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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)

**VOLUNTARY ANNOUNCEMENT
UPDATE ON LITIGATION PROCEEDINGS RELATING TO
CHENGSHANG GROUP**

Reference is made to the overseas regulatory announcement dated 6 June 2008 and the voluntary announcements dated 11 December 2009, 3 September 2010 and 13 September 2010 (the “**Previous Announcements**”) of the Company.

The Company wishes to provide an update on the litigation proceedings relating to Chengshang Group.

Summary of the judgment

As stated in the Previous Announcements, on 10 September 2010, Chengshang Group paid RMB5 million to Chengdu Chengxiang Trading and Logistics Development and Investment (Group) Company Limited (成都城鄉商貿物流發展投資(集團)有限公司), the receiving unit designated by Chengdu Commercial Bureau. However, since Chengdu Commercial Bureau was dissatisfied with the civil judgment made by the Higher People’s Court of Sichuan Province on 7 December 2009 ((2008) Chuan Min Zhong Zi No. 612) (“**Civil Judgment No.612**”) in respect of the loan agreement dispute with Chengshang Group and Chengdu People’s Department Store Huanghe Commercial City Company Limited (成都人民商場黃河商業城有限責任公司) (“**Chengshang Huanghe**”) (the “**Case**”), Chengdu Commercial Bureau applied to the Supreme People’s Court of the PRC for re-trial which was approved by the Supreme People’s Court for case acceptance and review.

On 4 May 2012, Chengshang Group received the Civil Ruling of the Supreme People's Court of the PRC ((2012) Min Shen Zi No.167) ("**Ruling No.167**") which ruled the Case as follows:

1. The Case was brought to trial by the Supreme People's Court of the PRC;
2. During the course of retrial, the original judgment, i.e., the Civil Judgment No.612, ceased to be enforced.

Meanwhile, on 4 May 2012, Chengshang Group received the Civil Mediation Paper of the Supreme People's Court of the PRC ((2012) Min Ti Zi No.76) ("**Mediation Paper No.76**") which stated that during the trial of the Case, Chengshang Group and Chengdu Commercial Bureau have reached a voluntary agreement (the "**Agreement**") through mediation of the Supreme People's Court of the PRC. The main contents of the Agreement are as follows:

1. Chengshang Group has agreed to pay RMB4 million (the "**Amount**") to Chengdu Commercial Bureau for a one-off settlement of the Case.
2. Chengdu Commercial Bureau has agreed that upon receipt of the Amount, it will not take any further legal actions against Chengshang Group regarding the Case, and will not request the enforcement of the Civil Judgment No.612 against Chengshang Group. Any liabilities and debts involved in the Case shall then be discharged.
3. Chengdu Commercial Bureau shall not further request Chengshang Group to bear any legal liabilities regarding the debt of Chengshang Huanghe involved in the Case.
4. Chengdu Commercial Bureau has agreed that it shall be paid by Chengshang Group the amount of RMB2 million before 20 June 2012, and RMB2 million before 20 October 2012.
5. Chengshang Group has agreed to pay the Amount directly to Chengdu Chengxiang Trading and Logistics Development and Investment (Group) Company Limited as per the request of Chengdu Commercial Bureau.

Prior to such receipt, Chengdu Chengxiang Trading and Logistics Development and Investment (Group) Company Limited shall issue to Chengshang Group a non-operating settlement invoice with an amount equivalent to that to be received.

The Agreement has complied with the relevant laws and regulations of the PRC, and was confirmed by the Supreme People's Court of the PRC.

Effect of the Case on the profits of Chengshang Group and the Company

Pursuant to the deed of indemnity (the “**Deed of Indemnity**”) entered into among Mr. Huang Mao Ru, MOY International Holdings Ltd. and Maoye Department Store Investment Limited (the controlling shareholders of the Company) (the “**Indemnifiers**”) in favour of the Company (for itself and as the trustee of the Group's then subsidiaries) (the “**Indemnified Persons**”) on 17 April 2008, the Indemnifiers provided indemnities on a joint and several basis to the Indemnified Persons in respect of any loss incurred in connection with the Case.

In view of the above, the RMB4 million, which shall be paid by Chengshang Group to Chengdu Commercial Bureau, shall be indemnified by the Indemnifiers as specified in the Deed of Indemnity. As such, the Case has no impact on the profits of Chengshang Group and the Company.

Definitions

Unless the context requires otherwise, the following terms shall have the following meanings in this announcement:

“Chengshang Group”	Chengshang Group Co., Ltd (成商集團股份有限公司), a subsidiary of the Company and a joint stock limited company established according to the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 600828). The Company currently holds 244,176,842 shares in Chengshang Group through Maoye Shangsha, representing approximately 66.78% of its issued share capital;
“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;

“Group”	The Company and its subsidiaries;
“Maoye Shangsha”	Shenzhen Maoye Shangsha Company Limited (深圳茂業商廈有限公司), a wholly-owned subsidiary of the Company incorporated in the PRC; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

8 May 2012, Hong Kong

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.