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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)**

### **GRANT OF WAIVER UNDER RULE 14.41(a) OF THE LISTING RULES**

Reference is made to (i) the announcements of Maoye International Holdings Limited (the “**Company**”) dated 19 February 2016, 29 March 2016, 5 April 2016, 8 April 2016 and 24 June 2016 in relation to the acquisition of 70% of the equity interests in Inner Mongolia Victoria Commercial (Group) Co., Ltd.\* (內蒙古維多利商業 (集團) 有限公司) by Maoye Commercial Co., Ltd.\* (茂業商業股份有限公司), a joint stock limited company established in the PRC and listed on the SSE (stock code: 600828) and a non wholly-owned subsidiary of Maoye Shangsha, which is in turn a wholly-owned subsidiary of the Company; and (ii) the announcement of the Company dated 29 June 2016 in relation to the delay in despatch of the circular in respect of the Acquisition (together, the “**Announcements**”). Unless otherwise stated, terms defined in the Announcements have the same meanings when used in this announcement.

As stated in the announcement of the Company dated 29 June 2016, as additional time is required to finalise the contents of the circular in respect of the Acquisition, the Company has further applied to the Stock Exchange for the Further Waiver from strict compliance with the timing requirement under Rule 14.41(a) of the Listing Rules to despatch the circular by 31 October 2016. The Board announces that, on 30 June 2016, the Stock Exchange granted the Further Waiver on the condition that the Company will despatch the circular by 31 October 2016. The Stock Exchange may withdraw or change the terms of the Further Waiver if the Company’s situation changes.

The following sets out the major reasons for the further delay in despatch of the circular in respect of the Acquisition.

It is a requirement under the Listing Rules that the circular in respect of the Acquisition includes, among other things, the audited financial information of the Target Group for the preceding three years. Accordingly, the Company had engaged its auditors to conduct such audit and since 5 April 2016, being the date on which the Acquisition Agreement was entered into, the auditors of the Company have completed most of the audit procedures on the financial information of the Target Group for the three years ended 31 December 2013, 2014 and 2015, as well as all of the field work for the purpose of such audit, which includes, amongst others:

- (a) performing audit procedures on understanding the business of the Target Group, testing of control procedures and general information technology control as well as application controls;
- (b) sending out requests to the relevant banks for confirmations on bank balances, accounts payables, related party balances and transactions;
- (c) stocktaking of inventories and performing substantive audit procedures;
- (d) impairment tests for inventories, accounts receivables, other receivables and property, plant and equipment;
- (e) cut-off tests for cash and equivalents, revenue and expenses;
- (f) vouching of journal entries, loan contracts, lease contracts and capital commitment contracts;
- (g) retesting of tax expenses, depreciation and capitalised interests;
- (h) testing of details for additions and disposals of property, plant and equipment, land, expenses and revenue, and
- (i) discussing audit findings with the management of Target Group and making audit adjustments accordingly).

Despite the above work done by the auditors of the Company, the following accounting matters are still outstanding and require further discussion and investigation by the auditors:

- (a) revenue recognition on the sale of properties;

- (b) certain audit procedures such as the collection of confirmations in relation to balance of account payables and other payables from suppliers of the Target Group; and
- (c) the off-setting of related parties balance as the subsidiaries of the Target Group's accounting treatment has been found to be inconsistent with each other.

In addition to the above, the auditors are reviewing the valuation report of the Target Group and the working capital forecast of the Group. In respect of these matters, the auditors may request for further information from the valuer and the Company (as the case may be) and conduct further reviews.

It is expected that the draft accountants' report of the Target Group for the three years ended 31 December 2013, 2014 and 2015, as well as for the six months ended 30 June 2016, will be completed by the end of August 2016. The Directors considered that there would not be a substantial timing difference to the completion of the financial information for the period ended 30 June 2016 as compared to that of an earlier period such as 31 March 2016 on the following basis:

- (a) there is certain outstanding accounting issues in respect of the financial period prior to 31 December 2015 to be resolved; and
- (b) assuming that all of the outstanding accounting issues are resolved, any additional audit procedures in respect of any financial period subsequent to 31 December 2015 would not make a substantial difference to the overall timing for completion of the financial information.

In addition, given that completion of the Acquisition had taken place on 22 June 2016, and the financial results and the financial position of the Target Group as at 30 June 2016 will be incorporated into the interim results of the Company for the six months ending 30 June 2016 and the financial position of the Company as at 30 June 2016, the Directors considered that it would be unduly burdensome to perform an additional review on the financial information of the Target Group prior to 30 June 2016 within such a short period of time.

As at the date of this announcement, the Company is not aware of any material development of the Target Group for the financial period subsequent to 31 March 2016.

After completion of the accountants' report of the Target Group for the three years ended 31 December 2013, 2014 and 2015 and for the six months ended 30 June 2016, additional work to be carried out by the auditors for the purpose of preparing the

circular in respect of the Acquisition include the sending of bank confirmations on bank loan balances of the Group for the purpose of preparing the indebtedness statement of the Group, the preparation of pro forma financial information for the Group as enlarged by the Acquisition, the preparation of indebtedness statement of the Group and finalising other contents of the circular, which are expected to be completed on or prior to the end of October 2016.

Further announcement(s) will be made by the Company in relation to the despatch of the circular in respect of the Acquisition as and when appropriate.

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

Hong Kong, 30 June 2016

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

*\* for identification purpose only*