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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
IN RELATION TO THE RELOCATION COMPENSATION
AGREEMENT FOR THE LAND, PROPERTIES AND FACILITIES**

THE RELOCATION

The Board announces that on 22 December 2022, Chengshang Holding and Chengdu Jinniu entered into the Relocation Compensation Agreement, pursuant to which Chengshang Holding will receive an aggregate sum of approximately RMB415.70 million as the Relocation Compensation for the Relocation.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the proposed transaction contemplated under the Relocation Compensation Agreement exceeds 25%, but all applicable percentage ratios are less than 75%, the proposed transaction contemplated under the Relocation Compensation Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the proposed transaction contemplated under the Relocation Compensation Agreement. Thus, if the Company were to convene a general meeting to approve the proposed transaction contemplated under the Relocation Compensation Agreement, no Shareholder is required to abstain from voting on the resolutions in relation to the proposed transaction contemplated under the Relocation Compensation Agreement. Pursuant to Rule 14.44 of the Listing Rules, the Company has obtained written shareholder's approval from Maoye Department Store Investment Limited (a controlling shareholder as defined under the Listing Rules and the holder

of 4,200,000,000 Shares as at the date of this announcement, representing approximately 81.71% of the issued share capital of the Company) for the approval of the proposed transaction contemplated under the Relocation Compensation Agreement in lieu of a resolution to be passed at the general meeting of the Company. As such, no extraordinary general meeting will be convened by the Company to approve the the proposed transaction contemplated under the Relocation Compensation Agreement.

A circular containing further details of the proposed transaction contemplated under the Relocation Compensation Agreement and other information as required under the Listing Rules will be despatched to the Shareholders. In order to allow sufficient time to prepare the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver (the “**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. The Company will issue further announcement(s) for any update in relation to the Waiver.

THE RELOCATION

The Board announces that on 22 December 2022, Chengshang Holding, an indirect non-wholly-owned subsidiary of the Company, entered into the Relocation Compensation Agreement in relation to, among other things, the Relocation and the Relocation Compensation with Chengdu Jinniu. Pursuant to the Relocation Compensation Agreement, Chengshang Holding will receive an aggregate sum of approximately RMB415.70 million as the Relocation Compensation for the Relocation.

Further particulars of the Relocation Compensation Agreement are set out below:

Parties:

- (1) Chengdu Jinniu; and
- (2) Chengshang Holding.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Chengdu Jinniu and its ultimate beneficial owner, Chengdu Jinniu District Finance Bureau (成都市金牛區財政局), are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Subject matter of the Relocation Compensation: The Land, Properties and Facilities are situated on No.2, Gongjiao Road, North Railway Station, Jinniu District, Chengdu, Sichuan Province, China. The land area is 3,041.20 square meters. The total floor area within the parcel of land is 9,063.54 square meters.

At present, the upper building of the land is a shopping mall, which is mainly used for external lease. The annual rental income is approximately RMB6.7

million.

Amount of the Relocation Compensation: Approximately RMB415.70 million, which was determined by Chengshang Holding and Chengdu Jinniu after arm's length negotiations in accordance with relevant PRC laws and regulations considering the actual conditions of the Land, Properties and Facilities and the valuation report issued by the Valuation Company. The amount of the Relocation Compensation shall be payable by Chengdu Jinniu at such time and in such manner as follows:

(1) a sum of approximately RMB166.28 million shall be paid by Chengdu Jinniu to Chengshang Holding within 15 business days of the signing of the Relocation Compensation Agreement;

(2) a sum of approximately RMB228.64 million shall be paid by Chengdu Jinniu to Chengshang Holding within 15 business days of Chengshang Holding handing over the entirety of the Land, Properties and Facilities to Chengdu Jinniu and inspected by Chengdu Jinniu; and

(3) the remaining balance in the amount of approximately RMB20.78 million shall be paid by Chengdu Jinniu to Chengshang Holding within 15 business days of Chengshang Holding completing the cancellation of registration of the relevant water, electricity and gas accounts, and the state-owned land use rights certificate.

INFORMATION OF 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.

