Target Land and the payment of construction costs. The aforesaid contribution to the registered capital of Shanghai JV is determined after arm's length negotiations between Miji Shanghai and JV Partner with reference to the estimated capital requirements of Shanghai JV required for land acquisition and construction and the respective equity interests of Miji Shanghai and JV Partner in Shanghai JV.

The contribution to the registered capital of Shanghai JV by Miji Shanghai will be funded by the Group's internal resources.

Board composition : The board of directors of Shanghai JV shall comprise five directors. Miji Shanghai and JV Partner shall nominate three and two directors, respectively.

Profit/loss sharing : The profit/loss in respect of Shanghai JV shall be shared by Miji Shanghai and JV Partner in proportion to their respective equity interests in Shanghai JV.

First refusal right : In the event, a party proposes to transfer its equity interest in the Shanghai JV, the other party shall have the right of first refusal to such interest.

Termination : Under the relevant PRC laws and regulations, acquisition of the Target Land will be subject to the process of public tender, auction and listing for sale. In the event that the Shanghai JV is unable to acquire the Target Land, the capital contributed to the Shanghai JV will be apportioned between Miji Shanghai and JV Partner in proportion to their respective equity interests in Shanghai JV.

## **INFORMATION ON SHANGHAI JV AND SHANGHAI PROJECT**

Shanghai JV is a joint venture company to be formed by Miji Shanghai and JV Partner. Upon establishment, Shanghai JV will be (i) owned as to 60% by Miji Shanghai and 40% by the JV Partner respectively; and (ii) accounted for as a non-wholly owned subsidiary of the Company. Shanghai JV will be intended for investment in the Shanghai Project, which involves the acquisition of the Target Land for the construction of production plant, office, research and development center, staff quarter and other ancillary facilities.

The Target Land is located at Shanghai Xinzhuang Industrial Zone (“**SXIZ**”), Minhang District, Shanghai, China. SXIZ is a municipal-level industrial zone strategically located at the southwest of downtown Shanghai. The strategic location of SXIZ is ideal for business as it is surrounded by scientific research institutes and connected by well-developed transportation system. It is easily accessible to Shanghai Pudong International Airport, Shanghai Hongqiao Airport, Longwu Port Container Wharf and Xinlonghua Cargo Marshal Station. The Company is of the view that the public and municipal auxiliary facilities surrounding the Target Land are mature and well-established with vast potential for development. Upon project completion, the Shanghai Project is expected to occupy a total site area of approximately 13,000 square meters and comprise production plant, office, research and development center, staff quarter and other ancillary facilities.

As at the date of this announcement, upon entering into the Cooperation Agreement, Miji Shanghai and JV Partner will commence setting up the Shanghai JV. The acquisition of the Target Land will be subject to the process of public tender, auction and listing for sale.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Group has vast experience in the manufacturing and trading of premium kitchen appliances. Close observation of consumer behavior is critical to the Group’s business development. Over the past few years, the Directors note that consumers are willing to spend on technology products that can improve their quality of life (including intelligent kitchen appliances). These products allow consumers to spend their precious time with their families and other important matters.

In recent years, many enterprises are rapidly developing IoT products and some of them receive favorable responses from consumers. The Directors believe that the manufacturers of kitchen appliances will gradually follow this trend and carry out research and development to develop intelligent kitchen appliances, which are expected to broaden revenue streams and increase the market share.

To maintain the market competitiveness and seize the potential business growth opportunities, the Directors believe that it is now an appropriate time to devote more resources into research and development. The Shanghai Project is expected to enhance the Company's production capacity and research and development ability in respect of the production of intelligent kitchen appliances for both retail and commercial customers, enrich product portfolio and provide sufficient space for the Group to integrate its production facilities, offices, research and development center and other ancillary facilities into one single location, which in turn enables the Group to broaden its revenue streams, increase its market share and manage its business operations more efficiently.

In view of the above reasons and benefits, the Directors are of the view that (i) the terms of the Cooperation Agreement and the Transaction contemplated thereunder are fair and reasonable; and (ii) the entering into of the Cooperation Agreement and the Transaction contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the Transaction.

## **GENERAL INFORMATION ON THE GROUP AND JV PARTNER**

### **The Group**

The Group principally develops, manufactures and sells premium kitchen appliances to middle-class and upper-middle class customers in the PRC.

### **JV Partner**

JV Partner is a company established in the PRC with limited liability. It is principally engaged in information technology, intelligent technology development, enterprise management and business consulting and property services.

## **LISTING RULES IMPLICATIONS**

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction are above 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

**As at the date of this announcement, upon entering into the Cooperation Agreement, Miji Shanghai and JV Partner will commence setting up the Shanghai JV. The acquisition of the Target Land will be subject to the process of public tender, auction and listing for sale, hence the Shanghai Project may or may not proceed. Shareholders and potential investors of the Company are thus advised to exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Board”	board of Directors
“Company”	Miji International Holdings Limited (Stock Code: 01715), a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 17 January 2020 entered into between Miji Shanghai and the JV Partner in relation to the formation of Shanghai JV for the purpose of investing in the Shanghai Project
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“IoT”	Internet of Things, a system of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction
“JV Partner”	上海米之海企業發展有限公司 (Shanghai Mizhihai Enterprise Development Co., Ltd.*), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Miji Shanghai”	Miji Electronics and Appliances (Shanghai) Ltd. (米技電子電器(上海)有限公司), a company established in the PRC with limited liability which is indirectly wholly-owned by the Company
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, but for the purpose of this announcement, do not include, Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai JV”	a joint venture company to be established as a limited liability company for the purpose of investing in the Shanghai Project
“Shanghai Project”	a business expansion project which involves the acquisition of the Target Land and the construction of production plant, office, research and development center, staff quarter and other ancillary facilities
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Land”	a parcel of land located at Shanghai Xinzhuang Industrial Zone, Minhang District, Shanghai, China, as further described in the paragraph headed “Information on Shanghai JV and Shanghai Project” in this announcement
“Transaction”	formation of the Shanghai JV pursuant to the Cooperation Agreement
“%”	per cent

By order of the Board  
**Miji International Holdings Limited**  
**Madam Maeck Can Yue**  
*Chairperson and Executive Director*

Hong Kong, 17 January 2020

*As at the date of this announcement, the executive Directors of the Company are Madam Maeck Can Yue, Mr. Walter Ludwig Michel and Mr. Chen Liang, and the independent non-executive Directors of the Company are Mr. Wang Shih-fang, Mr. Yan Chi Ming and Mr. Hooi Hing Lee.*

*\* For identification purposes only*