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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)

**TERMINATION OF CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE JINLANG MANAGEMENT AGREEMENT**

TERMINATION OF THE JINLANG MANAGEMENT AGREEMENT

Reference is made to the announcement issued by the Company on 7 July 2013 in relation to the Jinlang Management Agreement, entered into between Shenyang Maoye and Maoye Property pursuant to which Shenyang Maoye has agreed to operate and manage the Jinlang Store, which currently operates a shopping mall.

The Company currently indirectly holds 29.22% of Commercial City, a company listed on the Shanghai Stock Exchange (stock code: 600306) which engages in the operation of department stores in Shenyang city, Liaoning province. The Company is currently the largest shareholder of Commercial City. As the Jinlang Store is located in Shenyang and operates a shopping mall, to streamline the business of the Group vis-a-vis the business of Commercial City, it was decided that Commercial City should manage the Jinlang Store instead. Accordingly, to give effect to the above, Maoye Property and Shenyang Maoye have mutually agreed to terminate the Jinlang Management Agreement after arm's length negotiation. Maoye Property will enter into a separate agreement with Commercial City to engage the latter to operate and manage the Jinlang Store.

On 19 September 2014, Shenyang Maoye entered into the Termination Agreement with Maoye Property to terminate the Jinlang Management Agreement. No party is required to pay any penalty or compensation to any other party in respect of the early termination of the Jinlang Management Agreement.

LISTING RULES IMPLICATIONS

Maoye Property is a company indirectly wholly-owned by Mr. Huang, the controlling shareholder and a director of the Company. As such, Maoye Property is a connected person of the Company under the Listing Rules by virtue of being an associate of Mr. Huang. Accordingly, the transactions contemplated under the Jinlang Management Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The termination of the Jinlang Management Agreement pursuant to the Termination Agreement is subject to the announcement requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement issued by the Company on 7 July 2013 in relation to the Jinlang Management Agreement, entered into between Shenyang Maoye and Maoye Property pursuant to which Shenyang Maoye has agreed to operate and manage the Jinlang Store.

TERMINATION AGREEMENT IN RESPECT OF THE JINLANG MANAGEMENT AGREEMENT

On 19 September 2014, Maoye Property, a company indirectly wholly-owned by Mr. Huang, the controlling shareholder and a director of the Company, entered into the Termination Agreement with Shenyang Maoye to terminate the Jinlang Management Agreement. Pursuant to the Termination Agreement, the Jinlang Management Agreement shall be terminated with effect from the date of the Termination Agreement. No party is required to pay any penalty or compensation to any other party in respect of the early termination of the Jinlang Management Agreement.

REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT

The Company currently indirectly holds 29.22% of Commercial City, a company listed on the Shanghai Stock Exchange (stock code: 600306) which engages in the operation of department stores in Shenyang city, Liaoning province. The Company is currently the largest shareholder of Commercial City. As the Jinlang Store is located in Shenyang and operates a shopping mall, to streamline the business of the Group vis-a-vis the business of Commercial City, it was decided that Commercial City should manage the Jinlang Store instead. Accordingly, to give effect to the above, Maoye Property and Shenyang Maoye have mutually agreed to terminate the Jinlang Management Agreement after arm's length negotiation. Maoye Property will enter into a separate agreement with Commercial City to engage the latter to operate and manage the Jinlang Store.

The Directors (including the independent non-executive Directors) are of the view that the Termination Agreement is made under normal commercial terms in the ordinary and usual course of business of the Group and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Directors consider that the termination of the Jinlang Management Agreement does not have any material adverse impact on the operation and business of the Group.

Save and except for Mr. Huang, no Director has material interests in the transactions contemplated under the Termination Agreement. Mr. Huang has abstained from voting on the Board resolution approving the Termination Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

Maoye Property is a company indirectly wholly-owned by Mr. Huang, the controlling shareholder and a director of the Company. As such, Maoye Property is a connected person of the Company under the Listing Rules by virtue of being an associate of Mr. Huang. Accordingly, the transactions contemplated under the Jinlang Management Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The termination of the Jinlang Management Agreement pursuant to the Termination Agreement is subject to the announcement requirement under Chapter 14A of the Listing Rules.

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. Currently, the Company is focused on developing future department stores mainly in the second- and third-tier cities in the most economically developed regions and the regions with high economic growth in the PRC.

Shenyang Maoye

Shenyang Maoye is a company incorporated in the PRC and a wholly-owned subsidiary of the Group. It is principally engaged in the operation of retail business and provision of consulting services.

Maoye Property

Maoye Property is a company incorporated in the PRC and is indirectly wholly-owned by Mr. Huang. It is principally engaged in property development.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Commercial City”	Shenyang Commercial City Co. Ltd. (瀋陽商業城股份有限公司), a limited company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600306);
“Company”	Maoye International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued 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 Group”	Mr. Huang, any of his associates and companies majority-owned or controlled by Mr. Huang and his associates, but excluding the Group;
“Directors”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Jinlang Store”	the commercial properties and all the operational assets owned by the Controlling Shareholder Group situated at No. 185-1, Youth Street, the intersection between Youth Street and Wencui Road in Shenhe District, Shenyang City, Liaoning Province, the PRC;
“Jinlang Management Agreement”	the management agreement dated 5 July 2013 entered into between Shenyang Maoye and Maoye Property in relation to the operation and management of the Jinlang Store;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maoye Property”	Shenyang Maoye Property Company Limited (瀋陽茂業置業有限公司), a company incorporated in the PRC and indirectly wholly-owned by Mr. Huang;
“Mr. Huang”	Mr. Huang Mao Ru, Chairman, executive Director and Chief Executive Officer of the Company and the Company’s controlling shareholder;
“PRC”	The People’s Republic of China;
“Shenyang Maoye”	Shenyang Maoye Department Store Limited (瀋陽茂業百貨有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Termination Agreement”	the agreement dated 19 September 2014 entered into between Shenyang Maoye and Maoye Property in respect of the termination of the Jinlang Management Agreement.

The English names of the PRC entities and departments referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.

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

Hong Kong, 21 September 2014

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