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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)

**MAJOR TRANSACTION
DISPOSAL OF SHARES IN MAOYE COMMUNICATION**

THE DISPOSAL AGREEMENT

The Board announces that on 9 January 2017, Zhongzhao, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which Zhongzhao agreed to dispose of and the Purchaser agreed to acquire the Target Shares at a cash consideration of RMB1,400,000,000.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal exceeds 25% but all of the applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to Shareholders' approval requirements under the Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving of the Disposal, the Company has obtained written shareholder's approval from the Controlling Shareholder pursuant to Rule 14.44 of the Listing Rules. After the obtaining of such written shareholder's approval, the Company is not required to convene a general meeting for the approval of the Disposal.

A circular containing, among other things, further information on the Disposal Agreement will be despatched to the Shareholders. In order to allow sufficient time to prepare the information to be included in the circular such as the statement of indebtedness, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the circular to be despatched to the Shareholders within 15 business days after the publication of this announcement. Accordingly, the circular is expected to be despatched to the Shareholders on or before 31 March 2017.

THE DISPOSAL AGREEMENT

The Board announces that on 9 January 2017, Zhongzhao, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, the details of which are set out below:

Parties:

- (i) Zhongzhao, as vendor
- (ii) Shenzhen Tong Tai Da Investment Centre (Limited Partnership), as Purchaser

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be disposed of

Zhongzhao has agreed to dispose of the Target Shares, being 70,000,000 shares in the capital of Maoye Communication, representing approximately 11.26% of the total issued share capital of Maoye Communication as at the date of this announcement.

Consideration and payment terms

The consideration for the Target Shares is RMB1,400,000,000, which is determined with reference to the closing price of the shares of Maoye Communication as quoted on the Shenzhen Stock Exchange one trading day preceding the date of the Disposal Agreement.

Pursuant to the terms of the Disposal Agreement, Zhongzhao and the Purchaser shall within three business days of the date of the Disposal Agreement open the Joint Account for the purpose of the deposit of the consideration for the Target Shares as follows:

- (i) a sum of RMB600,000,000 (the "**First Payment**") shall be deposited into the Joint Account by the Purchaser within two business days after the opening of the Joint Account;
- (ii) Zhongzhao shall apply for the confirmation of the Disposal from the Shenzhen Stock Exchange within one business day of the deposit of the First Payment into the Joint Account;
- (iii) a sum of RMB800,000,000 (the "**Second Payment**") shall be deposited into the Joint Account by the Purchaser within one business day after obtaining the confirmation of the Disposal from the Shenzhen Stock Exchange;

- (iv) Zhongzhao shall apply for the registration of the transfer of the Target Shares with CSDC within one business day of the deposit of the Second Payment into the Joint Account; and
- (v) all of the monies in the Joint Account (together with any interest therein) shall be transferred to Zhongzhao within one business day after the completion of the registration of the transfer of the Target Shares with CSDC and publication of the announcement in relation to the change in interest, whereupon the payment obligation of the Purchaser for the Target Shares shall be discharged.

Completion of the Disposal shall take place after the completion of the registration of the transfer of the Target Shares with CSDC.

INFORMATION ON MAYOE COMMUNICATION

Maoye Communication is a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000889) and an associate of the Company. Maoye Communication is principally engaged in the department store retail and telecommunication business.

According to the audited financial statements of Maoye Communication prepared in accordance with PRC Generally Accepted Accounting Principles, the net asset value of Maoye Communication as at 31 December 2015 was RMB2,250,424,646.16 and the audited net profit of Maoye Communication for the two financial years ended 31 December 2015 were as follows:

	For the year ended 31 December 2014 (RMB)	For the year ended 31 December 2015 (RMB)
Net profit before taxation	148,601,008.05	310,199,285.93
Net profit after taxation	98,678,522.45	153,603,203.01

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal will enable the Company to focus on its strategy and to optimize its financial structure. The Board also considers that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Subject to auditing, the Group is expected to recognise a gain of approximately RMB680 million as a result of the Disposal, which is calculated on the basis of the difference between book value and the consideration (exclusive of the transaction expenses) for the Target Shares. The Group intends to use the proceeds of the Disposal to repay its loans and to supplement its general working capital.

INFORMATION ON THE PARTIES

The Company and Zhongzhao

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. Zhongzhao is an investment holding company established in the PRC with limited liability and a wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is a limited partnership established in the PRC, which is principally engaged in investment holding.

LISTING RULES IMPLICATIONS

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Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving of the Disposal, the Company has obtained written shareholder's approval from the Controlling Shareholder pursuant to Rule 14.44 of the Listing Rules. After the obtaining of such written shareholder's approval, the Company is not required to convene a general meeting for the approval of the Disposal.

A circular containing, among other things, further information on the Disposal Agreement will be despatched to the Shareholders. In order to allow sufficient time to prepare the information to be included in the circular such as the statement of indebtedness, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the circular to be despatched to the Shareholders within 15 business days after the publication of this announcement. Accordingly, the circular is expected to be despatched to the Shareholders on or before 31 March 2017.

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 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
"Controlling Shareholder"	Maoye Department Store Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder (as defined in the Listing Rules) of the Company holding 4,200,000,000 shares in the Company as of the date of this announcement
"CSDC"	China Securities Depository & Clearing Corporation Limited
"Directors"	the directors of the Company
"Disposal"	the disposal of the Target Shares by Zhongzhao pursuant to the terms of the Disposal Agreement
"Disposal Agreement"	an agreement dated 9 January 2017 between Zhongzhao and the Purchaser in relation to the Disposal
"Group"	the Company and its subsidiaries
"Joint Account"	a bank account to be opened in the name of Zhongzhao and the Purchaser or a designated institution agreed by each party which is jointly controlled by Zhongzhao and the Purchaser pursuant to the terms of the Disposal 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 Communication"	Maoye Communication and Network Co., Ltd (茂业通信股份有限公司), a company established in the PRC the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000889) and an associate of the Company
"PRC"	the People's Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau and Taiwan
"Purchaser"	Shenzhen Tong Tai Da Investment Centre (Limited Partnership) (深圳通泰達投資中心 (有限合夥)), a limited partnership established in the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Shares"	70,000,000 shares in the capital of Maoye Communication
"Zhongzhao"	Zhongzhao Investment Management Co., Ltd. (中兆投資管理有限公司) a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company

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

Hong Kong, 9 January 2017

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