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Maoye International Holdings Limited

茂業國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 848)

DISCLOSEABLE TRANSACTION

ACQUISITION OF DEPARTMENT STORE

Maoye Shangsha, a wholly owned subsidiary of the Company, has entered into the Agreements on 9 October 2009 pursuant to which Maoye Shangsha has agreed to purchase from the Vendors a total of 93.7% shareholding in Taizhou 100 for an aggregate cash consideration of RMB276,853,900, to be paid in full at completion.

The Acquisition constitute a dicloseable transaction of the Company under Rule 14.08 of the Listing Rules. The Acquisition is not subject to shareholders' approval of the Company under the Listing Rules.

THE ACQUISITION

Parties: Vendors: (1) Hailing District Service Industry Development Bureau; and

(2) the Employees

Purchaser: Maoye Shangsha, a wholly owned subsidiary of the Company

Summary: Maoye Shangsha had successfully bid for a total of 93.7% shareholding in Taizhou 100 in a public asset sale auction for a total consideration of RMB276,853,900. On 9 October 2009 and 10 October 2009, respectively, Maoye Shangsha entered into the following sale and purchase agreements with the Vendors in relation to the Acquisition :

1. The State Owned Shares SPA; and
2. The Employee Shares SPA

Pursuant to the State Owned Shares SPA, Maoye Shangsha agreed to purchase from Hailing District Service Industry Development Bureau its 48.23% shareholding in Taizhou 100 for a total consideration of RMB142,512,100.

Pursuant to the Employee Shares SPA, Maoye Shangsha agreed to purchase from the Employees their 45.47% shareholding in Taizhou 100 for a total consideration of RMB134,341,800.

Taizhou 100 owns the Taizhou First Department Store Buildings and operates the Taizhou First Department Store which is situated at such premises. The department store was established in 1971, it is situated in the core location of the Pozi Street commercial zone, the traditional commercial zone in Taizhou City, Jiangsu Province. Thriving business atmosphere in the surrounding areas and prime location are the symbols of the Pozi Street commercial zone. The department store occupies 8 floors and has a total floor area of approximately 40,358 square meters.

The Company plans to leverage its department store operation experience to further enhance the operation and efficiency of the Taizhou First Department Store.

Consideration:

On 23 September 2009, Maoye Shangsha paid a deposit of RMB21,380,000 to the auctioneer, Jiangsu Province Asset and Equity Exchange. The deposit will be used to pay part of the consideration payable under the State Owned Shares SPA. The balance of the consideration is RMB121,132,100 under the State Owned Shares SPA, it is to be satisfied within 7 days from the date of the State Owned Shares SPA and the Jointly Controlled Account being set up. The consideration of RMB134,341,800 under the Employee Shares SPA is also to be satisfied within 7 days from 10 October 2009.

The full consideration of RMB142,512,100 under the State Owned Shares SPA will be deposited to the Jointly Controlled Account upon the completion of the transfer of the 48.23% shareholding from Hailing District Service Industry Development Bureau to Maoye Shangsha. The consideration held in the Jointly Controlled Account will be released as follows:

(i) an amount of RMB17,512,100 will be paid into a designated account as fees earmarked for Transfer of Employment Identity of the employees of Taizhou 100.

(ii) an amount of RMB5,000,000 will be paid to Taizhou 100 to repay a debt owed by Taizhou Municipal Hailing Asset Management Company to Taizhou 100;

(iii) the remaining RMB120,000,000 will be charged to the China Development Bank, Jiangsu Branch. The Taizhou First Department Store Buildings are currently mortgaged to the China Development Bank, Jiangsu Branch as security over a loan made to Taizhou City Property Management Bureau (the "**Loan**"). According to an agreement between Maoye Shangsha, Hailing District Service Industry Development Bureau,

Taizhou City Property Management Bureau, Taizhou 100 and the China Development Bank, Jiangsu Branch, the remaining consideration of RMB120,000,000 will be charged to the China Development Bank, Jiangsu Branch as security for the Loan for the release of the mortgage on Taizhou First Department Store Buildings.

The Acquisition will be partly funded by internal resources of the Company and partly funded by bank borrowings.

Condition: The completion of the Acquisition is not subject to any condition.

Completion: The transfer of the shares in Taizhou 100 from the Vendors to Maoye Shangha and the relevant registration with the Industrial and Commerce Bureau are expected to be completed within 30 days after the full payment of the consideration in accordance with the State Owned Shares SPA and Employee Shares SPA.

Basis of determination of the consideration

The consideration was fixed based on the Company's bid at the public auction held by the Jiangsu Province Asset and Equity Exchange for the purchase of the shareholding in Taizhou 100.

