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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **MAOYE INTERNATIONAL HOLDINGS LIMITED**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

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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**

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“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 Latest Practicable Date
“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 in the name of Zhongzhao and the Purchaser or assigned 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
“Latest Practicable Date”	23 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Maoye Communication”	Maoye Communication and Network Co., Ltd (茂業通信網絡股份有限公司), 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
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“Mr. Huang”	Mr. Huang Mao Ru
“PRC”	the People’s Republic of China and for the purposes of this circular, excluding Hong Kong, 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
“SFO”	the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Shares”	70,000,000 ordinary shares of RMB1.00 each 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

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Huang Mao Ru (*Chairman*)

Mr. Zhong Pengyi

Mr. Liu Bo

Mr. Wang Bin

Registered Office:

P.O. Box 31119

Grand Pavilion, Hibiscus Way

802 West Bay Road

Grand Cayman KY1-1205

Cayman Islands

Independent non-executive Directors:

Mr. Chow Chan Lum

Mr. Pao Ping Wing

Mr. Leung Hon Chuen

Head Office:

38/F, World Finance Centre Tower A

4003 Shennan East Road

Shenzhen

PRC

28 March 2017

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcement of the Company dated 9 January 2017 in relation to the Disposal.

The purpose of this circular is to provide you with, among other things, further details on the Disposal.

LETTER FROM THE BOARD

THE DISPOSAL AGREEMENT

Date

9 January 2017

Parties

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

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 ordinary shares of RMB1.00 each in the capital of Maoye Communication, representing approximately 11.26% of the total issued share capital of Maoye Communication as at the date of the Disposal Agreement.

Consideration and payment terms

The consideration for the Target Shares is RMB1,400,000,000, which was 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

LETTER FROM THE BOARD

- (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 has taken place on 24 January 2017 and all of the monies in the Joint Account had been transferred to Zhongzhao as at the Latest Practicable Date. Following completion of the Disposal, the Company's equity interest in Maoye Communication has been reduced from 35.46% to 24.20%, and Maoye Communication continues to be an associate of the Company.

INFORMATION ON MAOYE 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 audited net profit of Maoye Communication for each of the financial years ended 31 December 2014 and 2015 were as follows:

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

The audited net asset value of Maoye Communication as at 31 December 2015, based on PRC Generally Accepted Accounting Principles, was RMB2,250,424,646.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal exceeds 25% but is 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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal and none of the Shareholders is required to abstain from voting in favour of the resolution approving the Disposal. Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval by Maoye Department Store Investment Limited, the holder of 4,200,000,000 Shares as at the Latest Practicable Date (representing approximately 81.71% of the total issued share capital of the Company), has been obtained and therefore the Company is not required to convene any extraordinary general meeting to approve the Disposal.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considered that the Disposal will enable the Company to focus on its strategy and to optimize its financial structure. The Board also considered 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

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

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.

FINANCIAL EFFECTS OF THE DISPOSAL ON EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

As at the Latest Practicable Date, the Disposal had been completed and the Company's equity interest in Maoye Communication had been reduced from 35.46% to 24.20%, and Maoye Communication continues to be an associate of the Company. Subject to auditing, the Group is expected to recognize 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.

As Maoye Communication is accounted for as an associate of the Company and as such the assets and liabilities of Maoye Communication are not consolidated in the consolidated accounts of the Company. Accordingly, the Disposal has no effect on the assets and liabilities of the Group.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the terms of the Disposal are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Had an extraordinary general meeting been convened for the approval of the Disposal, the Directors, including the independent non-executive Directors, would have recommended the Shareholders to vote in favour of the Disposal.

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

FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for the years ended 31 December 2014 and 2015 are disclosed in the annual reports of the Company for the year ended 31 December 2014 and 2015 respectively. The published unaudited consolidated financial statements of the Group for the six months ended 30 June 2016 is disclosed in 2016 interim report of the Company. They can be accessed on the website of the Stock Exchange (www.hkexnews.hk).

WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account its present available financial resources, the Group will have sufficient working capital for its present requirements and for the period up to 12 months from the date of this circular in the absence of unforeseen circumstances.

INDEBTEDNESS STATEMENT

As at 31 January 2017, the Group had total outstanding interest-bearing bank loans and other borrowings of approximately RMB18,581 million, comprising secured current bank loans of approximately RMB6,227 million, unsecured current other loans of approximately RMB700 million, secured current portion of long-term bank loans of approximately RMB1,488 million, secured current portion of USD Senior Notes of approximately RMB1,530 million, secured non-current bank loans of approximately RMB5,854 million, unsecured other long-term loans of approximately RMB2,782 million.

