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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 49% EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The Board wishes to announce that on 22 October 2021 after trading hours, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell 49% equity interest held by the Vendor in the Target Company, at the consideration of RMB2,450,000.

As at the date of this announcement, the Target Company was an indirect non-wholly owned subsidiary of the Company, owned as to 51% by the Purchaser and 49% by the Vendor. Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition 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 the Vendor is a substantial shareholder of the Target Company, a subsidiary of the Company, the Vendor is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company. The Board has approved the Acquisition and the Directors (including the independent non-executive Directors) are of the view that the terms for the Acquisition are on normal commercial terms and fair and reasonable and is in the interests of the Company and its Shareholders as a whole. Therefore, the Acquisition is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules. None of the Directors has a material interest in the transaction and none of the Directors is required to abstain from voting on the board resolutions approving this transaction.

INTRODUCTION

The Board wishes to announce that on 22 October 2021 after trading hours, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell 49% equity interest held by the Vendor in the Target Company, at the consideration of RMB2,450,000.

THE SALE AND PURCHASE AGREEMENT

Date:

22 October 2021

Parties:

Purchaser : 米技電子電器(上海)有限公司 (Miji Electronics and Appliances (Shanghai) Ltd.)

Vendor : 上海甬興塑膠有限公司 (Shanghai Yongxing Plastic Company Limited*)

Assets to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to acquire, and the Vendor agreed to sell 49% equity interest held by the Vendor in the Target Company, together with the relevant rights and obligations.

Consideration

The consideration of RMB2,450,000 shall be paid in cash by the Purchaser to the Vendor within three months from the date of the Sale and Purchase Agreement.

The Consideration will be financed by the Group's internal resources.

Basis for the Consideration

The Consideration was determined after arm's length negotiation between the parties to the Sale and Purchase Agreement after taking into consideration of:

- (i) the net assets value of the Target Company; and
- (ii) the financial performance and position of the Target Company.

The Directors consider that the Consideration and the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Undertaking by the Vendor

The Vendor has undertaken to the Purchaser that it will not use the words “甬興 (Yongxing*)” in its company name after the completion of the Acquisition.

Completion

The date of Completion shall fall on the date on which the registration in respect of the transfer of the 49% equity interest held by the Vendor in the Target Company to the Purchaser with the relevant Administration of Industry and Commerce Bureau has been completed.

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company. The financial results of the Target Company will continue to be consolidated into the Company's consolidated financial statements and the Target Company will no longer have to allocate a portion of its profits to the non-controlling interests.

INFORMATION ON THE TARGET COMPANY AND THE GROUP

The Target Company

The Target Company is a company established in the PRC with limited liability which is an indirect non-wholly owned subsidiary of the Company. As at the date of this announcement, the Target Company was an indirect non-wholly owned subsidiary of the Company, owned as to 51% by the Purchaser and 49% by the Vendor.

The Target Company is principally engaged in the sale of components of cooking appliances since its establishment.

Financial information of the Target Company

The financial information of the Target Company for the year ended 31 December 2019 and 2020 are set out below:

	For the year ended	
	31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Revenue	23,456	39,144
Net assets	8,722	10,300
Profit before tax	2,659	2,871
Profit after tax	2,430	2,658

The Group

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

The Vendor

To the best knowledge of the Directors, the Vendor is a company established in the PRC with limited liability and principally engaged in the manufacturing and trading of plastic injection mould, plastic products and electrical components. The Vendor is owned as to 51% by Mr. Chen Jianping and 49% by Mr. Chen Kai, which are both merchants with experience in the manufacture of components of household appliances.

As the Vendor is a substantial shareholder of the Target Company, a subsidiary of the Company, the Vendor is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Save for the above, the Board, having made all reasonable enquiries and to the best of its knowledge, information and belief, the ultimate beneficial owners of the Vendor are persons independent of the Group and the connected persons of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has vast experience in the manufacturing and trading of premium kitchen appliances. It has been actively exploring attractive investment opportunities to enhance the value of the Group and its shareholders.

The Target Company has been contributing economic benefits to the Group over the past few years and the Consideration is fair and reasonable. The Company believes that the Acquisition will be beneficial for the Group as it will strengthen the Group's overall operations. Further, the Acquisition will enhance the returns to the Group as the Target Company will no longer have to allocate a portion of its profits to the non-controlling interests upon the completion of the Acquisition.

In view of the above reasons and benefits, the Directors are of the view that (i) the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable; and (ii) the Acquisition 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 Acquisition.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition 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 the Vendor is a substantial shareholder of the Target Company, a subsidiary of the Company, the Vendor is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company. The Board has approved the Acquisition and the Directors (including the independent non-executive Directors) are of the view that the terms for the Acquisition are on normal commercial terms and fair and reasonable and is in the interests of the Company and its Shareholders as a whole. Therefore, the Acquisition is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules. None of the Directors has a material interest in the transaction and none of the Directors is required to abstain from voting on the board resolutions approving this transaction.

DEFINITIONS

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

“Acquisition”	the acquisition of the 49% equity interest in the Target Company by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“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
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition, being RMB2,450,000
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, but for the purpose of this announcement, do not include, Hong Kong, Macau and Taiwan
“Purchaser”	米技電子電器(上海)有限公司 (Miji Electronics and Appliances (Shanghai) Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 October 2021 entered into between the Purchaser and the Vendor in relation to the Acquisition
“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 Company”	上海米技甬興電器有限公司 (Shanghai Miji Yongxing Electrical Appliances Company Limited*), a company established in the PRC with limited liability
“Vendor”	上海甬興塑膠有限公司 (Shanghai Yongxing Plastic Company Limited*), a company established in the PRC with limited liability
“%”	per cent

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

Hong Kong, 22 October 2021

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

* For identification purpose only