Whilst making the bid, the Company has taken into account the valuation report prepared by Jiangsu Tianheng Asset Valuation Company dated 31 July 2008. The report valued Taizhou 100's net assets value as RMB295,470,900 on a mark to market basis.

FINANCIAL INFORMATION OF TAIZHOU FIRST DEPARTMENT STORE COMPANY

Based on the audited accounts of Taizhou 100 prepared in accordance with PRC accounting principles, the audited net asset value of Taizhou 100 for the financial year ended 31 December 2008 was RMB38,130,000.

The audited net profit (before and after taxation and extraordinary items) of Taizhou 100 for the two financial years ended 31 December 2007 and 2008 are as follows:

| | For the year ended | |
|--|---------------------------|-------------------------|
| | 31 December 2007 | 31 December 2008 |
| | RMB | RMB |
| Revenue | 412,210,000 | 486,270,000 |
| Net profit before taxation and extraordinary items | 3,710,000 | 4,910,000 |
| Net profit after taxation and extraordinary items | 2,580,000 | 3,130,000 |

REASONS FOR ENTERING INTO THE TRANSACTION

Taizhou 100 operates the Taizhou First Department Store, a reputable and well-known department store with 38 years of history located in the heart of the central business district of Taizhou City. It also owns the Taizhou First Department Store Buildings, which have a floor area of approximately 40,358 square metres. The Directors considered the Acquisition is beneficial to the expansion of the Group's stores network as it allows the Company to acquire a department store which is situated at a prime commercial location. Through the Acquisition, the Company can expand its presence in Eastern China and consolidate its market position in the area.

The Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

The Company is a leading department store chain in the affluent regions of southern and southwestern China, operating 21 stores (including eleven Maoye-branded stores and ten Chengshang-branded stores) across ten cities and targeting the medium to high-end segment of the retail market.

Taizhou 100

Taizhou 100 owns the Taizhou First Department Store. The department store was established in 1971 and has a total floor area of approximately 40,358 square metres.

Hailing District Service Industry Development Bureau

Hailing District Service Industry Development Bureau is a government Bureau under the Hailing District government.

Employees

The Employees are employees of Taizhou 100 who collectively own 45.47% shareholding in Taizhou 100.

REQUIREMENTS OF THE LISTING RULES

The Company confirms that, to the best of the Directors knowledge, information and belief, the Vendors are third parties independent of the Company and its connected persons. As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction.

Definition

| | |
|---------------------------|--|
| "Acquisition" | the acquisition by Maoye Shangsha of the 93.7% shareholding in Taizhou 100 from the Vendors |
| "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 |
| "Employees" | the 552 employees of Taizhou 100, together the holders of 45.47% shareholding in Taizhou 100 |
| "Employee Shares SPA" | the sale and purchase agreement dated 10 October 2009 between Hailing District Service Industry Development Department (acting on behalf of the Employees) and Maoye Shangsha |
| "Hailing District Service | Taizhou Municipal Hailing District Service Industry |

| | |
|--|--|
| Industry Development Bureau" | Development Bureau, holder of 48.23% shareholding in Taizhou 100 |
| "Jointly Controlled Account" | an account in the name of Hailing District Service Industry Development Bureau but jointly controlled by Maoye Shangsha and Hailing District Service Industry Development Bureau |
| "Listing Rules" | Rules Governing the Listing of Securities on the Stock Exchange |
| "Maoye Shangsha" | Maoye Shangsha Company Limited, a wholly-owned subsidiary of the Company incorporated in the PRC |
| "PRC" | The People's Republic of China |
| "RMB" | Renminbi, the lawful currency in the PRC |
| "State Owned Shares SPA" | the sale and purchase agreement dated 9 October 2009 between Hailing District Service Industry Development Bureau and Maoye Shangsha as supplemented by the supplemental sale and purchase agreement dated 10 October 2009 between Hailing District Service Industry Development Bureau and Maoye Shangsha |
| "Taizhou First Department Store" | the department store operated by Taizhou 100 in the Taizhou First Department Store Buildings |
| "Taizhou 100" | Taizhou First Department Store Company Limited, a company incorporated in the PRC |
| "Taizhou First Department Store Buildings" | the Taizhou First Department Store Building located at No.299 Hailing Northern Road, Taizhou City |
| "Transfer of Employment Identity" | the change in employment contractual relationship between the employees and employer, from the original state enterprise based employment relationship to private enterprise market based employment relationship |

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

13 October 2009, Hong Kong

As at the date of this announcement, the executive Directors are Mr. HUANG Mao Ru, 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. CHOW Chan Lum, Mr. PAO Ping Wing and Mr. LEUNG Hon Chuen.