

[For immediate release]



Maoye Further Consolidates its Leading Position in Chengdu

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Establishes the first department store in Longquanyi District

(16 September 2009 – Hong Kong) – Maoye International Holdings Limited (“Maoye” or the “Group”, HKSE stock code: 848), a leading department store chain in the affluent regions of southern and south-western China, today announced Chengshang Group Chengdu People’s Department Store Co., Ltd. (成商集團成都人民商場有限公司) (“People’s Department Store”), a subsidiary of the Group, has entered into the lease agreement with Chengdu Guangcheng Zhiheng Corporation Management Company Limited (成都廣成智恒企業經營管理有限公司) (“Guangcheng Zhiheng”), Chengdu Xinglong Construction and Development Company Limited (成都興龍建設開發公司) (“Xinglong Company”), and Owners’ Incorporation of Subtropical Commercial City in Longquanyi District (“Owners’ Incorporation”). People’s Department Store will rent the first to third floor of Subtropical Commercial City and the related facilities (approximately 8,373 square metres) located on 102 Longping Road, Longquan Town, Longquanyi District, Chengdu. This will be the first department store of Chengshang in Longquanyi District and the fifth department store in Chengdu.

Pursuant to the lease agreement, Guangcheng Zhiheng will rent the first to third floor of Subtropical Commercial City and the related facilities to People’s Department Store. Rental period is from 14 September 2009 to 28 February 2010 with a 50-day rental holiday period from 14 September 2009 to 2 November 2009; the rental and facilities fee during the period from 3 November 2009 to 28 February 2010 will be approximately RMB1.01mn (RMB21.95 per month per sq.m.).

Xinglong Company, which is the owner of the first floor of Subtropical Commercial City, will rent the first floor (approximately 1,060 square metres) of Subtropical Commercial City and the related facilities to People’s Department Store. The rental period will be 20 years, which is from 1 March 2010 to 28 February 2030. The total rental fee for the first year will be RMB737,760. The rental fee will increase every year between 1 March 2010 and 28 February 2020. The increment will be 3.5% of the rental fee in the previous year for the first 10 years and 5% for the second 10 years. The equipment fee is RMB29,307 per month from 1 March 2010 to 4 November 2021. The rental and equipment fee is to be paid quarterly.

With the legal authorization from a total of 146 proprietors, the Owners’ Incorporation will rent the second and third floor (approximately 7,313 square metres) of Subtropical Commercial City to People’s Department Store. The rental period will be 20 years, which is from 1 March 2010 to 28 February 2030. The rental fee for the first year is approximately RMB1.6 million. The rental fee will increase every year and the increment will be 3% of the rental fee in the previous year. The rental fee is to be paid quarterly. The total rental fee of the first to third floor for the first year (from 1 March 2010 to 1 March 2011) is approximately RMB 2,341,709 (RMB23.30 per month per sq.m.).

Management of the Group said, "The new department store has an excellent geographical advantage, which is located at the core commercial zone of Longquanyi District. The opening of a department store in that district is in line with our long-term strategic goals. It will facilitate our business development in Chengdu, increase the operation size of our core business and consolidate our market position in Chengdu area. Leveraging on Maoye's proven track record in asset enhancement, extensive experience in operating department stores as well as stylish and diversified merchandize mix, we are determined to make the department store the most iconic shopping destination in the Longquanyi District."

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About Maoye International Holdings Limited

Maoye is a leading department store chain in the affluent regions of southern and south-western China, operating 19 stores across 10 cities including Shenzhen, Zhuhai, Chengdu, Chongqing, Taiyuan, Qinhuangdao and etc. The Group's revenue is generated predominantly from commissions on concessionaire sales. Maoye has positioned itself at the mid to high-end segment of the retail market in China and offers a stylish and diversified merchandize mix suitable for a wide range of customers to cater to their preferences.

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