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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

ACQUISITION OF LAND

AND

RESUMPTION OF TRADING

The Board is pleased to announce that on 21 October 2008, the Company, through its wholly-owned subsidiary, was successful in its bid at a public auction for the Land located in Taiyuan, the PRC at a price of RMB 780,000,000. On 21 October 2008, the Purchaser entered into the Confirmation Agreement with the Taiyuan Land Resources Bureau (太原市國土資源局), the Vendor, confirming the Purchaser's successful bid for the Land.

As the applicable percentage ratios in respect of the Acquisition is greater than 25% but less than 100%, pursuant to Rule 14.08 of the Listing Rules, the Acquisition constitutes a major transaction for the Company under the Listing Rules.

Under the Listing Rules, the Acquisition is subject to the approval of the Shareholders. Written approval of the Acquisition by Maoye Department Store Investment Limited, the holder of approximately 82.68% of the total issued share capital of the Company, has been obtained on 22 October 2008. Since none of the Shareholders is required to abstain from voting on the Acquisition, approval of the Acquisition by Shareholders at a Shareholders' meeting will not be required pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, information relating to the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 11:21a.m. on 21 October 2008 pending publication of this announcement. An application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30a.m. on 24 October 2008.

INTRODUCTION

The Board is pleased to announce that, on 21 October 2008, the Purchaser was successful in its bid for the Land in Taiyuan, the PRC at a consideration of RMB 780,000,000. On 21 October 2008, the Purchaser entered into the Confirmation Agreement with the Taiyuan Land Resources Bureau (太原市國土資源局), the Vendor, confirming the Purchaser's successful bid for the Land.

CONFIRMATION AGREEMENT

Date: 21 October 2008

Parties: Vendor: Taiyuan Land Resources Bureau (太原市國土資源局).
The Company confirmed that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Taiyuan Land Resources Bureau is a third party independent of the Company and its connected persons. Based on the best knowledge of the Board, the Group has not entered into any transaction with the Vendor during the past 12 months.

Purchaser: A newly incorporated wholly-owned subsidiary of the Company.

Summary: The Purchaser has successfully bid for the Land at RMB 780,000,000 which is designated for commercial and residential purposes.

Consideration: The total consideration for the Acquisition is RMB 780,000,000.

Payment of consideration: The consideration of RMB 780,000,000 is to be satisfied in cash in three instalments. The Purchaser is required to pay the first instalment, an amount of RMB 380,000,000, within 60 days from the successful bid of the Land, which is equivalent to approximately 48.72% of the consideration. The amount of RMB 380,000,000 paid on 17 October 2008 as deposit less the handling fee of 1.5% of the total consideration for the auction will be used for satisfaction of part of the first instalment.

The second instalment of RMB 200,000,000 and the relevant interest will be paid before 30 March 2009.

The balance of the consideration, being the amount of RMB 200,000,000 and the relevant interest, will be paid within three (3) days after the Land is delivered to the Purchaser on 30 June 2009.

Completion: Completion of the Acquisition is scheduled to take place on 30 June 2009. Under the terms of the auction, the Purchaser will enter into a land use right sale agreement with the Vendor within 5 days from the date of the Confirmation Agreement, and application for the issue of the new land use right certificate will take place after payment by the Purchaser of the consideration in full.

Valuation: A property valuation report on the Land as required under the Listing Rules by independent valuers will be included in the circular to Shareholders. Preliminary valuation of the Land is not available.

BASIS OF DETERMINATION OF THE CONSIDERATION

The Board considers that the value of the Land is commensurate with the consideration for the Acquisition which was arrived at as a result of a successful bid by the Purchaser at an open auction having taken the location and potential value of the Land and the average market price or assessed value of similar plots of land in the proximity. Based on information currently available, the Company believes that the cost of the development of the property, including construction costs and the consideration of the Land, will be lower than the current market value of the properties in comparable location. On the basis set out above, the Directors consider the bidding price to be fair and reasonable.

The Company intends to finance the Acquisition partly by internal resources and partly from the proceeds of the Global Offering.

PARTICULARS OF THE LAND

The Land covers a total area of approximately 92,792.11 square meters, and is located in Taiyuan, the PRC. Approximately 68,005.21 square meters are designated for commercial use and approximately 24,786.9 square meters are designated for residential use. The terms for the grant of the land use right of the Land are 50 years for the residential portion and 40 years for the commercial portion.

The Land is located at the Qin Xian Jie, Chang Feng business district, the central business district in Taiyuan, the provincial capital of the Shanxi Province. Through development of the site, the Company expects to expand its network into the core business district of Taiyuan by establishing a large scale department store at such premium location. As part of the proposal, the Company intends to craft the project as a composite commercial property development to dually benefit from commercial property development and commercial property operations. It is intended that part of the composite commercial property, with total gross floor area of approximately 450,000 square meters, will be used internally by the Group for operation of a large-scale department store and other parts would either be sold or leased.

