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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 LAND IN TAIZHOU CITY**

The Board is pleased to announce that the Purchaser has entered into the Land Use Rights Transfer Agreements on 16 December 2010 pursuant to which the Purchaser has agreed to purchase from the Vendor the Target Land with a total site area of approximately 212,698 square meters. The aggregate consideration of the Acquisition will be RMB1,111,000,000.

The Acquisition constitutes a discloseable 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.

Reference is made to the announcement of the Company dated 2 December 2010 in respect of the successful bid for the Target Land.

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**THE ACQUISITION**

Parties: Vendor: Taizhou Municipal Bureau of Land and Resources  
(泰州市國土資源局)

Purchaser: Taizhou Maoye Property Co., Ltd. (泰州茂業置業有限公司), a wholly-owned subsidiary of the Company incorporated in the PRC

- Summary:** Pursuant to the Land Use Rights Transfer Agreements, the Purchaser has agreed to purchase from the Vendor the Target Land. The total consideration of the Acquisition will be RMB1,111,000,000.
- The Target Land comprises Target Land A and Target Land B, which is situated in Hailing District, Taizhou City, the PRC, with a total site area of approximately 212,698 square meters.
- Consideration:** The full consideration of RMB1,111,000,000, which comprises RMB311,000,000 in relation to Target Land A and RMB800,000,000 in relation to Target Land B, will be paid by the Purchaser to the Vendor according to the provisions set out below. The Acquisition will be funded by internal resources of the Company.
- Payment of consideration:** As of the date of this announcement, RMB555,500,000 has been paid by the Purchaser, which will be used to satisfy part of the consideration payable under the Land Use Rights Transfer Agreements. The balance of the consideration will be paid by instalments in 2011.
- Other terms:** The Purchaser has undertaken to commence the construction work on the Target Land before 2 February 2012, and to complete the construction work on the Target Land before 2 December 2014.
- Completion:** The Vendor has agreed to deliver the Target Land before 2 December 2011. The Purchaser is entitled to apply for the registration of the land use rights of the Target Land when the full consideration is paid.

## **BASIS OF DETERMINATION OF THE CONSIDERATION**

The Company considers that the value of the Target Land is commensurate with the consideration of the Acquisition which was arrived at as a result of a successful bid by the Purchaser at an open auction having taken into account the location and potential value of the Target Land and the average market price or assessed value of similar plots of land in the proximity.

The Directors (including the independent non-executive Directors) consider the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **PARTICULARS OF THE TARGET LAND**

The Target Land comprises of two parcels of land which are adjacent to each other, namely Target Land A and Target Land B. Target Land A is located at the south of Haiyang East Road and the east of Yanghui Road, Hailing District, Taizhou, Jiangsu Province, with a site area of approximately 59,110 square metres. The Target Land B is located at the south of Xujiqiao Road and the east of Yanghui Road and Laokoutai Road, Hailing District, Taizhou, Jiangsu Province, with a site area of approximately 153,588 square metres. The terms for the grant of the land use rights of the Target Land range from 40 years to 70 years.

## **REASONS AND BENEFITS FOR THE TRANSACTION**

Taizhou City, located at the centre of Jiangsu Province, is a trading corridor connecting the southern and northern parts of Jiangsu Province. As the integration plan of the Yangtze River Delta develops, Taizhou City is expected to become a hub in the northern part of that area. The Target Land is located in proximity of Pozi Street commercial circle (also known as Xibakou commercial circle), the core business area in Taizhou City, and is in the vicinity of Fengchenghe Scenic Area, which is a national AAAA-rated scenic area, and is also close to the Taizhou First Department Store (which is owned and operated by the Group) and Golden Eagle Department Store, which are prestigious department stores in the Taizhou City. Pozi Street commercial circle is a landmark area of Taizhou City, boasting a history of over 600 years and commercial prosperity lasting for over 100 years as well as deep-rooted commercial culture. Currently, the Taizhou Municipal Government is expanding the Pozi Street commercial circle, and actively attracting enterprises which can drive a consumer spending upgrade and improve the economic competitiveness of this area, so as to accelerate the construction of the urban complex. As a prestigious department store operator, the Company has been engaged in the operation and management of department stores in China for many years. The Directors believe that one of the key factors in the success of the Company is the ability to identify suitable prime locations for the Company's department stores. The Target Land is located in a favourable geographic location with various surrounding ancillary facilities and thriving business atmosphere, being one of the Company's target projects in our business expansion in the eastern region of the PRC.

The Company plans to build one of the most influential urban commercial complex in Taizhou city on the Target Land. This complex (the "**Complex**") will comprise shopping mall and department stores as core areas, and will also include hotels, offices and ancillary residential apartment and properties. After completion of construction, it is estimated that the Complex will have a gross floor area of approximately 800,000 square metres, among which more than 300,000 square metres

will be designated for the use of the shopping mall. The Directors believe that, it is expected that the Complex will achieve scale together with the presence of Taizhou First Department Store which is a prestigious department store in Pozi Street commercial circle, and will have an impact on the consumer market in the whole Jiangsu Province.

The Acquisition is in line with the Company’s strategy of operating at least two to five stores in the same city, and will expand the scale of the Company’s core business and further enhance its market presence and position in the eastern region of the PRC, and is in the interest of the Company and its shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is principally engaged in the operation and management of department stores in PRC, and is a leading department store chain in the affluent Southern China and Southwestern China. The Company’s store network coverage has extended to the Eastern China and Northern China. 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 34 stores across 13 cities.

### **Vendor**

The Vendor is a local government body of the PRC and is in charge of managing and administering the land resources of Taizhou, Jiangsu Province, the PRC.

## **REQUIREMENTS OF THE LISTING RULES**

The Company confirms that, to the best of the Directors knowledge, information and belief, the Vendor is a third party 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 exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction.

### **Definition**

“Acquisition”	the acquisition by the Purchaser of the Target Land from the Vendor pursuant to the Land Use Rights Transfer Agreement
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“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Land Use Rights Transfer Agreements”	the Land Use Rights Transfer Agreement A and the Land Use Rights Transfer Agreement B
“Land Use Rights Transfer Agreement A”	the agreement for the transfer of the land use rights of state-owned land (國有建設用地使用權出讓合同) in respect of the Target Land A dated 16 December 2010 entered into between the Purchaser and the Vendor
“Land Use Rights Transfer Agreement B”	the agreement for the transfer of the land use rights of state-owned land (國有建設用地使用權出讓合同) in respect of the Target Land B dated 16 December 2010 entered into between the Purchaser and the Vendor
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Taizhou Maoye Property Co.,Ltd. (泰州茂業置業有限公司), a wholly-owned subsidiary of the Company incorporated in the PRC
“RMB”	Renminbi, the lawful currency in the PRC
“Target Land”	Target Land A and Target Land B
“Target Land A”	a parcel of land located at the south of Haiyang East Road and the east of Yanghui Road, Hailing District, Taizhou, Jiangsu Province, with a site area of 59,110 square metres
“Target Land B”	a parcel of land located at the south of Xujiqiao Road and the east of Yanghui Road and Laokoutai Road, Hailing District, Taizhou, Jiangsu Province, with a site area of 153,588 square metres

“Vendor”

Taizhou Municipal Bureau of Land and Resources  
(泰州市國土資源局), an independent third party

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

16 December 2010, 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*