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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)

**PROFIT GUARANTEE CONCERNING THE
DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE REORGANISATION**

Reference is made to the announcements of Maoye International Holdings Limited (“the **Company**”) dated 15 April 2015, 14 June 2015, 7 July 2015, 17 September 2015, 15 October 2015 and 29 February 2016 (the “**Announcements**”) and the circular of the Company dated 31 October 2015 (the “**Circular**”) in relation to, among others, the sale by Maoye Shangsha, Demao and Hezhengmao (together as the “**Vendors**”) of the entire issued share capitals of the Target Entities to Maoye Commercial Co., Ltd (“**Maoye Commercial**”) (formerly known as Chengshang Group Co., Ltd). The consideration for the Acquisition was satisfied by the allotment and issue of, in aggregate, 1,161,542,889 new shares of Maoye Commercial (the “**Consideration Shares**”) to the Vendors subject to adjustment. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

Pursuant to the Framework Agreement (as amended by the Formal Agreement) and the Compensation Agreement, and in accordance with the consideration adjustment mechanism required by Article 35 of the Reorganisation Measures and the FAQ published by CSRC on 2 August 2010, the Vendors had guaranteed to Maoye Commercial that the audited net profit of the Target Entities for the year ended 31 December 2016 shall be RMB711,011,000 (the “**2016 Profit Guarantee**”), and if the actual net profit of the Target Entities falls below the 2016 Profit Guarantee, the Vendors shall compensate Maoye Commercial an amount calculated according to the formula as set out in the Circular.

The Board would like to inform the Shareholders and the potential investors that from the audited consolidated financial statements of the Target Entities for the year ended 31 December 2016 provided by Ruihua Certified Public Accountants, the actual net profit of the Target Entities was approximately RMB569,084,800 (without taking into account the effect of non-operating gains and losses), which falls short of the 2016 Profit Guarantee by approximately RMB141,926,200. Accordingly, the 2016 Profit Guarantee was not met. Pursuant to the terms and conditions of the Framework Agreement (as amended by the Formal Agreement) and the Compensation Agreement, the Vendors will be required to deposit their respective portion of Compensation Shares, which in aggregate, amounts to 70,754,453 Compensation Shares, to an escrow account set up by Maoye Commercial. Maoye Commercial will subsequently be entitled to repurchase such Compensation Shares at a cost of RMB1 per share, representing approximately 6.1% of the total Consideration Shares.

As the repurchase of the Compensation Shares is subject to the approval of the board meeting and shareholders meeting of Maoye Commercial, further announcement will be made by the Company in accordance with Rule 14A.63 of the Listing Rules which will include, amongst others, the opinion of the independent non-executive Directors on the matters set out in Rule 14A.63(4).

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

Hong Kong, 21 March 2017

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.