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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)

ACQUISITION OF MAJORITY SHAREHOLDING OF A COMPANY IN YANGZHOU FOR OPERATION OF DEPARTMENT STORE

This is an announcement made pursuant to Rule 13.09(1) of the Listing Rules.

The Company is pleased to announce that, the Purchaser has successfully bid for the 70% shareholding of the Target Company in a public auction and entered into the Sale and Purchase Agreement with the Vendors, who are independent third parties, pursuant to which the Purchaser has agreed to purchase from the Vendors 70% of the equity interest in the Target Company for a total consideration of RMB174,463,940 (the “**Acquisition**”). The total consideration will be paid by the Purchaser before 31 December 2010.

The consideration of the Acquisition was arrived at as a result of a successful bid by the Purchaser at an open auction with reference to the market value of the Target Company and the earning potential of the Target Company in the future. Based on the valuation report prepared by an independent third party valuer which valued the Target Company on the basis of its investment value, using replacement cost method and market sales comparison method, the net asset value of the Target Company as at 30 April 2010 was approximately RMB249,234,200. The Company considers the consideration of the Acquisition to be fair and reasonable.

The Target Company owns and operates Yangzhou Parkson Plaza (the “**Target Property**”), which is a department store situated at Wenchang Zhong Road, Guangling District, Yangzhou City, Jiangsu Province, the PRC and is located in the Wenchang commercial circle, the core business zone of Yangzhou City. The Target Property comprises a six-story commercial building with basement with a total gross floor area of approximately 21,485 square metres. The Target Company also owns the land where the Target Property is situated which has a site area of approximately 7,666 square metres. The Company plans to operate a department store in the Target Property under the “Maoye” brand.

The Target Property commenced operations in 1996 and is one of the first department stores which commenced operation in Yangzhou City, and has established a good reputation and a stable customer base in Yangzhou City. Due to the Target Company’s original business and management approach and market positioning, its overall operational performance was not ideal. However, the Directors believe that, given the Company’s distinctive track record in integrating department store business and by upgrading and repositioning the Target Property as a trendy department store targeting at customers in the age range from 18 to 35, it is expected that the business of the Target Company will significantly improve in the future.

Yangzhou City, which has been known as the “gateway to the northern region of Jiangsu Province”, is located in the east of the metropolitan circle which is within one-hour drive to or from Nanjing City, and is adjacent to Taizhou City on the east, which features the strategic importance of Yangzhou City in terms of its geographic location. The Directors believe that as the Company has gradually established market position in the Eastern China region by expanding its store network during the recent years, the Target Property will achieve scale together with the presence of various stores successfully operated by the Company (including, amongst others, Taizhou first department store (泰州第一百貨店), Wuxi Qingyang store (無錫清揚店), Shandong Zibo Jindi store (山東淄博金帝店) and Shandong Zibo Dongtai Shangsha store (山東淄博東泰商廈店)) and various stores to be operated by the Company (including Wuxi first department store (無錫第一百貨店), Jiangsu Huaian store (江蘇淮安店) and Shandong Linyi store (山東臨沂店)) in Eastern China region, which will further enhance the Company’s market presence and influence in the Eastern China region as well as in the Yangtze River Delta economic region. The Directors also believe that the Acquisition is in line with the Company’s long term strategic goals and is in the long term interest of the Company and its shareholders as a whole.

Definition

“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
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Purchaser”	Maoye Department Stores (China) Limited (茂業百貨(中國)有限公司), a wholly owned subsidiary of the Company incorporated in Hong Kong
“RMB”	Renminbi, the lawful currency in the PRC
“Sale and Purchase Agreement”	the agreement and the supplemental agreement for the sale and purchase of 70% of the equity interest in the Target Company entered into between the Purchaser and the Vendors on 23 December 2010
“Target Company”	Yangzhou Yangzi River Department Store Co., Ltd. (揚州市揚子江百貨有限責任公司), a company incorporated in the PRC, which owns the land use rights of the land where the Target Property is situated and the building of the Target Property
“Vendors”	Yangzhou Commercial Company and Yangzhou Yangzi River collectively, being independent third parties of the Company
“Yangzhou Commercial Company”	Yangzhou Commercial Company (揚州商業大廈), a state-owned company incorporated in the PRC and the holder of 45% of the equity interest in the Target Company and will, pursuant to the Sale and Purchase Agreement, sell 15% of the equity interest in the Target Company to the Purchaser

“Yangzhou Yangzi
River”

Yangzhou Yangzi River Investment Development Group Co., Ltd. (揚州市揚子江投資發展集團有限責任公司), a company incorporated in the PRC and the holder of 55% of the equity interest in the Target Company and will, pursuant to the Sale and Purchase Agreement, sell its entire equity interest in the Target Company to the Purchaser

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

Hong Kong, 24 December 2010

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.