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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 TRANSACTION  
AND CONNECTED TRANSACTION  
PROVISION OF LOAN TO A CONNECTED PERSON**

**THE LOAN AGREEMENT**

The Board announces that on 18 October 2016 (after trading hours), the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide a term loan to the Borrower in the principal amount of RMB200,000,000, bearing interest at a rate of 14% per annum for a term of one year, subject to extension according to the terms and conditions of the Loan Agreement.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the provision of the Loan as calculated under Rule 14.07 of the Listing Rules exceeds 5% but are all lower than 25%, the entering into the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

The Borrower is a holder of 15% of the entire issued share capital of Inner Mongolia Victoria, a non-wholly owned subsidiary of the Company, thus the Borrower constitutes a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. On 13 October 2016, the Board has approved the Loan Agreement and all the independent non-executive Directors have also confirmed that the terms of the Loan Agreement are fair and reasonable, the Loan Agreement is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. By virtue of Rule 14A.101 of the Listing Rules, the entering into of the Loan Agreement is only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and Shareholders' approval requirements.

## THE LOAN AGREEMENT

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The principal terms of the Loan Agreement are summarized as follows:

**Date:** 18 October 2016

**Parties:** the Borrower and the Lender

**Principal amount:** RMB200,000,000

**Conditions precedent:** The obligation of the Lender to advance the Loan to the Borrower is conditional upon the satisfaction (or waiver by the Lender) of certain conditions precedent, in particular, the due execution and registration in the PRC of the Pledge Agreement by the Borrower in favour of the Lender, guaranteeing the repayment and other obligations of the Borrower under the Loan Agreement, by way of pledging the Borrower's entire shareholding in Inner Mongolia Victoria

**Use of the Loan:** The Borrower intends to use the Loan for its general working capital purposes

**Repayment Date:** No later than twelve (12) months from the drawdown date of the Loan, subject to any extension further agreed to by the Lender

**Early repayment:** The Lender may demand early repayment of the full amount of the Loan (and the interest accrued thereon) by notice in writing to the Borrower upon the occurrence of the following events:

- (1) the Borrower does not utilise the Loan in accordance with the terms of the Loan Agreement; or
- (2) there is any material adverse economic change affecting the Borrower, such as it becoming insolvent or subject to any mergers or divisions, or being a party to any material litigation, arbitration or penalty, which may adversely affect the Borrower's ability to repay the Loan

**Interest:** Interest on the Loan shall accrue at the rate of fourteen per cent (14%) per annum (which shall be calculated on the basis of a 365-day year and the actual number of days elapsed)

**Security and Guarantee:** As stated above, one of the conditions precedent under the Loan Agreement requires the execution and registration of the Pledge Agreement

The Borrower agrees to guarantee the its repayment and other obligations under the Loan Agreement in favour of the Lender by way of pledging its entire shareholding in Inner Mongolia Victoria and to execute and register a relevant security document to effect the same in the PRC

Under the Loan Agreement, the Borrower shall repay and/or settle the full amount of the Loan and the interest accrued thereon on the Repayment Date.

#### **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE LOAN AGREEMENT**

The terms of the Loan Agreement, including the applicable interest rate, were agreed by the parties after arm's length negotiations having taken into account the current market practice in relation to similar transactions. In view of the above, the Directors (including all the independent non-executive Directors) are of the opinion that the terms of the Loan Agreement are fair and reasonable, and the Loan Agreement is entered based on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

#### **INFORMATION ON THE GROUP AND THE LENDER**

The Company is principally engaged in the operation and management of department stores and property development in the PRC. As a leading domestic operator of the retail industry, the Group operates stores in the affluent regions of China with high economic growth. Currently, the Group is strategically expanding into four regions: Guangdong Province which is economically developed, Sichuan Province which is one of the most densely populated regions, Jiangsu Province and Shandong Province which ranks among the top three regions in terms of GDP, and Northern China, such as the Bohai Rim region.

The Lender is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in the operation of the department stores.

## **INFORMATION ON THE BORROWER**

The Borrower is a company with limited liability incorporated in the PRC and is a holder of 15% of the entire issued share capital of Inner Mongolia Victoria, a non-wholly owned subsidiary of the Company. Accordingly, the Borrower constitutes a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. The Borrower is principally engaged in investment business.

## **LISTING RULES IMPLICATIONS**

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## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

<b>"Board"</b>	the board of directors of the Company
<b>"Borrower"</b>	Victoria Investment Holdings Company Limited (維多利投資控股有限公司), a company incorporated in the PRC who holds 15% of the entire issued share capital of Inner Mongolia Victoria; the borrower of the Loan under the Loan Agreement
<b>"Company"</b>	Maoye International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange of Hong Kong Limited
<b>"Directors"</b>	The directors of the Company
<b>"Group"</b>	the Company and its subsidiaries from time to time
<b>"Inner Mongolia Victoria"</b>	Inner Mongolia Victoria Commercial (Group) Co., Ltd. (內蒙古維多利商業(集團)股份有限公司), a non-wholly owned subsidiary of the Company incorporated in the PRC
<b>"Lender"</b>	Shenzhen Maoye Trade Building Co., Ltd. (深圳茂業商廈有限公司), a wholly-owned subsidiary of the Company; the lender of the Loan under the Loan Agreement
<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
<b>"Loan"</b>	the term loan in the principal amount of RMB200,000,000 under the Loan Agreement
<b>"Loan Agreement"</b>	the loan agreement entered into between the Lender and the Borrower on 18 October 2016 in relation to the provision of the Loan
<b>"Pledge Agreement"</b>	the pledge agreement dated 18 October 2016 with respect to the pledge of the entire shares held by the Borrower in Inner

	Mongolia Victoria to the Lender
"PRC"	People's Republic of China
"Repayment Date"	no later than twelve (12) months from the drawdown date of the Loan pursuant to the terms of the Loan Agreement, subject to any extension further agreed to by the Lender in accordance with the terms of the Loan Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	the shareholders of the Company

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

Hong Kong, 18 October 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.*