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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)**

**ANNOUNCEMENT**

Reference is made to the announcement of the Company dated 28 December 2008 in relation to a subsidiary of the Company, Chengshang, having issued proceedings against Zhuxin Demolition Company for a breach of contract by Zhuxin Demolition Company.

On 23 July 2007, Chengshang and Zhuxin Demolition Company entered into the Agreement to carry out demolition and relocation of two five stories buildings in Chengdu City. Upon signing of the Agreement, Chengshang paid the Demolition Fees in the sum of RMB27,297,508. Zhuxin Demolition Company subsequently failed to fully perform its obligations under the Agreement and as a result, Chengshang terminated the Agreement. Because the Demolition Fees were not refunded following termination, Chengshang issued proceedings against Zhuxin Demolition Company.

Chengshang has obtained the Decision from the People's Intermediate Court of Chengdu City, which provides the following relief:

1. Within 10 days of the date of the Decision becoming effective, Zhuxin Demolition Company shall refund to Chengshang RMB17,268,612.21 (plus interest with reference to the People's Bank of China lending rates over the period of June 27, 2008 until the date of payment of judgment debt). The amount was arrived at after deducting RMB 10,028,895.79 from the Demolition Fees. The deduction is for payment toward fees and costs for work already performed by Zhuxin Demolition Company pursuant to the Agreement, which includes disbursement of RMB1,146,151.29 for the demolition workers' salary, office expenses, overtime meals and mediation fees, the relocation compensation for 22 households of RMB7,787,511 and the purchase price of RMB1,095,233.5 for purchasing three sets of relocation housings from the Qingyang Property Management Bureau.

2. Within 10 days of the date of the Decision becoming effective, Zhuxin Demolition Demolition Company shall deliver to Chengshang, 16 Houses of No. 305, 402, 502 at Jin Xiu Guang Hua (錦繡光華), Supo Township, Qingyang District, Chengdu City
3. Within 10 days of the date of the Decision becoming effective, Zhuxin shall pay damages in the sum of RMB278,000 to Chengshang in accordance with the Agreement.

If Zhuxin Demolition Company fails to pay within the prescribed time period, additional interest that is two times the original judgment interests will be levied on by Zhuxin Demolition Company on the refund and damages in accordance with Article 229 of the “PRC Civil Procedure Law”.

Zhuxin Demolition Company has the right to appeal the Decision within 15 days of the handing down of the Decision. As at 30 November 2009, Chengshang was not aware of any action by Zhuxin Demolition Company to appeal the Decision.

## **Definition**

“Agreement”	The demolition and relocation agreement entered into on 23 July 2007 between Chengshang and Zhuxin Demolition Company, pursuant to which Zhuxin Demolition Company agreed to carry out demolition and relocation of two five stories buildings at 34 Fifth Eastern Section, First Ring Road, Chengdu City for a consideration of RMB45,500,000.
“Chengshang “	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 in the PRC and listed on the Shanghai Stock Exchange (stock code: 600828). The Company currently holds 135,645,819 shares in Chengshang Group through Maoye Shangsha, representing approximately 66.77% 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 of Hong Kong Limited;

“Decision”	The judgment of the People’s Intermediate Court of Chengdu City in relation to relief sought by Chengshang against Zhuxin Demolition Company regarding the Agreement;
“Demolition Fees”	Payment in the sum of RMB27,297,508 from Chengshang to Zhuxin Demolition Company as fees for the demolition and relocation pursuant to the Agreement.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	People’s Republic of China;
“RMB”	Renminbi, the lawful currency in the PRC;
“Zhuxin Demolition Company”	Sichuan Province Zhuxin Housing Demolition and Relocation Services Limited Company, (四川省住信房屋拆遷服務有限公司), a limited company incorporated in the PRC.

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

1 December 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.*