As at 31 January 2017, the Group's bank loans were secured by certain land and buildings, land lease prepayments, investment properties and properties under development of the Group of approximately RMB3,075 million, RMB1,241 million, RMB4,951 million and RMB573 million, respectively.

As at 31 January 2017, Zhongzhao Investment Management Co., Ltd., Shenzhen Maoye Group, Maoye commercial Co., Ltd., Victory Investment Holding Co., Limited, Hohhot Litian Investment and Property Co., Limited, Mr. Huang Mao Ru and Mrs. Huang Jingzhang (spouse of Mr. Huang Mao Ru), Mr. Zou zhaobin and Mrs. Chen liping (spouse of Mr. Zou zhaobin), Mr. Chen qiangan and Mrs. Gao chenlian (spouse of Mr. Chen qiangan), Mr. Lin zhijian and Mrs. Ye aiyu (spouse of Mr. Lin zhijian), have guaranteed certain of the Group's bank loans up to RMB3,268 million.

Save as aforesaid, as at the close of business on 31 January 2017, the Group did not have any outstanding mortgages, pledge, debentures, loan capital, bank loans and overdrafts or other similar indebtedness, finance leases or hire purchase commitments, acceptance liabilities or acceptance credits, any guarantees or other material contingent liabilities.

FINANCIAL AND TRADING PROSPECT OF THE GROUP

According to China National Commercial Information Centre (全國商業信息中心), in 2016, retail sales of 100 key large retailing enterprises across the country decreased by 0.5% year-on-year, a decrease of 0.4 percentage point as compared to last year, indicating continuing challenging operating conditions faced by physical retail industry. Electronic commerce also slowed down in pace with online retail sales of RMB5,155.6 billion in 2016, an increase of 26.2% over last year and a lower growth rate than 33.3% in 2015. Online retail sales accounted for 15.5% of the total retail sales of social consumer goods, while physical retail sales accounted for 84.5% of the total retail sales of social consumer goods, showing the physical retail industry's continuing role as the mainstay of social consumption patterns. For one thing, the domestic consumer market is weakening in general and performances of the physical retail industry, as the major player, is declining for another. With the continuous impact from shopping malls and electronic commerce, the industry's competition has become fiercer with further increased differentiation in operations.

In 2017, the Group will uphold its strategies to grow moderately and healthily. On business layout:

Firstly, it will promote the transformation of existing stores to shopping malls, and focus much effort on markets in major cities across Southern China, Southwestern China, Eastern China and Northern China, leading the industry in these regions;

Secondly, it will actively promote the opening and development of the "Maoye Complex" project, prepare for the opening of major projects such as Jinzhou shopping mall, Laiwu shopping mall and Baotou Maoye Complex Phase II in order to generate interaction and complementary effect with existing department store layout, and strengthen the Group's leading position within the region;

Thirdly, it will focus on the consolidation of acquired stores and increase efforts on the consolidation of acquirees in terms of, among other things, management, systems and employees, and capitalise on the synergies generated from acquisition;

Fourthly, it will continue to optimize the performance of the store network, increase the adjustment to the loss-making stores and improve their business operations, optimize the asset structure and reduce the gearing ratio; and

Fifthly, it will enhance the efforts in realizing non-core assets, speed up the sales progress of property business and ensure the realization of the revenue from its key properties.

On operation strategies:

Firstly, it will continue to improve the overall operation efficiency of the Group and to unify the management of suppliers through the integration of group resources in order to lower purchase costs and operation expenses;

Secondly, it will increase its understanding of and control on merchandises offerings. It will utilise the information system of the Group to manage the conditions of merchandises on a database basis and change from analysis on the conditions of merchandises to analysis on individual merchandises in order to strengthen its ability to manage individual merchandises. At the same time, it will actively develop and integrate in the upstream of the industry chain, explore the development of proprietary business, deepen cooperation with domestic and foreign brands and agents and increase the proportion of purchase of featured brands in order to gradually achieve differential operation through personalized merchandise offerings; and

Thirdly, it will establish closer relationship with customers. It will apply internet and mobile internet tools to provide intelligent user services, create intelligent shopping space, provide intelligent carpark functions such as parking payment and car finding, convenient functions such as online restaurant queuing up and intelligent consumption services such as electronic coupons, points checking and points rebate for consumption through WeChat public account in order to improve customers' consumption experience and enhance department stores' ability to retain customers. At the same time, it will improve membership services, continuously improve the functions and application of the CRM system, refine the establishment of membership system and improve customers' consumption experience by combining online and offline service methods such as member-exclusive promotion, points discount, member-exclusive restrooms and customized membership services.

