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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, 29 February 2016, 21 March 2017, 23 March 2017, and 18 July 2017 (the “**Announcements**”) and the circular of the Company dated 31 October 2015 (the “**Circular**”) in relation to, among others, (1) the sale by Maoye Shangsha, Demao and Hezhengmao (together as the “**Vendors**”) of the entire issued share capital of the Target Entities to Maoye Commercial Co., Ltd (“**Maoye Commercial**”); and (2) due to the underachievement of the 2016 Profit Guarantee and pursuant to the terms of the Compensation Agreement, the transfer of the Compensation Shares from the Vendors respectively to the shareholders of Maoye Commercial as listed on the shareholders’ register of Maoye Commercial as of the close of trading on 5 May 2017 for no consideration. 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 2017 shall be RMB779,222,200 (the “**2017 Profit Guarantee**”), and if the actual net profit of the Target Entities falls below the 2017 Profit Guarantee, the Vendors shall compensate Maoye Commercial an amount calculated according to the formula as set out in the Circular. In addition, if Maoye Commercial distributes cash dividend during the performance compensation period, the Vendors shall return the accumulated cash dividend along with the Compensation Shares received to Maoye Commercial.

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 2017 provided by Ruihua Certified Public Accountants, the actual net profit of the Target Entities was RMB762,212,400 (without taking into account the effect of non-operating gains and losses), which falls short of the 2017 Profit Guarantee by approximately RMB17,009,800. Accordingly, the 2017 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 8,479,892 Compensation Shares, representing approximately 0.7% of the total Consideration Shares, to an escrow account set up by Maoye Commercial. Maoye Commercial will subsequently be entitled to repurchase such Compensation Shares at a total consideration of RMB1. Meanwhile, the Vendors shall return the accumulated cash dividend in a total amount of RMB4,663,940.60 to Maoye Commercial according to the dividend scheme announced by Maoye Commercial during the performance period.

The Board is of the view that the failure to meet the 2017 Profit Guarantee will not pose any material adverse impact on the financial position and business operation of the Group as a whole.

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, 15 March 2018

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Huang Mao Ru, Mr. Zhong Pengyi, 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.