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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)**

**CONNECTED TRANSACTION  
SALE OF SHARES IN MAOYE LOGISTICS**

On 20 April 2015, Zhongzhao Investment, a wholly-owned subsidiary of the Company, has entered into a Share Transfer Framework Agreement with Shenyang Maoye Property, pursuant to which Zhongzhao Investment agreed to sell, and Shenyang Maoye Property agreed to acquire 8,000,000 shares of Maoye Logistics, representing 1.29% of the issued share capital of Maoye Logistics, at a cash consideration of RMB 87,520,000.

Mr. Huang, the 100% ultimate beneficial owner of Shenyang Maoye Property, is a controlling shareholder, Chairman, executive Director and Chief Executive Officer of the Company. Therefore, Shenyang Maoye Property is a connected person of the Company and the Transfer constitutes a connected transaction under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transfer exceeds 0.1% but less than 5%, the Company is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## **PRINCIPAL TERMS OF THE SHARE TRANSFER FRAMEWORK AGREEMENT**

Date	: 20 April 2015
Vendor	: Zhongzhao Investment, a wholly owned subsidiary of the Company
Purchaser	: Shenyang Maoye Property, a connected person of the Company
Interests to be acquired	: 8,000,000 shares of Maoye Logistics, representing 1.29% of Maoye Logistics issued share capital, at a consideration of RMB10.94 per share of Maoye Logistics.
Consideration	: The consideration is RMB 87,520,000 and shall be fully paid in cash. The consideration was determined based on the average trading price of Maoye Logistics' shares for the 20 trading days immediately preceding 7 January 2015, the date of suspension of trading of Maoye Logistics on the Shenzhen Stock Exchange.
Condition Precedent	: Completion shall be conditional upon the completion and delivery of the assets stipulated under a framework agreement entered into by Maoye Logistics with certain independent third party on the same date, which relates to acquisition of a telecommunication network technology service company by Maoye Logistics from such parties.
Completion	: Completion shall occur within 5 business days after fulfilment of the condition precedent set out above.
Other provision	: The Transfer is subject to a formal share transfer agreement to be entered into between the parties. The Company will make further announcement in compliance with the requirements of the Listing Rules if applicable.

## **REASONS FOR AND BENEFITS OF THE SHARE TRANSFER FRAMEWORK AGREEMENT**

As the price per share of Maoye Logistics for the Transfer under the terms of the Share Transfer Framework Agreement is at an approximately 10% premium above the closing price of Maoye Logistics on the last trading day prior to 7 January 2015, the date of suspension of trading of Maoye Logistics on the Shenzhen Stock Exchange, Zhongzhao Investment is able to receive a gain from the Transfer. The Company believes that the sale of shares in Maoye Logistics at a premium will potentially boost the market's confidence increase the value of Maoye Logistics, which the Company will also benefit as a shareholder of Maoye Logistics.

The intended application of the sale proceed is to supplement the Company's working capital.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Share Transfer Framework Agreement and the transactions contemplated thereunder have been arrived at after arm's length negotiations, are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### ***Maoye Logistics***

Maoye Logistics is principally engaged in the department store retail business. It occupies a leading position in the retail industry of Qinhuangdao city. At present it has five department stores in Qinhuangdao city. In addition, Maoye Logistics also engaged in value-added telecommunications service.

Based on the consolidated audited financial statements of Maoye Logistics as at 31 December 2014, the net asset value of Maoye Logistics excluding goodwill amounted to RMB 2,329,181,000.

Set out below is the consolidated audited financial information of Maoye Logistics based on PRC Generally Accepted Accounting Principles for each of the two years ended 31 December 2013 and 31 December 2014:

	<b>For the year ended 31 December 2013 (audited) (RMB)</b>	<b>For the year ended 31 December 2014 (audited) (RMB)</b>
Net profit before taxation and extraordinary items	147,875,109.29	147,315,194.90
Net profit after taxation and extraordinary items	98,678,522.45	92,765,141.41

### ***Zhongzhao Investment***

Zhongzhao Investment is a wholly-owned subsidiary of the Group incorporated in the PRC. It is also a shareholder of Maoye Logistics holding 33.46% of the issued share capital of Maoye Logistics. Zhongzhao Investment is an investment holding company.

### ***Shenyang Maoye Property***

Shenyang Maoye Property is a company primarily engaged in the business of property development. It is wholly owned by Mr. Huang, a controlling shareholder, Chairman, executive Director and Chief Executive Officer of the Company.

### ***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.

## LISTING RULES IMPLCATIONS

Mr. Huang, the 100% ultimate beneficial owner of Shenyang Maoye Property, is a controlling shareholder, Chairman, executive Director and Chief Executive Officer of the Company. Therefore, Shenyang Maoye Property is a connected person of the Company and the Transfer constitutes a connected transaction under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transfer exceeds 0.1% but less than 5%, the Company is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Due to Mr. Huang's interest in Shenyang Maoye Property, Mr. Huang had abstained from voting on the meeting of the Board in relation to the Share Transfer Framework Agreement and the transactions contemplated thereunder. Save and except for Mr. Huang, no Director has a material interest in the transactions under the Share Transfer Framework Agreement and has to abstain from voting on the relevant meeting of the Board.

## DEFINITIONS

<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>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Director(s)”</b>	director(s) of the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;

<b>“Maoye Logistics”</b>	Maoye Logistics Corporation Ltd. (茂業物流股份有限公司), a joint stock limited company established in the PRC and listed on the Shenzhen Stock Exchange (stock code: 000889). As at the date of this announcement, Zhongzhao Investment directly holds 208,074,832 shares in Maoye Logistics representing approximately 33.46% of issued share capital;
<b>“Mr. Huang”</b>	Mr. Huang Mao Ru, Chairman, executive Director and Chief Executive Officer of the Company and the Company’s controlling shareholder;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“PRC”</b>	The People’s Republic of China;
<b>“Shareholder(s)”</b>	holder(s) of shares of the Company;
<b>“Share Transfer Framework Agreement”</b>	the agreement dated 20 April 2015 entered into between Zhongzhao Investment and Shenyang Maoye Property in respect of the sale of 8,000,000 shares in Maoye Logistics;
<b>“Shenyang Maoye Property”</b>	Shenyang Maoye Property Company Limited (瀋陽茂業置業有限公司), a company established under the laws of PRC and wholly owned by Mr. Huang, the controlling shareholder of the Company;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Transfer”</b>	the sale of 8,000,000 shares of Maoye Logistics by Zhongzhao Investment to Shenyang Maoye Property pursuant to the Share Transfer Framework Agreement;

**“Zhongzhao  
Investment”**

Zhongzhao Investment Management Co., Ltd. (中兆投資管理有限公司), a company established under the laws of PRC and a wholly owned subsidiary of the Company;  
and

**“%”**

per cent.

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

Hong Kong, 21 April 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.*