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**Maoye International Holdings Limited**

**茂業國際控股有限公司**

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

**(Stock Code: 848)**

**DISCLOSEABLE TRANSACTIONS**

**ACQUISITION OF LAND BY WAY OF SHARE ACQUISITION IN  
THE TARGET COMPANY**

The Board is pleased to announce that on 13 March 2015, Maoye Shangsha, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, namely Baotou Lucheng and Baotou Real Estate, whereby Maoye Shangsha has agreed to purchase and the Vendors have agreed to sell 100% of the issued share capital of the Target Company. The Target Company is a company which will be established by the Vendors for the injection of the Target Land by the Vendors before the completion of the Acquisition. In addition, it is agreed in principle between Maoye Shangsha and Baotou Lucheng to establish a joint venture to bid for an additional plot of land, namely the New Land, through tender, auction or listing-for-sale by the PRC authority. The Company will comply with applicable Listing Rules requirements when the joint venture company is established.

The consideration for the Acquisition is RMB270,000,000, which is payable in cash by Maoye Shangsha.

**Listing Rules implications**

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Agreement exceed 5% but are less than 25%, the transaction under the Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The transaction under the Agreement are subject to reporting and announcement requirements but are exempt from approval of shareholders of the Company under the Listing Rules.

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**1. THE AGREEMENT**

**Date** 13 March 2015

**Parties**

**Vendors:** (1) Baotou Lucheng Trade Building Limited Liability Company (包頭市鹿城商貿大廈有限責任公司); and  
(2) Baotou Dongzheng Real Estate Development Limited Company (6th Subsidiary) (包頭市東正房地產開發有限公司第六分公司)

**Purchaser:** Maoye Shangsha

To the best of the Directors' knowledge, information and belief and having made all enquiries, the Vendors and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **The Acquisition**

Pursuant to the terms of the Agreement, Maoye Shangsha has agreed to purchase and the Vendors have agreed to sell 100% of the issued share capital of the Target Company for a total cash consideration of RMB270,000,000. The Target Company is a company which will be established by the Vendors for the injection of the Target Land by the Vendors before the completion of the Acquisition.

## **Consideration**

The total consideration for the Acquisition is RMB270,000,000. The consideration is payable in cash by Maoye Shangsha to the Vendors in four stages as follows:

1. RMB20,000,000 will be paid within three business days of the date of the Agreement as the Deposit;
2. Maoye Shangsha and the Vendors will set up a Jointly Controlled Account and deposit RMB50,000,000 within three business days into the Jointly Controlled Account after it is established. Pursuant to the Agreement, the shares of Baotou Lucheng, Baotou Dongzheng Real Estate Development Limited Company (包頭市東正房地產開發有限公司) (being the parent company of Baotou Real Estate) and the Target Company will be charged to Maoye Shangsha. The amount of RMB50,000,000 in the Jointly Controlled Account will be paid to the Vendors within three business days after the registration of the said share charges. Within 30 days after the payment, the Vendors will inject the Target Land into the Target Company;
3. RMB65,000,000 will be deposited into the Jointly Controlled Account within three business days after the injection of the Target Land into the Target Company by the Vendors. Upon the completion of registration of the transfer of interest in the Target Company by the Vendors to Maoye Shangsha, the amount of RMB65,000,000 in the Jointly Controlled Account will be paid to the Vendors; and
4. The remaining RMB 135,000,000 will be paid to the Vendors upon the successful tender of the New Land.

## **Basis of determination of the consideration**

The consideration for the Acquisition was determined after arm's length negotiations between Maoye Shangsha and the Vendors on normal commercial terms. The Company considers that the value of the Target Land is commensurate with the

consideration for the Acquisition. In determining the consideration, the Company has taken into account various factors including, amongst others, the development prospect and the potential of the Target Land and the average market price or assessed value of similar plots of land in the proximity.

The Directors (including the independent non-executive Directors) consider that the transaction under the Agreement is fair and reasonable and in the interests of the shareholders of the Company as a whole.

### **Condition**

The Agreement is conditional and takes effect upon the approval by relevant PRC government authority of the design planning proposals for the Target Land. If the approval is not obtained within 90 days after the signing of the agreement, Maoye Shangsha may serve a written notice on the Vendors. If the approval is not obtained within 30 days of the written notice, Maoye Shangsha has the right to terminate the agreement and be entitled to the refund of the Deposit with interest.

### **Termination**

The parties may vary or terminate the Agreement if:

- (A) each of Maoye Shangsha and the Vendors mutually agree; or
- (B) in the event of a force majeure and the transactions contemplated under the Agreement cannot be performed; or
- (C) the Vendors fail to (i) inject the Target Land into the Target Company, or transfer 100% of the issued shares of the Target Company to Maoye Shangsha, and (ii) the event(s) in paragraph (i) remain uncompleted within 30 days after Maoye Shangsha has issued a written notice to the Vendors. Maoye Shangsha also have the right to demand for a full refund of all the funds paid to the Vendors and sue for damages.

