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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 SHENZHEN UGO E-COMMERCE CO., LTD.

SALE AND PURCHASE AGREEMENTS

The Company is pleased to announce that on 18 June 2018, Maoye Commercial, a non-wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreements with the Sellers, pursuant to which Maoye Commercial agreed to purchase and the Sellers agreed to sell an aggregate of 38.24% equity interests in UGO, for an aggregate cash consideration of RMB218,279,300.

As at the date of this announcement, Zhongzhao Investment Management, a wholly-owned subsidiary of the Company, is interested in 18.64% of the equity interests in UGO. Upon completion of the Sale and Purchase Agreements, UGO will become an indirect non-wholly owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the Sale and Purchase Agreements will be aggregated as a single series of transactions as these transactions involve the acquisition of equity interest in the same entity, being UGO.

As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisitions, on an aggregated basis, exceeds 5% but are below 25%, the Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

SALE AND PURCHASE AGREEMENTS

The Company is pleased to announce that on 18 June 2018, Maoye Commercial, a non-wholly

owned subsidiary of the Company, entered into the Sale and Purchase Agreements with the Sellers, pursuant to which Maoye Commercial agreed to purchase and the Sellers agreed to sell an aggregate of 38.24% equity interests in UGO, for an aggregate cash consideration of RMB218,279,300.

The Principal terms of the Sale and Purchase Agreements are set out below:

- Date:** 18 June 2018
- Parties:** (i) the Sellers, as sellers
(ii) Maoye Commercial, as purchaser
(iii) UGO

As at the date of this announcement, Zhongzhao Investment Management, a wholly-owned subsidiary of the Company, owns approximately 18.64% of the equity interests in UGO. Save as aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Sellers and its ultimate beneficial owner(s) (as applicable) are third parties independent of the Company and its connected persons.

Assets to be acquired

Subject to and in accordance with the terms and conditions of the Sale and Purchase Agreements, the Sellers agreed to sell, and Maoye Commercial agreed to purchase the Sale Shares, being an aggregate of 11,091,429 issued shares of UGO, representing an aggregate of approximately 38.24% of the equity interests in UGO.

One of the Sale and Purchase Agreements is subject to the approvals of the relevant authorities of the PRC. Save for this, the Completion of the Acquisitions under the Sale and Purchase Agreements are not subject to any conditions precedent and the completion of any of the Sale and Purchase Agreements is not conditional upon completion of the other Sale and Purchase Agreements.

Consideration

The aggregate consideration for the Sale Shares is RMB218,279,300, which will be settled by internal resources of the Group. The consideration was determined after arm's length negotiations between Maoye Commercial and the Sellers on normal commercial terms with reference to and the average PE ratio of listed companies in the PRC engaging in similar business as UGO.

The consideration will be settled in the following manner:

1. Maoye Commercial shall pay the Sellers 20% of the consideration, being an aggregate amount of RMB43,655,900, within 5 business days from the effective day the Sale and Purchase Agreements; and
2. Maoye Commercial shall pay the Sellers the remaining 80% of the consideration, being

an aggregate amount of RMB174,623,400, within 20 business days from the day on which the registration of the transfer of the Sale Shares is completed.

Pursuant to the Sale and Purchase Agreements, the Sellers shall within 5 business days from the day of receipt of 20% of the consideration commence the registration procedures in relation to the transfer of the Sale Shares and shall procure that such registration is completed within 20 business days after receiving such payment.

Profit Guarantee

On 18 June 2018, the Guarantors, being three of the Sellers, entered into the Profit Guarantee Agreement with Maoye Commercial, pursuant to which the Guarantors agreed to guarantee in favour of Maoye Commercial that the total audited net profits of UGO for the year ending 31 December 2018, 2019 and 2020 would be not less than RMB40,000,000, RMB50,000,000 and RMB60,000,000, respectively. The net profits of UGO for the purpose of the profit guarantee will be the audited net profits less extraordinary items, or the audited net profits including extraordinary items, whichever the lower.