On financing arrangements, it will continue to adjust debt structure in order to achieve reasonable allocation of assets and liabilities and lower overall financing costs. Moreover, it will actively promote various financing activities, such as issuance of private placement bonds by Maoye Shangsha, issuance of corporate bonds and private placement bonds by Maoye Commercial and non-public issuance of shares by Maoye Commercial.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares and underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the shares of the Company

Name of director	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital
Mr. Huang Mao Ru	Interest of controlled corporations	4,200,000,000 <i>(Note)</i>	81.71%
	Beneficial owner	<u>50,000,000</u>	<u>0.97%</u>
		<u>4,250,000,000</u>	<u>82.68%</u>

Note: These shares were held by Maoye Department Store Investment Limited, a wholly-owned subsidiary of MOY International Holdings Limited, which in turn was wholly owned by Mr. Huang.

(ii) *Long position in shares of associated corporations of the Company*

Maoye Department Store Investment Limited, the immediate holding company of the Company

Name of director	Capacity	Number of ordinary shares interested	Percentage of the issued share capital in such associated corporation
Mr. Huang Mao Ru	Interest of controlled corporations	2 (<i>Note</i>)	100%

Note: These shares were held by MOY International Holdings Limited, which was wholly owned by Mr. Huang.

MOY International Holdings Limited, the ultimate holding company of the Company

Name of director	Capacity	Number of ordinary shares interested	Percentage of the issued share capital in such associated corporation
Mr. Huang Mao Ru	Beneficial owner	100	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, no Director or proposed Director was a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

(b) **Substantial shareholders' interests and short positions in shares and underlying shares of the Company**

As at the Latest Practicable Date, the following persons (other than the Directors of the Company, whose interests have been disclosed in the above section headed "Directors' and chief executives' interests and short positions in shares and underlying shares of the Company and its associated corporations") had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long position in the shares of the Company

Name	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital
Mrs. Huang Jingzhang	Interest of spouse	4,250,000,000 <i>(Note (a))</i>	82.68%
Maoye Department Store Investment Limited	Beneficial owner	4,200,000,000 <i>(Note (b))</i>	81.71%
MOY International Holdings Limited	Interest of controlled corporation	4,200,000,000 <i>(Note (b))</i>	81.71%

Note:

- (a) Mrs. Huang Jingzhang was deemed to be interested in these shares through the interest of her spouse, Mr. Huang.
- (b) Maoye Department Store Investment Limited was a wholly-owned subsidiary of MOY International Holdings Limited. Such interests were also disclosed as the interests of Mr. Huang in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations".

Save as disclosed above, as at the Latest Practicable Date, no person (other than the directors of the Company, whose interests have been disclosed in the above section headed "Directors' and chief executives' interests and short positions in shares and underlying shares of the Company and its associated corporations") had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

4. EXPERT AND CONSENT

The following sets out the qualification of the expert who has given opinion or advice which are contained in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, the above expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion of references to its name in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any interest in the share capital of any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

5. LITIGATION

As at the Latest Practicable Date, no members of the Group were engaged in any litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

- (a) Mr. Huang owns the Wuxi Maoye Department Store Company Limited through Maoye Holdings Limited, a company wholly-owned by Mr. Huang. The Maoye Wuxi Store is managed by the Group under management agreements entered on 5 May 2014 to operate Maoye-branded department stores.

In addition, Mr. Huang owned a 18.93% equity interest in Guiyang Friendship Group Holdings Company Limited (the “**Guiyang Friendship Group**”) as of the Latest Practicable Date. Guiyang Friendship Group primarily operates two department stores in Guiyang, Guizhou Province.

- (b) Mr. Zhong Pengyi, an executive Director, currently holds a 40% equity interest in Shenzhen Friendship Trading Centre Company Limited, which in turn holds a 90% equity interest in Shenzhen Friendship Department Store Company Limited and a 25.01% equity interest in Shenzhen Aeon Friendship Co., Ltd. Mr. Zhong is also the chairman of Shenzhen Friendship Department Store Company Limited and the vice-chairman of Shenzhen Aeon Friendship Co., Ltd., but he does not have control over the board of Shenzhen Aeon Friendship Co., Ltd.

Both Shenzhen Friendship Department Store Company Limited and Shenzhen Aeon Friendship Co., Ltd. are engaged in the department store and retail business. As advised by Mr. Zhong and based on the best knowledge and belief of the other Directors, the department store of Shenzhen Friendship Department Store Company Limited is situated in the central commercial district on Renmin South Road in Shenzhen, and Shenzhen Aeon Friendship Co., Ltd has four department stores in Shenzhen.

