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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

ACQUISITION OF SHARES IN SHENGJING BANK

The Company is pleased to announce that on 11 November 2016, Taiyuan Maoye, an indirectly wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Commercial City, pursuant to the terms and conditions of which Taiyuan Maoye has agreed to purchase and Commercial City has agreed to sell its 85,500,000 unlisted domestic shares of Shengjing Bank, representing approximately 1.47% of Shengjing Bank's total issued share capital, for a cash consideration of RMB 521,550,000.

Listing Rules implications

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Sale and Purchase Agreement exceed 5% but are below 25%, the transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but is exempt from shareholders' approval requirements.

SALE AND PURCHASE AGREEMENT

The Company is pleased to announce that on 11 November 2016, Taiyuan Maoye, an indirectly wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Commercial City. Principal terms of the Sale and Purchase Agreement are set out below.

Date: 11 November 2016

Parties: (1) Vendor: Shenyang Commercial City Co. Ltd.

(2) Purchaser: Taiyuan Maoye Department Store Ltd.

(3) Target Company: Shengjing Bank Co. Ltd.

As at the date of this announcement, the Vendor is 24.22% owned by Zhongzhao Investment Management, a wholly-owned subsidiary of the Company. Save for the aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Shares to be acquired

Subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase 85,500,000 unlisted domestic shares of the Target Company, representing approximately 1.47% of the Target Company's total issued share capital.

The Target Company is a commercial bank incorporated in the PRC and is listed on the main board of the Stock Exchange (stock code: 02066).

Consideration

The Consideration shall be settled in the following manner:

1. the Purchaser shall pay to the Vendor 20% of the Consideration, being RMB 104,310,000, within 5 working days from the day the Sale and Purchase Agreement becomes effective;
2. the Purchaser shall pay to the Vendor 35% of the Consideration, being RMB 182,542,500, within 5 working days from the day the registration of the transfer of 55% of the Sale Shares, being 47,025,000 shares, is completed; and
3. the Purchaser shall pay to the Vendor the remaining 45% of the Consideration, being RMB 234,697,500, within 5 working days from the day the registration of the transfer of the remaining 45% of the Sale Shares, being 38,475,000 shares, is completed.

The Consideration will be satisfied by the internal resources of the Group.

Basis of determination of the Consideration

The Consideration was based on RMB 6.1 per Sale Share and was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the Asset Valuation Report, according to which the Sale Shares were valued at RMB 521,550,000 as at the evaluation baseline day on 30 June 2016.

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

Conditions

The Sale and Purchase Agreement will become effective following the fulfilment of the following conditions:

- 1) the transaction under the Sale and Purchase Agreement be approved by the board of directors of the Vendor at a board meeting of the Vendor;
- 2) the transaction under the Sale and Purchase Agreement be approved by the shareholders of the Vendor at a shareholders' meeting of the Vendor; and
- 3) the transaction under the Sale and Purchase Agreement be obtained internal approval by the Purchaser.

Completion of the transfer of the Sale Shares

The Vendor and the Purchaser have agreed that the transfer of the Sale Shares will be registered in two batches, where the registration regarding 55% of the Sale Shares will be completed on or before 31 December 2016 and the registration regarding the remaining 45% of the Sale Shares will be completed on or before 30 April 2017. Completion of the transaction under the Sale and Purchase Agreement shall take place on the day all the Sale Shares are transferred from the Vendor to the Purchaser and the registrations of such transfers are completed.

FINANCIAL INFORMATION OF SHENGJING BANK

Based on the audited consolidated accounts of Shengjing Bank prepared in accordance with Hong Kong accounting principles as contained in the annual report of Shengjing Bank for the financial year ended 31 December 2015, the total asset and the net asset value of Shengjing Bank as at 31 December 2015 were RMB 701,628,500,000 and RMB 41,714,953,000 respectively.

Based on the audited consolidated accounts of Shengjing Bank prepared in accordance with Hong Kong accounting principles as contained in the annual report of Shengjing Bank for the financial year ended 31 December 2015, the audited net profit (before and after taxation) of Shengjing Bank for the two financial years ended 31 December 2015 and 2014 were as follows:

	For the year ended	
	31 December 2015	31 December 2014
	<i>RMB</i>	<i>RMB</i>
Net Profit before taxation	8,126,617,000	7,061,063,000
Net Profit after taxation	6,223,827,000	5,423,838,000

REASONS AND BENEFITS FOR THE ACQUISITION

The Company is optimistic towards the development, growth and potential returns from its investment in Shengjing Bank.

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. The Company is focused on developing more department stores, mainly in the second- and third-tier cities and in the most economically developed regions and regions with high economic growth in the PRC.

Purchaser

The Purchaser is Taiyuan Maoye, an indirectly wholly-owned subsidiary of the Company. It is principally engaged in the operation of department stores business.

Vendor

The Vendor is Commercial City, which is principally engaged in the operation of department stores in Shenyang city, Liaoning province, PRC. As at the date of this announcement, Commercial City is 24.22% owned by Zhongzhao Investment Management, a wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"Asset Valuation Report"	the asset valuation report dated 27 October 2016 in relation to the Sale Shares conducted by Beijing Zhonglin Assets Appraisal Co. Ltd., an independent third party valuer
"Commercial City" or "Vendor"	Shenyang Commercial City Co. Ltd. (瀋陽商業城股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 600306)
"Company"	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
"Consideration"	cash consideration of RMB 521,550,000 pursuant to the Sale and Purchase Agreement
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 11 November 2016 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares of the Target Company
"Sale Shares"	85,500,000 unlisted domestic shares of the Target Company, representing approximately 1.47% of the Target Company's total issued share capital
"Shengjing Bank" or "Target Company"	Shengjing Bank Co. Ltd., a joint stock company incorporated in the PRC with limited liability and listed on the main board of the Stock Exchange (stock code: 02066)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
"Taiyuan Maoye" or "Purchaser"	Taiyuan Maoye Department Store Ltd. (太原茂業百貨有限公司), a company established in the PRC and an indirectly wholly-owned subsidiary of the Company
“Zhongzhao Investment Management”	Zhongzhao Investment Management Company Limited (中兆投資管理有限公司), a wholly-owned subsidiary of the Company incorporated in the PRC

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

Hong Kong, 11 November 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.