

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement



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)

PROPOSED PROVISION OF LOAN TO A CONNECTED PERSON

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the insider information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board announces that on 12 December 2017, the board of directors of the Company, has approved the proposed entering into of the Loan Agreement between the Lender, a wholly-owned subsidiary of Maoye Commercial, a non-wholly owned subsidiary of the Company and the Borrower, pursuant to which the Lender proposed to agree to provide a term loan to the Borrower in the principal amount of RMB400,000,000, bearing interest at a rate of 10.5% per annum for a term of 12 months.

As the Borrower is interested directly and indirectly through Victoria Holding in an aggregate of 19.7% equity interest in Inner Mongolia Victoria, which is an indirect non-wholly owned subsidiary of the Company, the Borrower is regarded as a connected person of the Company at the subsidiary level, and the entering into of the Loan Agreement will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

The proposed entering into of the Loan Agreement is subject to, amongst others, the shareholders' approval of the Maoye Commercial. Therefore, the proposed entering into of the Loan Agreement may or may not proceed. Investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made by the Company in accordance with the Listing Rules in relation to the entering into of the Loan Agreement as and when necessary.

THE LOAN AGREEMENT

The Board announces that on 12 December 2017, the board of directors of the Company, has approved the proposed entering into of the Loan Agreement between the Lender, a wholly-owned subsidiary of Maoye Commercial, a non-wholly owned subsidiary of the Company and the Borrower.

The proposed principal terms of the Loan Agreement are summarised as follows:

- Parties:** The Lender and the Borrower
- Principal amount:** RMB400,000,000
- 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 the below conditions precedent:
- (1) the Loan Agreement, the appendices and all relevant notices thereto having been duly executed by each of the parties and are effective;
 - (2) there being no administrative action, administrative decision, litigation or any other administrative or judicial procedures or threats which would prohibit or restrict the Loan Agreement or the provision of the Loan, impose compensation liability in respect of the Loan, or increase the cost of the provision of the Loan, and the execution and performance of the Loan Agreement and the related documents (including but not limited to the share pledge referred to in the section headed "Security" below) by the Borrower not having breached any legal requirements;
 - (3) the Borrower having pledged or procure the pledging of an aggregate of 15% shareholding in Inner Mongolia Victoria in favour of the Lender and the share pledge referred to in the section headed "Security" below having been executed;
 - (4) there having been no breach of any agreements, undertakings, conditions or obligations of the Loan Agreement by the Borrower or other agreements or documents related to the Loan Agreement by any other parties, and the Borrower not having refused to perform any terms under the Loan Agreement which shall be performed and complied with after the date of drawdown of the Loan according to the Loan Agreement;
 - (5) there being no prohibition or restriction from relevant laws, regulations or supervising authorities in relation to the drawdown of the Loan pursuant to the Loan Agreement;
 - (6) the Lender having satisfied with the due diligence on the Borrower;
 - (7) there having been no material adverse change to the financial condition of the Borrower after the execution of the Loan

Agreement;

- (8) there having been no insolvency event and no insolvency event could be reasonably expected to happen to the Borrower; and
- (9) the representations and warranties of the Borrower and the other parties to the agreements relevant to the Loan Agreement remaining true and accurate in all material aspects.

Use of the loan: The Borrower shall use the Loan for cash flow purposes and shall not use the Loan directly or indirectly for high-risk investments such as investment in the stock market or the real estate market

Repayment date: No later than 12 months from the drawdown date of the Loan, subject to any extension for one year as may be requested by the Borrower and 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 failure by the Borrower to utilise the Loan in accordance with the terms of the Loan Agreement; or
- (2) any insolvency, merger, division, material litigation, arbitration, penalty or other material economic change in relation to Inner Mongolia Victoria which could adversely affect the Loan.

Interest: Interest on the Loan shall accrue at the rate of 10.5% per annum (which shall be calculated on the basis of a 365-day year commencing from the drawdown date of the Loan to the date of actual repayment)

Security: The Loan is secured by a share pledge agreement to be executed by Victoria Holding in favour of the Lender with respect to 15% equity interest in Inner Mongolia Victoria.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE LOAN AGREEMENT

The entering into of the Loan Agreement will promote and enhance the effective use of the capital of Maoye Commercial and strengthen its capital base. In view of the above, the Directors (including all the independent non-executive Directors) are of the opinion that the proposed terms of the Loan Agreement are fair and reasonable and are based on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Lender

The Lender, Shenzhen Maoye Department Store Company Limited (深圳茂業百貨有限公司), is a company incorporated in the PRC, a wholly-owned subsidiary of Maoye Commercial and is principally engaged in the operation of department stores.

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.

The Borrower

The Borrower, Mr. Zou Zhaobin (鄒招斌), is a PRC citizen and was a director of Inner Mongolia Victoria from January 2014 to May 2016. He is currently a minority shareholder of Inner Mongolia Victoria. He is also currently the sole shareholder of and the chairman of the board of directors of Victoria Holding.

As the Borrower is interested directly and indirectly through Victoria Holding in an aggregate of 19.7% equity interest in Inner Mongolia Victoria, which is an indirect non-wholly owned subsidiary of the Company, the Borrower is regarded as a connected person of the Company at the subsidiary level.

The proposed entering into of the Loan Agreement is subject to, amongst others, the shareholders' approval of the Maoye Commercial. Therefore, the proposed entering into of the Loan Agreement may or may not proceed. Investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made by the Company in accordance with the Listing Rules in relation to the entering into of the Loan Agreement as and when necessary.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Board"	the board of Directors
"Borrower"	Mr. Zou Zhaobin (鄒招斌), Chinese citizen, a shareholder of Inner Mongolia Victoria as to 19.7% and the sole shareholder of Victoria Holding
"Company"	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
"Directors"	the directors of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Inner Mongolia Victoria"	Inner Mongolia Victoria Commercial (Group) Co., Ltd.* (內蒙古維多利商業(集團)有限公司), a company established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of the Company
"Loan"	the term loan in the principal amount of RMB400,000,000 under the Loan Agreement
"Loan Agreement"	the proposed loan agreement to be entered into between the Lender and the Borrower in relation to the provision of the Loan
"Lender"	Shenzhen Maoye Department Store Company Limited (深圳茂業百貨有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Maoye Commercial
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Maoye Commercial"	Maoye Commercial Co., Ltd. (茂業商業股份有限公司), a joint stock company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600828) and a non-wholly owned subsidiary of the Company
"PRC"	the People's Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Victoria Holding"	Victoria Investment Holding Co., Ltd. (維多利投資控股有限公司), a company established in the PRC with limited liability and the sole shareholder of which is the Borrower

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

Hong Kong, 12 December 2017

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