7. DIRECTORS' AND EXPERT'S INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors and the expert(s) had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2015, the date to which the latest published audited financial statements of the Group were made up.

As at the Latest Practicable Date, save as disclosed below, no Director had a significant beneficial interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year:

- (a) Maoye Shangsha and Shenzhen City Friendship Trading Center Company Limited (“**Shenzhen Friendship**”) which is 40% owned by Mr. Zhong, a director of the Company, have entered into the lease agreement dated 30 April 2013 (the “**Lease Agreement**”), pursuant to which Maoye Shangsha Company Limited has agreed to lease the first four storeys of the Friendship City Building with a gross floor area of approximately 21,000 square metres at 63 Friendship Road, Shenzhen, PRC. The Lease Agreement has a term of three years and is effective from 1 May 2013. Pursuant to the Lease Agreement, the rents payable for the three years ended 30 April 2016 are RMB25,000,000, RMB27,060,000 and RMB27,060,000, respectively.
- (b) The Company and Maoye Holdings Limited which is wholly-owned by Mr. Huang, have entered into the master leasing agreement dated 29 December 2015 (the “**Master Leasing Agreement**”), pursuant to which the Group may lease premises from Mr. Huang, any of his associates and companies majority owned or controlled by Mr. Huang and his associates (but excluding the Group) for a period of three years with effect from 1 January 2016. The annual maximum rents and other payments payable by the Company under the Master Leasing Agreement is RMB177,000,000.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the issue of this circular and are material:

- (a) The agreement dated 20 April 2015 entered into between Zhongzhao, and Shenyang Maoye Property Company Limited, a company wholly-owned by Mr. Huang, in respect of the sale of 8,000,000 shares in Maoye Communication, representing 1.29% of the issued share capital of Maoye Communication, for a consideration of RMB87,520,000.
- (b) The agreement dated 5 June 2015 entered into among Maoye Shangsha Company Limited (“**Maoye Shangsha**”), a wholly-owned subsidiary of the Company (as vendor), Demao Investment Enterprises (Limited Partnership) (“**Demao**”) and Shenzhen Hezhengmao Investment Enterprise (Limited Partnership) (“**Hezhengmao**”) (together as purchasers), pursuant to which Demao and Hezhengmao agreed to purchase 16.43% and 6.57% equity interest, respectively, in Shenzhen Maoye Department Store Huaqiangbei Co., Limited (“**Maoye Huaqiangbei**”) for a consideration of RMB368,611,815 and RMB147,399,855, respectively.
- (c) The agreement dated 28 August 2015 entered into among Maoye Shangsha, Shenzhen Demao and Hezhengmao (together as vendors) and Chengshang, a subsidiary of the Company (as purchaser) in respect of the sale of the entire issued share capital of Shenzhen Maoye Department Store Company Limited, Shenzhen Maoye Department Store Shennan Co., Ltd., Maoye Huaqiangbei, Shenzhen Maoye Oriental Times Department Store Co., Ltd. and Zhuhai City Maoye Department Store Co., Ltd. for a consideration of RMB8,560,571,100 in aggregate.
- (d) The agreement dated 29 September 2015 entered into between Maoye Communication and Zhongzhao, pursuant to which Zhongzhao agreed to purchase, and Maoye Communication agreed to sell, the entire registered share capital of Qinhuangdao Maoye Holdings Co., Ltd., for a consideration of RMB1,405,875,700.
- (e) The agreement dated 5 April 2016 entered into between, among others, Maoye Commercial Co., Ltd. (茂業商業股份有限公司) (previously known as Chengshang Group Co., Ltd. (成商集團股份有限公司)) (“**Maoye Commercial**”), Inner Mongolia Victoria Commercial (Group) Co., Ltd. (“**Inner Mongolia**”) and Victoria Investment Holding Co., Ltd. (“**Victoria Investment**”) pursuant to which Chengshang conditionally agreed to purchase and Victoria Investment conditionally agreed to sell 70% of the equity interests in Inner Mongolia for a consideration of RMB1,565,300,000.
- (f) The loan agreement dated 19 April 2016 entered into between Shenzhen Maoye (Group) Co., Ltd (“**Maoye Group**”) and Maoye Shangsha pursuant to which Maoye Group has agreed to provide a term loan to Maoye Shangsha in the sum of RMB300 million with an interest rate at 4.79% per annum for a term of one year commencing from 19 April 2016.

