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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION - DISPOSAL OF AUTOMOBILE BUSINESS BY CHENGSHANG GROUP

Reference is made to the announcement of the Company dated 5 January 2010 (the “**Announcement**”) announcing the disposal of entire equity interests in Chengshang Group’s subsidiary, Chengshang Motor, which is principally engaged in automobile business. Terms defined in the Announcement shall have the same meanings unless the context otherwise requires.

The board wishes to clarify that the disposal of Chengshang Motor is a discloseable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and wishes to provide the following additional information regarding the transaction.

1. Principal Business Activities carried on by the Company

The Company is principally engaged in the operation and management of department stores in the PRC and is the leading department store chain in the affluent southern and southwestern regions of the PRC. The Company principally targets the medium to high-end segment of the retail market and therefore its department stores are strategically located in the prime areas of the PRC’s cities having strong economy and growth potential. The Company currently operates 22 department stores in 11 major cities in the PRC, namely, Shenzhen, Zhuhai, Chongqing, Chengdu, Nanchong, Luzhou and Mianyang in the southern and southwestern regions, Qinhuangdao and Taiyuan in the northern region, and Wuxi and Taizhou in the eastern region.

2. Satisfaction of the consideration and relevant payment terms

The payment of the consideration of RMB23,000,000 shall be satisfied in the following manner:

- (i) A deposit of RMB3,000,000 has been paid by Mr. Lv Zhiyong and Mr. Tu Bin to Chengshang Group on 31 December 2009, the day on which the Sale and Purchase Agreement was signed.
- (ii) Within 5 business days from the signing of the Sale and Purchase Agreement, Mr. Lv Zhiyong and Mr. Tu Bin shall pay the outstanding balance of RMB20,000,000 to Chengshang Group. As at the date of this announcement, Chengshang Group has received the outstanding balance of RMB20,000,000.

Mr. Lv Zhiyong and Mr. Tu Bin shall also pay to Chengshang Group RMB 27,087,570.37, being the amount equivalent to the indebtedness owed by Changshang Motor to Chengshang Group and its related parties upon receipt of the acknowledgement of application for registration of the share transfer from the relevant Administration of Industry and Commerce in the PRC.

3. Basis on which the consideration was considered

The consideration for the Acquisition was determined after arm's length negotiations between the parties with reference to the net asset value of Changshang Motor as well as other factors including the future profitability of Changshang Motor and its client resources. As at 31 December 2009, the unaudited net asset value of Chengshang Motor was RMB12,074,107.34.

4. Basis for calculating the gain of the disposal

Chengshang Group is expecting to record a profit of approximately RMB 17,000,000. This is arrived at by deducting RMB6,000,000, being the investment cost in Chengshang Motor, from the consideration of RMB23,000,000. The directors believe that the terms of the transaction are fair and reasonable and in the interests of the shareholders as a whole.

5. **Intended application of the sale proceeds**

The Company intends that the sale proceeds shall be used to strengthen the operating capital of Chengshang Group.

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

8 January 2010, Hong Kong

As at the date of this announcement, the executive Directors are Mr. Huang Mao Ru, Ms. Wang Fuqin and Mr. Wang Guisheng. 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.