## **2. INFORMATION ON THE PARTIES**

### **The Company**

The Company is principally engaged in the operation and management of department stores and property development in the PRC, and is a leading department store chain

operator in the affluent regions throughout the PRC. Currently, the Company is focused on developing future department stores mainly in the second- and third-tier cities in the most economically developed regions and the regions with high economic growth in the PRC.

### **The Purchaser**

The purchaser is Maoye Shangsha, a wholly-owned subsidiary of the Company. It is principally engaged in operation of department store business.

### **The Vendors**

Baotou Lucheng Trade Building Limited Liability Company is a company incorporated in the PRC with limited liability, which principally engage in real estate development and commercial trading business.

Baotou Dongzheng Real Estate Development Limited Company (6th Subsidiary) is a company incorporated in the PRC with limited liability, which principally engage in real estate development.

### **The Target Company**

The Target Company will be established by the Vendors pursuant to the Agreement and hence, the Target Company does not have any financial information for the last two financial years.

Pursuant to the Agreement, the Vendors have agreed to inject the land use rights of the Target Land into the Target Company before the completion of the Acquisition. The Target Land is a parcel of land located at the west of Nanmenwai Street, Donghe District, south of Huancheng Road and east of NO.1 Senior High School in Baotou, with an area of approximately 25,000 square metres.

## **3. REASONS AND BENEFITS FOR THE TRANSACTION**

Baotou is located at the junction of the Bohai Economic Zone and the upper area of the Yellow River which is rich in resources. It is an important traffic hub in China and an industrial city, and a well-known rare earth, steel production center in the world.

The Target Land is situated in the core location of the most mature commercial district of Baotou, with a strong commercial atmosphere and high pedestrian flow, with influence projected to the entire Baotou City. The Company intends to build an urban complex on the Target Land, with department store as the core.

The Directors believe that urban complex project will have an advantage of scale together with the Group's store in pipeline in Baotou, which contributes to the Company's strategy needs for the overall arrangement in Baotou.

#### 4. LISTING RULES IMPLICATIONS

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Agreement exceed 5% but are less than 25%, the transaction under the Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The transaction under the Agreement are subject to reporting and announcement requirements but are exempt from approval of shareholders of the Company under the Listing Rules.

#### 5. DEFINITIONS

<b>“Acquisition”</b>	the acquisition by Maoye Shangsha of 100% of the equity interest in the Target Company pursuant to the Agreement
<b>“Agreement”</b>	the agreement entered into between Maoye Shangsha and the Vendors on 13 March 2015 in respect of the Acquisition
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	Maoye International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
<b>“Deposit”</b>	the amount of RMB20,000,000 payable by Maoye Shangsha to the Vendors within 3 business days of the date of the Agreement pursuant to the terms of the Agreement
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Jointly Controlled Account”</b>	the joint bank account to be set up between Maoye Shangsha and the Vendors pursuant to the terms of the Agreement
<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Maoye Shangsha”</b>	Shenzhen Maoye Trade Building Co., Ltd. (深圳茂業商廈有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
<b>“New Land”</b>	the plot of land situated at NO.1 Senior High School in Baotou, 37 Ring Road, Donghe, Baotou, Inner Mongolia, the PRC, with site area of approximately 55,999 square metres

<b>“Baotou Lucheng”</b>	Baotou Lucheng Trade Building Limited Liability Company (包頭市鹿城商貿大廈有限責任公司), a company incorporated in Baotou, Inner Mongolia, the PRC with limited liability
<b>“Baotou Real Estate”</b>	Baotou Dongzheng Real Estate Development Limited Company (6th Subsidiary) (包頭市東正房地產開發有限公司第六分公司), a company incorporated in Baotou, Inner Mongolia, the PRC with limited liability
<b>“PRC”</b>	the People’s Republic of China
<b>“RMB”</b>	Renminbi, the lawful currency in the PRC
<b>“Shareholders”</b>	the shareholders of the Company
<b>“Stock Exchange”</b>	the Stock Exchange of Hong Kong Limited
<b>“Target Company”</b>	Baotou- Maoye East River Real Estate Development Company (包頭市茂業東河房地產開發有限公司), a company incorporated in the PRC with limited liability with a registered capital of RMB10,000,000 and to be established by the Vendors pursuant to the Agreement
<b>“Target Land”</b>	a parcel of land located at the west of Nanmenwai Street, south of Huancheng Road and east of NO.1 Senior High School in Baotou, Donghe District, with a total site area of approximately 25,000 square metres
<b>“Vendors”</b>	Baotou Lucheng and Baotou Real Estate

By Order of the Board  
**Maoye International Holdings Limited**  
**Mr. Huang Mao Ru**  
*Chairman*

Hong Kong, 15 March 2015

*As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Huang Mao Ru, Mr. Zhong Pengyi, Ms. Wang Fuqin and Mr. Wang Bin; and three independent non-executive directors, namely, Mr. Chow Chan Lum, Mr. Pao Ping Wing and Mr. Leung Hon Chuen.*