- (g) The loan agreement dated 31 May 2016 entered into between Maoye Group and Maoye Shangsha pursuant to which Maoye Group has agreed to provide a term loan to Maoye Shangsha in the sum of RMB350 million with an interest rate at 4.79% per annum for a term of one year commencing from 31 May 2016.
- (h) The share transfer agreement dated 6 June 2016 entered into between Zhongzhao and Maoye Department Stores (China) Limited (“**Maoye China**”) and Maoye Commercial pursuant to which Maoye Commercial has agreed to acquire from Zhongzhao and Maoye China 35% and 65%, respectively, of the equity interest in Chongqing Maoye Department Store Co., Ltd for a total consideration of RMB527 million (subject to adjustment) (the “**Chongqing Maoye Agreement**”).
- (i) The share transfer agreement dated 6 June 2016 entered into between Zhongzhao and Maoye Commercial pursuant to which Maoye Commercial has agreed to acquire from Zhongzhao the entire equity interest in Qinghuangdao Maoye Holdings Co., Ltd. for a consideration of RMB1,350 million (subject to adjustment) (the “**Qinhuangdao Maoye Agreement**”).
- (j) The share transfer agreement dated 6 June 2016 entered into between Shenzhen Maoye Shangsha Co., Ltd. (“**Maoye Shangsha**”) and Maoye Commercial pursuant to which Maoye Commercial has agreed to acquire from Maoye Shangsha 97.31% equity interest in Taizhou First Department Store Co., Ltd. for a consideration of RMB643 million (subject to adjustment) (the “**Taizhou First Agreement**”).
- (k) The supplemental agreement entered into between Zhongzhao and Maoye China and Maoye Commercial dated 9 August 2016 in respect of the amendment of the Chongqing Maoye Agreement.
- (l) The supplemental agreement entered into between Zhongzhao and Maoye Commercial dated 9 August 2016 in respect of the amendment of the Qinhuangdao Maoye Agreement.
- (m) The agreement between Maoye Shangsha and Maoye Commercial dated 9 August 2016 in respect of the termination of the Taizhou First Agreement.
- (n) The agreement dated 11 November 2016 entered into between Taiyuan Maoye Department Store Ltd, an indirect wholly-owned subsidiary of the Company (“**Taiyuan Maoye**”), and Shenyang Commercial City Co., Ltd., pursuant to which Taiyuan Maoye agreed to purchase 85,500,000 unlisted domestic shares of Shengjing Bank Co., Ltd. at a consideration of RMB521,550,000.
- (o) The loan agreement dated 29 November 2016 entered into between Maoye Group and Maoye Shangsha pursuant to which Maoye Group has agreed to provide a revolving loan to Maoye Shangsha in an aggregate amount of RMB800 million with an interest rate at 4.79% per annum for a term of one year commencing from 29 November 2016.
- (p) The agreement dated 15 February 2017 entered into between Maoye China and Mr. Huang pursuant to which Maoye China has agreed to acquire the 7.75% Senior Guaranteed Notes of the Company due 2017 in an aggregate principal amount of US\$12,000,000.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2015, being the date to which the latest published and audited financial statements of the Group were made up.

10. MISCELLANEOUS

- (a) The registered office of the Company is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands. The head office in the PRC is at 38/F, World Finance Centre Tower A, 4003 Shennan East Road, Shenzhen, PRC and the principal place of business in Hong Kong is at Room 3301, 33/F, Office Tower Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong.
- (c) The company secretary of the Company is Ms. Soon Yuk Tai (“**Ms Soon**”). Ms. Soon is a director of the Corporate Services Division of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Soon is a Chartered Secretary and a fellow of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Apart from the Company, Ms. Soon has been providing professional secretarial services to a number of listed companies.
- (d) This circular has been printed in English and Chinese, in the event of inconsistency, the English version shall prevail.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. 9:30 a.m. to 5:00 p.m., Monday to Friday (public holidays excluded)) at the offices of Herbert Smith Freehills in Hong Kong at 23/F, Gloucester Tower, 15 Queen's Road Central, Hong Kong from the date of this circular up to and including at least 14 days after the date of this circular:

- (a) the articles of association of the Company;
- (b) the letter from the Board, the text of which is set out on pages 3 to 7 of this circular;
- (c) the written consent of the expert referred to in the paragraph headed “Expert and Consent” in this appendix;

- (d) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (e) the 2014 and 2015 annual reports of the Company;
- (f) the circular of the Company dated 30 May 2016 (major transaction);
- (g) the circular of the Company dated 30 September 2016 (major transaction);
- (h) the circular of the Company dated 31 October 2016 (major transaction); and
- (i) this circular.