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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)

**DISCLOSABLE TRANSACTION IN RELATION TO
THE PROVISION OF GUARANTEE**

PROVISION OF GUARANTEE

Reference is made to the announcement of the Company dated 9 July 2018 in relation to the proposed provision of Guarantee.

In connection with the proposed provision of Guarantee, the Board announces that on 26 July 2018, Maoye Commercial, a non-wholly owned subsidiary of the Company, has entered into the Bank of China Guarantee Agreement with Bank of China, pursuant to which Maoye Commercial agreed to provide a guarantee up to the amount of RMB147,000,000 in favor of Bank of China in respect of the repayment obligations under the mortgage loans to be granted to the Purchasers by Bank of China, from the sale of the Properties by Maoye Commercial.

IMPLICATIONS UNDER THE LISTING RULES

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As disclosed in the Company's announcement dated 27 April 2018, Maoye Commercial entered into the Construction Bank Guarantee Agreement with Construction Bank in respect of the provision of guarantee up to the amount of RMB396,000,000 in favor of Construction Bank for the repayment obligation under the mortgage loans that may be granted to purchasers of the Property by Construction Bank. The Bank of China Guarantee Agreement and the Construction Bank Guarantee Agreement constitute a series of related transactions and are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

None of the applicable percentage ratios in respect of the provision of the Guarantee as calculated under Rule 14.07 of the Listing Rules on a standalone basis exceeds 5%. As one or more of the applicable percentage ratios in respect of the provision of the Guarantee, when aggregated with the provision of guarantee under the Construction Bank Guarantee Agreement, exceed 5% but are all

lower than 25%, the entering into of the Bank of China Guarantee Agreement constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements, but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

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Details of the terms of the Bank of China Guarantee Agreement are set out below:-

Date:	26 July 2018
Parties:	(i) Bank of China, as lender (ii) Maoye Commercial, as guarantor
Guarantee:	<p>Maoye Commercial agreed to provide a guarantee up to the amount of RMB147,000,000 in favor of Bank of China in respect of the repayment obligations under the mortgage loans to be granted to the Purchasers by Bank of China from the sale of the Properties by Maoye Commercial.</p> <p>The Properties to be sold to the Purchasers who take out mortgage loan from Bank of China will be mortgaged to Bank of China under the relevant mortgage agreements as securities of the mortgage loans.</p> <p>The repayment obligations of the Purchasers proposed to be guaranteed by Maoye Commercial under the mortgage loans to be granted by Bank of China include the principal amount, accrued interest thereon (including interest, compound interest and penalty interest), default payment, damages and all expenses arising from the enforcement of rights by Bank of China under the relevant mortgage loan agreements including but not limited to litigation fees, lawyers' expenses, notarization fees and enforcement fees.</p>

	<p>The terms of the Bank of China Guarantee Agreement, including the guarantee amount, were negotiated on an arm's length basis and on normal commercial terms. The proposed guarantee amount was determined with reference to the amount of mortgage loans to be granted to the Purchasers, which is based on the prevailing market price of the Properties, and the amount which would be incurred by the Purchasers from the repayment obligations under the relevant mortgage agreements.</p> <p>An amount equivalent to 5% of the amount of the loan to be granted by Bank of China to the relevant Purchaser will be deposited by Maoye Commercial into an account of Bank of China as security deposit for the guarantee obligation of Maoye Commercial under the Bank of China Guarantee Agreement. Such security deposit will be repaid by Bank of China to Maoye Commercial upon the termination of Maoye Commercial's guarantee obligation.</p>
Term:	Maoye Commercial's obligation to guarantee the relevant mortgage loans of the Purchasers will commence from the date on which the loan agreement signed between Bank of China and the relevant Purchaser takes effect and will terminate when Bank of China receives the relevant valid title deeds and documents of the Properties and completes the registration of the relevant mortgages.
Source of funding for the fulfillment of the guarantee:	Any payment obligations of Maoye Commercial arising from the Bank of China Guarantee Agreement will be satisfied by internal resources of the Group.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Bank of China and its ultimate beneficial owners are third parties independent of the Company and its connected persons. Maoye Commercial currently does not intend to sell the Properties to Purchasers who are connected persons of the Group. However, if circumstances arise such that Maoye Commercial sells the Properties to Purchasers who are connected persons of the Group, the Company will comply with all the applicable requirements under Chapter 14A of the Listing Rules if and when necessary.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE GUARANTEE

Maoye Commercial has developed the Maoye Haoyuan (茂業豪園) Sale Project under which Maoye Commercial will sell certain commercial and residential properties in Chengdu city of the PRC. The Board believes that the provision of the Guarantee by Maoye Commercial in favor of Bank of China to guarantee the repayment obligations of the Purchasers will be beneficial to facilitate the sale of Properties and realize the capital recovery.

The Board is also of the view that the provision of the Guarantee is in line with the relevant policy requirements and the usual commercial practice in the property sale business in the PRC. The Directors

(including the independent non-executive Directors) consider that the terms of the Bank of China Guarantee Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

INFOMRATION ON THE PARTIES

Bank of China

Bank of China is the Chengdu Shudu Avenue branch of Bank of China, a joint stock company incorporated in the PRC, the shares of which are listed on the Stock Exchange (stock code: 3988) and the Shanghai Stock Exchange (stock code: 601988).

Maoye Commercial

Maoye Commercial is 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 Commercial 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.

IMPLICATIONS UNDER THE LISTING RULES

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As disclosed in the Company's announcement dated 27 April 2018, Maoye Commercial entered into the Construction Bank Guarantee Agreement with Construction Bank in respect of the provision of guarantee up to the amount of RMB396,000,000 in favor of Construction Bank for the repayment obligation under the mortgage loans that may be granted to purchasers of the Property by Construction Bank. The Bank of China Guarantee Agreement and the Construction Bank Guarantee Agreement constitute a series of related transactions and are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

None of the applicable percentage ratios in respect of the provision of the Guarantee as calculated under Rule 14.07 of the Listing Rules on a standalone basis exceeds 5%. As one or more of the applicable percentage ratios in respect of the provision of the Guarantee, when aggregated with the provision of guarantee under the Construction Bank Guarantee Agreement, exceed 5% but are all lower than 25%, the entering into of the Bank of China Guarantee Agreement constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements, but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

The following words and phrases used in this announcement have the same meanings assigned:

"Bank of China"	the Chengdu Shudu Avenue branch of Bank of China
"Bank of China Guarantee Agreement"	the guarantee agreement dated 26 July 2018 entered into between Maoye Commercial and Bank of China
"Board"	the board of Directors
"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(s)"	has the meaning ascribed to it under the Listing Rules
"Construction Bank"	the Chengdu Minjiang branch of China Construction Bank Corporation
"Construction Bank Guarantee Agreement"	the guarantee agreement dated 27 April 2018 entered into between Maoye Commercial and Construction Bank, the details of which are set out in the announcement of the Company dated 27 April 2018
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Guarantee"	the repayment obligations of the Purchasers guaranteed by Maoye Commercial under Bank of China Guarantee 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 limited 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 Haoyuan Sale Project"	the sale of residential and commercial properties named

	"Maoye Haoyuan" (茂業豪園) in the Jin Jiang area of Chengdu city (成都市錦江區) of the PRC by Maoye Commercial
"PRC"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Properties"	the certain properties to be sold under the Maoye Haoyuan Sale Project
"Purchasers"	the purchasers of the Properties who will obtain mortgage loans from Bank of China to fund such purchases
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 26 July 2018

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.