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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)

US\$300,000,000 7.75% Senior Notes due 2017

(Stock Code: 5751)

**CONNECTED TRANSACTION
REPURCHASE OF SENIOR NOTES FROM
CONTROLLING SHAREHOLDER**

THE REPURCHASE AGREEMENT

The Board announces that on 15 February 2017, Maoye (China), a wholly-owned subsidiary of the Company, entered into the Repurchase Agreement with Mr Huang, pursuant to which Maoye (China) agreed to acquire and Mr Huang agreed to dispose of the Notes in an aggregate principal amount of US\$12,000,000.

LISTING RULES IMPLICATIONS

Mr. Huang is the controlling shareholder, Chairman, executive Director and Chief Executive Officer of the Company. As such, Mr Huang is a connected person of the Company and the Repurchase constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Repurchase exceed 0.1% but less than 5%, the Repurchase is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE REPURCHASE AGREEMENT

The Board announces that on 15 February 2017, Maoye (China), a wholly-owned subsidiary of the Company, entered into the Repurchase Agreement with Mr Huang, the details of which are set out below:

Parties:

- (i) Maoye (China), as purchaser
- (ii) Mr Huang, as vendor

Subject matter

Maoye (China) has agreed to acquire, and Mr Huang has agreed to dispose of the Target Notes, being the 7.75% Senior Guaranteed Notes of the Company due 2017 in an aggregate the principal amount of US\$12,000,000.

The Target Notes were issued by the Company on 19 May 2014. The Company is informed by Mr Huang that the Target Notes were acquired by Mr Huang on the open market from independent third parties for an aggregate consideration of US\$11,550,000.

Pursuant to the terms of the Repurchase Agreement, completion of the repurchase of the Target Notes may take place in tranches in such principal amount as may be agreed between Maoye (China) and Mr Huang within three months of the date of the Repurchase Agreement.

Consideration and payment terms

The consideration payable by Maoye (China) for the Repurchase shall be US\$12,000,000 (subject to adjustment as set out below). The consideration was determined with reference to the market price of the Notes as quoted by brokers dealing in the Notes and the consideration paid by the Company for the repurchase of the Notes since November 2016 (collectively, the "**Reference Price**"). The consideration payable by Maoye (China) for the Target Notes shall be lower than the Reference Price.

In addition, interest at the rate of 7.75% per annum (being interest accrued on the Notes) for the period from the last interest payment date of the Notes (being 19 November 2016) to the relevant Payment Date in respect of each tranche of the Target Notes will be payable by Maoye (China) to Mr Huang at completion of each tranche of the Target Notes. The payment of such accrued interest on the Notes by the purchaser is consistent with the terms in respect of the dealing in the Notes on the open market.

The consideration in respect of each tranche of the Target Notes is subject to adjustment on the Payment Date, where the final consideration payable by Maoye (China) for each tranche shall be the lower of (i) the principal amount of such tranche of the Target Notes; and (ii) the market price of the Notes as quoted by brokers dealing in the Notes as at the Payment Date.

REASONS FOR AND BENEFITS OF THE REPURCHASE

The Board considers that the repurchase of the Target Notes will reduce the Company's future financial expenses and lower its financial gearing level. In addition, given that the consideration for the Target Notes shall be adjusted to the lower of the principal amount of the Target Notes and the prevailing market price as at the Payment Date, the Board considers the repurchase price to be more favourable to the Company compared to the price that the Company may obtain on the open market.

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

As Mr Huang has a material interest in the Repurchase, Mr Huang has abstained from voting on the meeting of the Board in relation to the Repurchase Agreement and the transactions contemplated thereunder. Other than Mr Huang, no Director has a material interest in the transactions under the Repurchase Agreement and is required to abstain from voting on the relevant meeting of the Board.

INFORMATION ON THE PARTIES

Maoye (China)

Maoye (China) is a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company, which is principally engaged in investment holding. 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.

Mr Huang

Mr Huang is the founder of the Group and the Chairman, executive Director, Chief Executive Officer and the Chairman of the Nomination Committee of the Company. He is also a director of various companies in the Group. He is also a director and owner of Maoye Department Store Investment Limited and MOY International Holdings Limited, the controlling shareholders of the Company. Mr Huang is responsible for the overall development and strategic planning of the Group. He has

extensive experience in department store and commercial real estate industries and has been engaged in department store business for over 20 years.

LISTING RULES IMPLICATIONS

Mr Huang is the controlling shareholder, Chairman, executive Director and Chief Executive Officer of the Company. As such, Mr Huang is a connected person of the Company and the Repurchase constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Repurchase exceed 0.1% but less than 5%, the Repurchase is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Definitions

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

"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"	has the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"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 (China)"	Maoye Department Stores (China) Limited, a wholly owned subsidiary of the Company and incorporated in Hong Kong
"Mr Huang"	Mr Huang Mao Ru, the Chairman, executive Director and Chief Executive Officer of the Company and the controlling

	shareholder of the Company
"Notes"	the 7.75% Senior Guaranteed Notes of the Company due 2017
"Payment Date"	the date of payment of the consideration for the relevant tranche of the Target Notes by Maoye (China) to Mr Huang pursuant to the terms of the Repurchase Agreement
"PRC"	the People's Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau and Taiwan
"Repurchase"	the repurchase of the Target Notes pursuant to the terms of the Repurchase Agreement
"Repurchase Agreement"	an agreement between Maoye (China) and Mr Huang dated 15 February 2017 in relation to the Repurchase
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Notes"	the Notes in an aggregate principal amount of US\$12,000,000
"US\$"	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 15 February 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