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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)

**CONNECTED TRANSACTION
IN RELATION TO**

**THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN QINHUANGDAO
MAOYE LAND AND REAL ESTATE DEVELOPMENT CO., LTD.**

THE SALE AND PURCHASE AGREEMENT

The Board announces that on 9 January 2018, the Vendor, an indirect non-wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Purchaser agreed to (i) purchase the entire equity interest in Qinhuangdao Maoye Land at a consideration of RMB8,711,900 and (ii) repay the Maoye Department Store Loan in the principal amount of RMB60,000,000 plus interest accrued thereon, and the Vendor Amount Payable to the Vendor in the sum of RMB4,794,818.52.

LISTING RULES IMPLICATIONS

The Purchaser is a company wholly-owned by Mrs. Huang Jing Zhang, being the spouse of Mr. Huang. As Mr. Huang is the controlling shareholder, Chairman, executive Director and Chief Executive Officer of the Company, Mr. Huang is a connected person of the Company and Mrs. Huang Jing Zhang is also a connected person of the Company by virtue of her being an associate of Mr. Huang. As such, the transactions under the Sale and Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Disposal and the repayment of the Maoye Department Store Loan and the Vendor Amount Payable exceed 0.1% but are less than 5%, the transactions under the Sale and Purchase Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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The principal terms of the Sale and Purchase Agreement are as follows:

- Date:** 9 January 2018
- Parties:** the Vendor and the Purchaser
- Interest to be acquired:** the entire equity interest in Qinhuangdao Maoye Land
- Consideration:** The consideration is RMB8,711,900 in cash, which shall be settled by the Purchaser as follows:
- (i) RMB1,000,000 shall be payable on the date of execution of the Sale and Purchase Agreement; and
 - (ii) RMB7,711,900 shall be payable within 5 business days of Completion.

The consideration was determined by the parties on an arm's length basis and on normal commercial terms, and was determined with reference to the valuation of the entire equity capital value of Qinhuangdao Maoye Land as at 30 November 2017 under the asset-based method at RMB8,711,900 conducted by Beijing Hwasion Concord Assets Appraisal Co., Ltd. (北京華信眾合資產評估有限公司), an independent third party valuer in the PRC appointed by Maoye Commercial.

- Repayment of debt :** As at the date of the Sale and Purchase Agreement, the following loan and amount payable are owed by Qinhuangdao Maoye Land to the wholly-owned subsidiaries of Maoye Commercial:
- (i) the Maoye Department Store Loan, being a loan owed by Qinhuangdao Maoye Land to Maoye Department Store in the principal amount of RMB60,000,000 with interest payable by Qinhuangdao Maoye Land to Maoye Department Store at 4.35% per annum; and
 - (ii) the amount payable to the Vendor, being a sum of RMB4,794,818.52 arising from various operating expenses of Qinhuangdao Maoye Land including the surveying and mapping fees for the land owned by Qinhuangdao Maoye

Land.

The Purchaser agreed to fully repay the Maoye Department Store Loan and the Vendor Amount Payable for Qinhuangdao Maoye Land in accordance with the Repayment Agreement, pursuant to which the Purchaser shall repay the Maoye Department Store Loan plus interest accrued thereon up to the date of payment and the Vendor Amount Payable prior to the completion of the registration procedures in relation to the change in equity interest of Qinhuangdao Maoye Land.

Completion: Completion shall occur within 3 business days of completion of the registration procedures in relation to the relevant change in equity interest.

INFORMATION ON QINHUANGDAO MAOYE LAND

Qinhuangdao Maoye Land is principally engaged in real estate development in the PRC. As at the date of this announcement, Qinhuangdao Maoye Land has not commenced any real estate development projects. The only asset of Qinhuangdao Maoye Land is a piece of land situated at the south of Wenchang Road and west of Hebin Road, Qinhuangdao City, for restricted use in the development of high-end hotel.

Qinhuangdao Maoye Land will cease to be a subsidiary of the Company after completion of the Disposal.

Based on the unaudited financial statements of Qinhuangdao Maoye Land, as at 30 November 2017, the net asset value of Qinhuangdao Maoye Land amounted to RMB7,767,135.78.