Chengshang Holding

Chengshang Holding is a company incorporated in China and a wholly-owned subsidiary of Maoye Commercial. Maoye Commercial is an indirect non-wholly-owned subsidiary of the Company and a joint stock limited company established in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 600828). Maoye Commercial is principally engaged in the operation of department stores, property leasing and hotel business.

Chengdu Jinniu

Chengdu Jinniu is a state-owned enterprise beneficially owned by the Chengdu Jinniu District Finance Bureau. It is located in Jinniu District, Chengdu, Sichuan Province, China, and is responsible for the Relocation.

REASONS AND BENEFITS FOR THE RELOCATION

As part of the construction plan of the Chengdu Chongqing Central Railway Line of the Chengdu Municipal Government of Sichuan Province, the Jinniu District Government of Chengdu issued to Chengshang Holding a notice of land resumption work. Chengshang Holding and Chengdu Jinniu conducted fair negotiations over the handling of the Land, Properties and Facilities for the Relocation, and signed the Relocation Compensation Agreement. Chengshang Holding has made reasonable arrangements for the subsequent transitional matters, and the Relocation will not have a significant negative impact on Chengshang Holding's business operations. It is intended that the Relocation Compensation will be applied as general working capital and for the business development of Chengshang Holding, and the management of Chengshang Holding will ensure that the Relocation Compensation is used reasonably. The Relocation will have a positive impact on the 2022 financial indicators of Chengshang Holding and the Company, and will help the Company's development of its future business and implementation of its strategy.

As of 30 November 2022, the unaudited book value of the Land, Properties and Facilities was approximately RMB140.62 million. After deducting the estimated expenses and taxes relating to the Relocation, it is expected that the Group will recognise an unaudited net gain of approximately RMB171.95 million from the Relocation. Shareholders should note that the actual gains and losses recorded in relation to the Relocation Compensation Agreement will be subject to review and audit by the Company's auditors, and it may be different from the above amount.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Relocation Compensation Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

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A circular containing further details of the proposed transaction contemplated under the Relocation Compensation Agreement and other information as required under the Listing Rules will be despatched to the Shareholders. In order to allow sufficient time to prepare the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver (the "**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. The Company will issue further announcement(s) for any update in relation to the Waiver.

DEFINITIONS

In this announcement, the following terms shall have the following meanings:

"Board "	the board of Directors;
"Chengdu Jinniu"	Chengdu Jinniu Guotou Construction Co.,Ltd. (成都市金牛國投建設有限公司), a company incorporated in China;
"Chengshang Holding"	Chengshang Group Holding Co., Ltd. (成商集團控股有限公司), a company incorporated in China and an indirect non-wholly-owned subsidiary of the Company;

"Company "	Maoye International Holdings Limited and its subsidiaries, 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;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries from time to time;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Land, Properties and Facilities"	the land (the " Land "), properties (the " Properties ") and facilities (the " Facilities ") situated on No.2, Gongjiao Road, North Railway Station, Jinniu District, Chengdu, Sichuan Province, China. The Land area is 3,041.20 sq.m., and the gross floor area of the Properties and Facilities is 9,063.54 sq. m.;
"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), an indirect non-wholly-owned subsidiary of the Company, and a joint stock limited company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600828);
"PRC" or "China"	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;
"Relocation"	the relocation of Chengshang Holding under the terms and conditions of the Relocation Compensation Agreement;
"Relocation Compensation"	the aggregate amount of approximately RMB415.70 million payable to Chengshang Holding as compensation for the Relocation under the Relocation Compensation Agreement;
"Relocation Compensation Agreement"	the relocation compensation agreement entered into between Chengshang Holding and Chengdu Jinniu on 22 December 2022;
"RMB"	Renminbi, the lawful currency of the PRC;
"Share(s) "	ordinary share(s) of HK\$0.01 each in the share capital of the Company;

"Shareholder(s)"	the shareholders of the Company;
"sq.m."	square metres;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"Valuation Company"	Xiamen Jiaxue Real Estate Appraisal Co., Ltd.

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

Hong Kong, 22 December 2022

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Huang Mao Ru, Mr. Zhong Pengyi and Ms. Lu Xiaojuan; one non-executive director, namely Mr. Wang Bin; and three independent non-executive directors, namely, Mr. Rao Yong, Mr. Pao Ping Wing and Mr. Gao Yajun