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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)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 33% ISSUED SHARES OF THE TARGET COMPANY

Reference is made to the announcement of Miji International Holdings Limited (the “**Company**”) dated 15 March 2022 (the “**Announcement**”) in relation to the disposal of 33% issued shares of the Target Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board wishes to provide the shareholders and potential investors of the Company with further information in relation to the Disposal.

BASIS FOR THE CONSIDERATION

As disclosed in the Announcement, the Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the unaudited net assets of the Target Company as at 31 December 2021; (ii) the historical financial performance of the Target Company; (iii) the recent market transactions of second hand yachts of comparable size and year of built; and (iv) the reasons for and benefits of the Disposal.

The Board would like to further elaborate on each of the aforesaid four factors considered in determining the Consideration:

(i) the unaudited net assets of the Target Company as at 31 December 2021

The unaudited net assets of the Target Company as at 31 December 2021 amounted to approximately RMB22.5 million and the Group’s share of the net assets of the Target Company amounted to approximately RMB7.3 million. Despite the Consideration represented an approximately 50% discount to the Group’s share of the net asset value of the Target Company, the loss on the Disposal was expected to be approximately RMB3.7 million, which was less than the Group’s share of the loss of the Target Company of

RMB4.1 million for the year ended 31 December 2021. Besides, the unaudited net assets of the Target Company was not the sole factor for determining the Consideration. The Directors considered all four factors and struck a balance.

(ii) the historical financial performance of the Target Company

For the year ended 31 December 2021, the Target Company incurred significant expenses on the maintenance of the Yacht, including repairs and maintenance, berthing fees, insurance, fuel, interest expenses on finance lease and depreciation, leading to a net loss of approximately RMB12.4 million. The Group's share of such loss amounted to RMB4.1 million.

The Directors considered that (i) the Group's share of the loss of the Target Company had a significant adverse impact on the Group's financial performance; (ii) under the worsening epidemic situation and economic conditions in Hong Kong, it is uncertain whether the Yacht can generate sufficient economic benefits to cover its annual maintenance costs in the near future and the market value of the Yacht may drop further; and (iii) the Disposal would enable the Group to stop loss and improve its financial performance in the next financial year.

(iii) the recent market transactions of second hand yachts of comparable size and year of built

The Group conducted research on the recent market transactions of second hand yachts (the "Comparables") of comparable size and year of built. The information of the Comparables were sourced from public media that provides latest brokerage information and pricing of yachts. Each yacht is not completely identical and buyers would consider the year of built, individual specification, maintenance quality and conditions of each individual yacht when they make their offers. In selecting the Comparables, the Company considered the following criteria: (i) the yachts were built in around 2017 to 2022; (ii) length of the yachts were between 14 metres and 25 metres; (iii) the yachts were equipped with diesel engines; and (iv) the yachts were properly maintained in good condition.

The Company identified seven Comparables and the market value of the Comparables ranged from approximately HKD8.4 million to approximately HKD16.5 million. The average market value of the Comparables was approximately HKD0.6 million per metre. Based on this market value and the length of the Yacht (22.98 metres) and a 5% buffer for expenses in relation to the Disposal, the consideration of the Yacht would be approximately HKD13.8 million. As the Yacht is the sole asset of the Target Company, the Company considered its 33% interest in the Target Company should be priced at approximately HKD4.5 million.

(iv) the reasons for and benefits of the Disposal.

As disclosed in the annual report of the Company for the year ended 31 December 2020, the outbreak of novel coronavirus had a substantial impact on the Group's financial performance and cash flows. In response to that, the Group implemented strategies to optimise its cost structure by reducing unnecessary expenses and reallocating its resources to the marketing of brands and products that can enhance business value. The Disposal is consistent with

the Group's cost optimisation strategies as it is uncertain whether the Yacht can generate sufficient economic benefits in the near future and the annual maintenance cost is a financial burden to the Group.

Upon Completion, the Group will no longer have to incur cash outflows on the maintenance of the Yacht. The Group's financial performance in the next financial year is expected to improve as the Group will no longer have to share the loss of the Target Company. In addition, the Consideration can replenish the working capital needs of the Group and improve its liquidity.

In view of the above, the Directors consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

PARENT COMPANY OF THE PURCHASER

To the best knowledge of the Directors, the Purchaser is a wholly-owned subsidiary of Shi Shi Services Limited (stock code: 8181), a listed company in Hong Kong principally engaged in the provision of property management and related services, properties investment and money lending business.

Save as disclosed in the Announcement and as above, all other information as set out in the Announcement remain unchanged and shall continue to be valid for all purposes, while this announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 4 April 2022

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.