Set out below is the unaudited financial information of Qinhuangdao Maoye Land for the period ended 31 December 2016 and the period ended 30 November 2017:

	For the period ended 31 December 2016 (Unaudited) (RMB)	For the year ended 30 November 2017 (Unaudited) (RMB)
loss before taxation and extraordinary items	94,854.85	138,009.37
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REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE AGREEMENT

As mentioned above, The only asset of Qinhuangdao Maoye Land is a piece of land situated at the south of Wenchang Road and west of Hebin Road, Qinhuangdao City, for restricted use in the development of high-end hotel. The land was first acquired by the Vendor in 2015, which was subsequently transferred to Qinhuangdao Maoye Land in 2016. The Group acquired the land in 2015 as it was then optimistic about the property market in Qinhuangdao City. According to the local urban planning requirements, the development of the land shall commence prior to April 2018. The

Company also considered that (1) the material change to the current macro-control policy on the property market as compared to the year of 2015; (2) a large amount of capital that would be required to be deployed by the Company and longer period of construction cycle for the development of the high-end hotel are unable to meet the Company's current demands for return on investment; and (3) the disposal of the equity interests in Qinhuangdao Maoye Land is in line with the Company's development strategy of focusing in its department store and retail business. Therefore, the Disposal will help the Company concentrating its resources in the department store and retail business and improve the Company's efficiency of the use of assets in generating profits.

Prior to the execution of the Sale and Purchase Agreement, enquires were made by the Vendor with respect to the sale of the land owned by Qinhuangdao Maoye Land. However, the Vendor had not been able to negotiate terms for the disposal of the land or the equity interest in Qinhuangdao Maoye Land which are more favourable than those of the Sale and Purchase Agreement.

Subject to auditing, the Company is expected to recognise a gain of approximately RMB944,800 as a result of the Disposal, which is calculated on the basis of the difference between the consideration payable by the Purchaser for the entire equity interest in Qinhuangdao Maoye Land and book value of Qinhuangdao Maoye Land. The Company intends to apply the proceeds from the Disposal and repayment of the Maoye Department Store Loan and the Vendor Amount Payable for general working capital purpose.

Given the above, the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder have been arrived at after arm's length negotiations, are on normal commercial terms and in the ordinary and usual course of business of the Company, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Vendor

The Vendor, Chengdu Maoye Estate Co., Ltd. (成都茂業地產有限公司), is a company established in the PRC and a wholly-owned subsidiary of Maoye Commercial, which is principally engaged in property development in the PRC.

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 Purchaser

The Purchaser, Maoye Holdings (China) Limited(茂業集團(中國)有限公司), is a company incorporated in Hong Kong and the principal business of which is investment holding. The Purchaser is a company wholly-owned by Mrs. Huang Jing Zhang.

LISTING RULES IMPLICATIONS

The Purchaser is a company wholly-owned by Mrs. Huang Jing Zhang, being the spouse of Mr. Huang. As Mr. Huang is the controlling shareholder, Chairman, executive Director and Chief Executive Officer of the Company, Mr. Huang is a connected person of the Company and Mrs. Huang Jing Zhang is also a connected person of the Company by virtue of her being an associate of Mr. Huang. As such, the transactions under the Sale and Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Disposal and the repayment of the Maoye Department Store Loan and the Vendor Amount Payable exceed 0.1% but are less than 5%, the transactions under the Sale and Purchase Agreement are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Huang is deemed to be interested in the Purchaser through the interest of his spouse, Mr. Huang had abstained from voting on the meeting of the Board in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder. Other than Mr. Huang, no Director has a material interest in the transactions under the Sale and Purchase Agreement and is required to abstain from voting on the relevant meeting of the Board.

Definitions

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

"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	Maoye International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the transactions contemplated under the Sale and Purchase Agreement
"Directors"	the directors of the Company
"Disposal"	the disposal of the entire equity interest of Qinhuangdao Maoye Land to the Purchaser pursuant to the Sale and Purchase Agreement
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"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
"Maoye Department Store"	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 an indirect non-wholly owned subsidiary of the Company
"Maoye Department Store Loan"	a loan from Maoye Department Store to Qinhuangdao Maoye Land in the principal amount of RMB60,000,000 with an interest of 4.35% per annum
"Mr. Huang"	Mr. Huang Mao Ru, Chairman, executive Director and Chief Executive Officer of the Company and the Company's controlling shareholder
"PRC"	the People's Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau and Taiwan
"Purchaser"	Maoye Holdings (China) Limited (茂業集團(中國)有限公司), a company incorporated in Hong Kong with limited liability and wholly-owned by Mrs. Huang Jing Zhang
"Qinhuangdao Maoye Land"	Qinhuangdao Maoye Land and Real Estate Development Co., Ltd. (秦皇島茂業置業房地產開發有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
"Repayment Agreement"	an agreement dated 9 January 2018 entered into amongst Maoye Department Store, Qinhuangdao Maoye Land, the Vendor and the Purchaser in relation to the repayment of the Maoye Department Store Loan and the Vendor Amount Payable
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the agreement dated 9 January 2018 entered into between the Vendor and the Purchaser in respect of the Disposal and the repayment of the Maoye Department Store Loan and the Vendor Amount Payable
"Shareholder(s)"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Chengdu Maoye Estate Co., Ltd. (成都茂業地產有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company

"Vendor Amount Payable" amount payable by Qinhuangdao Maoye Land to the Vendor in the sum of RMB4,794,818.52

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

Hong Kong, 9 January 2018

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.