According to the Profit Guarantee Agreement, the Guarantors shall compensate Maoye Commercial in respect of any shortfall between the actual net profits and guaranteed net profits of UGO for each of the years ending 31 December 2018, 2019 and 2020. The amount of compensation will be calculated by the difference between the guaranteed net profits and the actual net profits, divided by the aggregate amount of net profits guaranteed (i.e. RMB150,000,000) and multiplied by the aggregate consideration for the Sale Shares but minus any compensation that was previously paid by the Guarantors (if any). Any compensation will be made by the Guarantors transferring their shares in UGO to Maoye Commercial valued at RMB19.68 per UGO share, being an amount equivalent to the consideration per Sale Share under the Sale and Purchase Agreements, provided that the Guarantors will not be required to compensate Maoye Commercial for more than the number of shares they held in UGO after completion of the Acquisitions.

INFORMATION ON UGO

UGO is a company established under the laws of the PRC, which is a design and sales company for fashionable women apparels supported by analytical ability of big data application. Guided by market demand and driven by the business model of data analysis, UGO follows the trend of women apparels, designs and purchases fashionable women styles and sells via online e-commerce channel. As at the date of this announcement, Zhongzhao Investment Management, a wholly-owned subsidiary of the Company, is interested in 18.64% of the equity interests in UGO. Upon completion of the Sale and Purchase Agreements, UGO will become an indirect non-wholly owned subsidiary of the Company.

According to the audited financial statements of UGO in accordance with PRC Generally Accepted Accounting Principles, the net profit of UGO for the two financial years ended 31 December 2017 and 2016 is as follows:

	For the year ended 31 December 2017 (audited) RMB	For the year ended 31 December 2016 (audited) RMB
Net profit before tax	28,855,362.81	24,459,990.35

Net profit after tax	25,670,708.49	20,251,621.46
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The audited net asset value of UGO as at 31 December 2017 was RMB217,302,705.77.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company is of the view that the Acquisitions will enable the Company to leverage on the experience of online operation and new retail from UGO and further open up online and offline sales channels of the Company, thereby improving the profitability of the Company by building precise marketing system with accumulated big data technology employed by UGO.

The Directors (including the non-executive Directors) consider that the terms of the Sale and Purchase Agreements and the transactions contemplated thereunder are fair and reasonable and the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE SELLERS

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 Sellers

Each of the Sellers is an existing shareholder of UGO. Other than the equity interests owned by Zhongzhao Investment Management in UGO, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Sellers and its ultimate beneficial owner(s) (as applicable) are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the Sale and Purchase Agreements will be aggregated as a single series of transactions as these transactions involve the acquisition of equity interest in the same entity, being UGO.

As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisitions, on an aggregated basis, exceeds 5% but are below 25%, the Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Acquisitions"	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreements
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"Board"	the board of directors of the Company
"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
"connected person"	has the meaning scribed to it under the Listing Rules
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Guarantors"	Mr. Xu Kai (徐凱), Shenzhen Dingju Investment Limited (深圳市鼎聚投資有限公司), and Shenzhen Ruihe Shengshi Investment Management Enterprises (Limited Partnership) (深圳市瑞合盛世投資管理企業(有限合夥))
"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 subsidiary of the Company
"PRC"	the People's Republic of China
"Profit Guarantee Agreement"	a profit guarantee agreement dated 18 June 2018 among Maoye Commercial and the Guarantors in relation to the guarantee of the profits of UGO for the three years ending 31 December 2020
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchas Agreements"	15 sale and purchase agreements dated 18 June 2018 between Maoye Commercial and the Sellers in relation to the Acquisitions
"Sale Shares"	an aggregate of 11,091,429 issued shares of UGO
"Sellers"	15 existing shareholders of UGO who entered into the Sale and Purchase Agreements with Maoye Commercial in relation to the sale of the Sale Shares
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"UGO"	Shenzhen Ugo E-commerce Co., Ltd. (深圳優依購電子商

務股份有限公司), a company established in the PRC

"Zhongzhao Investment
Management "

Zhongzhao Investment Management Co., Ltd. (中兆投資管
理有限公司), a company established in the PRC and a
wholly-owned subsidiary of the Company

Hong Kong, 18 June 2018

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

As at the date of this announcement, the Board 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.