Factory buildings and temporary shops are situated on the Land at present. The Vendor will be responsible for the relocation of such buildings and shops, and vacant possession is expected to be given at completion by the Vendor.

The Land is expected to be delivered to the Purchaser on 30 June 2009. Under the terms of the auction, construction is required to commence within one year from the date of delivery of the Land. Construction is required to be completed within four years from the date of delivery of the Land. No penalty is stipulated in the terms of the auction if such schedule is not met. It is nonetheless the intention of the Company for the Land to be developed in accordance with the schedule.

REASONS FOR THE ACQUISITION

The Group is a leading department store chain in the affluent regions of southern and southwestern China, operating eighteen stores (including nine Maoye-branded stores and nine Chengshang-branded stores) across nine cities and targeting the medium to high-end segment of the retail market.

Taiyuan Land Resources Bureau, is a governmental department of the PRC.

The Shanxi Province is a key province in the PRC rich in energy resources. Taiyuan, the provincial capital of the Shanxi Province, has very robust economic powers and huge development potentials. Moreover, the Land is located in the Qin Xian Jie, Chang Feng business district, one of the two key economic districts in Taiyuan. The Company plans to craft the development as the most influential commercial centre in the area with a view to stimulate the entire retail market of the Shanxi Province. The designated uses of the Land are commercial and residential, which are in line with the Company's long term and business strategies.

The Company intends to engage external parties for the construction of the composite commercial property. The total capital investment of the development is expected to be approximately RMB 2,000,000,000 which will be funded by internal resources and other funding means including bank borrowings. The Company shall, in accordance with the market strategy of the Company, continue to focus on retail and department stores operations. To control the economic risk of the development and to take advantage of external expertise in property development, the Company may co-operate with other parties for the development of the project. The Company will comply with the provisions of the Listing Rules in the event of such co-operation.

The Directors further believe the project will assist the Group in strengthening its business development in the area and act as a platform for the rapid development of the Group's business in central PRC, and to further enhance the Group's business development and profit strength. The project matches well with the Group's long term growth strategy for the area.

The Directors consider that the terms of the Acquisition are fair and reasonable, and that the Acquisition is on normal commercial terms and in the best interests of the Company and its Shareholders as a whole.

REQUIREMENTS OF THE LISTING RULES

As the applicable percentage ratios in respect of the Acquisition of the Land is greater than 25% but less than 100%, under Rule 14.08 of the Listing Rules, the Acquisition constitutes a major transaction for the Company under the Listing Rules.

Under the Listing Rules, the Acquisition is subject to the approval of the Shareholders. Written approval of the Acquisition by Maoye Department Store Investment Limited, the holder of approximately 82.68% of the total issued share capital of the Company, has been obtained on 22 October 2008. Since none of the Shareholders is required to abstain from voting on the Acquisition, approval of the Acquisition by Shareholders at a Shareholders' meeting will not be required pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, information relating to the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

The Company confirms that, to the best of the Directors' knowledge, information and belief, Taiyuan Land Resources Bureau is a third party independent of the Company and its connected persons. As the relevant percentage ratios calculated pursuant to Rule 14.08 of the Listing Rules in respect of the Acquisition exceeds 25% but less than 100%, the Acquisition constitutes a major transaction.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 11.21a.m. on 21 October 2008 pending publication of this announcement. An application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 24 October 2008.

Definitions

"Acquisition"	the acquisition of the Land by the Company pursuant to the Confirmation Agreement
"Board"	the board of Directors
"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
"Confirmation Agreement"	the agreement dated 21 October 2008 entered into between the Purchaser and Taiyuan Land Resources Bureau (太原市國土資源局) confirming the Purchaser's successful bid for the Land at RMB 780,000,000
"Directors"	the directors of the Company
"Global Offering"	the global offering of the Shares which took place on 5 May 2008
"Group"	the Company and its subsidiaries
"Land"	three (3) parcels of land located at the south of Yong Kang Jie (永康街), north of Qin Xian Bei Jie (親賢北街), east of Ti Yu Xi Lu (體育西路) and west of Ti Yu Lu (體育路). The first parcel is designated for residential purpose whereas the second and third parcels are designated for commercial purpose.
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	The People's Republic of China
"Purchaser"	a newly incorporated wholly-owned subsidiary of the Company

"RMB"	Renminbi, the lawful currency in the PRC
"Shares"	shares of the Company
"Shareholders"	holders of shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Taiyuan Land Resources Bureau (太原市國土資源局)

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

23 October 2008, Hong Kong

As at the date of this announcement, the executive Directors are Mr. HUANG Mao Ru, Mr. ZOU Minggu, Mr. WANG Guisheng and Ms. WANG Fuqin. The non-executive Directors are Mr. ZHONG Pengyi and Mrs. HUANG Jingzhang. The independent non-executive Directors are Mr. PAO Ping Wing, Mr. LEUNG Hon Chuen and Mr. CHOW Chan Lum.