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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

TERMINATION OF DISCLOSEABLE TRANSACTION IN RELATION TO FORMATION OF A JOINT VENTURE

Reference is made to the Company's announcements dated 17 January 2020 and 21 January 2020 (the "**Announcements**"), in relation to, among others, the entering into the Cooperation Agreement between Miji Electronics and Appliances (Shanghai) Ltd. (米技電子電器(上海)有限公司) ("**Miji Shanghai**"), an indirectly wholly-owned subsidiary of the Company, and 上海米之海企業發展有限公司 (Shanghai Mizhihai Enterprise Development Co., Ltd.*) (the "**JV Partner**"). Pursuant to the Cooperation Agreement, Miji Shanghai and the JV Partner 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.

Unless the context otherwise requires, capitalised terms used herein should have the same meaning as those defined in the Announcements. This announcement is made by the Company pursuant to Rule 14.36 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).

TERMINATION AGREEMENT AND SHARE TRANSFER AGREEMENT

The Board wishes to announce that on 4 September 2020 after trading hours, Miji Shanghai and the JV Partner entered into a termination agreement (the "**Termination Agreement**") and a share transfer agreement (the "**Share Transfer Agreement**"). Pursuant to the Termination Agreement, the Cooperation Agreement will be terminated upon the completion of the following events: (i) Miji Shanghai and the JV Partner incurred preliminary project expenses in an aggregate amount of RMB136,174.50 and each of them should bear such expenses in proportion to their respective equity interests in Shanghai JV. If the portion of such expenses that should be borne by one party exceeds its actual paid amount, this party will reimburse

the other party for the difference; (ii) Miji Shanghai and the JV Partner, in proportion to their respective equity interests in Shanghai JV, will settle outstanding project design and planning services fees in an aggregate amount of RMB250,000; and (iii) the JV Partner will transfer its 40% equity interest in Shanghai JV to Miji Shanghai in accordance with the terms of the Share Transfer Agreement. Further, both Miji Shanghai and the JV Partner agreed under the Termination Agreement that the parties should be discharged from any obligations or claims or any related disputes in respect of the Cooperation Agreement.

Pursuant to the Share Transfer Agreement, the JV Partner will transfer its 40% equity interest in Shanghai JV to Miji Shanghai at a consideration of RMB 1, which was arrived at after arm's length negotiations taking into account that the JV Partner did not make any capital contribution in respect of such 40% equity interest in Shanghai JV.

As at the date of this announcement, Shanghai JV is (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. Following completion of the Termination Agreement and the Share Transfer Agreement, Shanghai JV will become a wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE TERMINATION

In carrying out the Shanghai Project, Miji Shanghai and the JV Partner were unable to reach a consensus on the project design and the implementation of the Shanghai Project. The Board expects that the Shanghai Project will 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 has potential to enable the Group to broaden its revenue streams, increase its market share and manage its business operations more efficiently. Accordingly, the delay in the implementation of the Shanghai Project would hinder the Group's overall expansion plan and would not be in the interest of the Company and the Shareholders as a whole.

Notwithstanding the termination of cooperation with the JV Partner, the Company is confident that it can carry out the Shanghai Project on its own or with other business partners. The Board believes that the Termination Agreement would not have any material adverse impact on the financial position and business operation of the Group.

In view of the above reasons and benefits, the Board is of the view that the terms of the Termination Agreement and the Share Transfer Agreement have been arrived at after arm's length negotiations, entered into in the ordinary and usual course of business of the Company and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 4 September 2020

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

** For identification purposes only*