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MIKO INTERNATIONAL HOLDINGS LIMITED

米格國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED ESTABLISHMENT OF A JOINT VENTURE COMPANY

ENTERING INTO OF MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of Miko International Holdings Limited (the “**Company**”) is pleased to announce that on 4 November 2016, Miko (Shanghai) Apparels Company Limited* (米格(上海)服飾有限公司) (“**Miko**”), which is a wholly owned subsidiary of the Company has entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Xiamen Jiuzhong Investment Company Limited* (廈門九中投資有限公司) (the “**Xiamen Company**”) in relation to the establishment of a joint venture enterprise (the “**JV Company**”), namely Xiamen Zhaonian Commercial Factoring Company Limited* (廈門兆年商業保理有限公司) to jointly operate a commercial factoring business in the PRC.

The Board wishes to emphasize that no legally binding agreement relating to the proposed establishment of the JV Company has been entered into as at the date of this announcement. As such, the proposed establishment of the JV Company may or may not materialize.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

THE MOU

The principal terms of the MOU include but not limited to the following:

- (i) the JV Company is proposed to be incorporated under the laws of the PRC for the purpose of the factoring business contemplated under the MOU;
- (ii) Miko and the Xiamen Company will contribute RMB45,000,000 and RMB55,000,000 as the capital of the JV Company respectively. Upon the completion of its establishment, the JV Company will be held as to 45% and 55% by Miko and the Xiamen Company accordingly;

(iii) the JV Company will primarily engage in commercial factoring business. It would also provide (including but not limited to) credit facility, tender agency, liquidation and settlement services within the realm of applicable legal requirements and/or regulations; and

(iv) in relation to the business model of the JV Company, it will mainly provide 3 types of services, namely, factoring services for suppliers, distributors and core production chain.

ABOUT XIAMEN JIUZHONG INVESTMENT COMPANY LIMITED

The Xiamen Company is established with limited liability in the PRC. It is principally engaged in venture capital investment, financial leasing, commercial factoring, micro-financing, insurance agency and so forth.

REASONS FOR AND BENEFITS OF THE PROPOSED JOINT VENTURE

The Company principally engages in the business of manufacturing and sales of mid-to-high end children's apparels on wholesale and retail basis through both physical and online platform.

It has always been the Company's strategy to maintain and enhance its accounts and capital flow. It is believed that the proposed establishment of the JV Company would be conducive to the Company's financial management and improve its operational efficiency, in line with its general business objectives. The Company considers that the JV Company can tap business opportunities in the areas of factoring in the PRC.

By reason of the above, the Board is of the view that the proposed establishment of the JV Company is in the interests of the Company and the shareholders of the Company as a whole.

GENERAL

The proposed total commitment of the Company to the Joint Venture Company is more than 5% but less than 25% by applicable Percentage Ratios. If the proposal materializes, it will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board wishes to emphasize that the MOU only sets out the understanding with regard to the proposed establishment of the JV Company by the Company and the Xiamen Company and is not legally binding. In the event that any legally binding agreement is agreed or signed, further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate.

As the proposed establishment of the JV Company may or may not proceed, shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Miko International Holdings Limited
Ding Peiji
Chairman

Quanzhou, Fujian Province, China

4 November 2016

As at the date of this announcement, the executive directors are Mr. Ding Peiji, Mr. Ding Peiyuan and Ms. Ding Lizhen and the independent non-executive directors are Mr. Hung Cho Sing, Mr. Chan Wai Wong and Ms. Lo Wing Yan, Emmy.

** for identification purpose only and should not be regarded as an official name*