



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)

Announcement

Litigation involving subsidiaries of the Company

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

A subsidiary of the Company, Chengshang, has issued proceedings against Zhuxin Demolition Company at the People's Intermediate Court of Chengdu City with regards to a breach of contract by Zhuxin Demolition Company. Details of the litigation are as follow:

On 23 July 2007, Chengshang and Zhuxin Demolition Company entered into a demolition and relocation agreement, 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 (the “**Agreement**”). Pursuant to the Agreement, Zhuxin Demolition Company is required to complete the demolition within three months after the relevant valuation report is issued. Clause 9(1) of the Agreement further stipulates that if Zhuxin Demolition Company fails to complete the demolition within three months, Zhuxin Demolition Company is required pay RMB2,000 for each day of delay as damages.

On 8 August 2007, Chengshang and Zhuxin Demolition Company entered into a supplemental agreement amending the payment term of the first installment by Chengshang and several relevant matters in the Agreement.

Upon the signing of the Agreement, Chengshang made a payment of RMB27,297,508 to Zhuxin Demolition Company as fees for the demolition and relocation (the “**Demolition Fees**”). Zhuxin Demolition Company failed to perform its obligations under the Agreement. Chengshang has subsequently terminated the Agreement with Zhuxin Demolition, but it has not refunded the Demolition Fees to Chengshang.

Chengshang therefore issued proceedings against Zhuxin Demolition Company. Under the proceedings, Chengshang is asking People's Intermediate Court of Chengdu City for the following relief:

1. To confirm that the Agreement between Chengshang and Zhuxin Demolition Company was terminated on 24 June 2008;
2. To order Zhuxin Demolition Company to refund the Demolition Fees to Chengshang, together with interests until the day of repayment (based on the prevailing interest rate published by the People's Bank of China in the corresponding period) (from 25 June 2008 to 5 December 2008, the interests amounts to RMB885,531.16);
3. To order Zhuxin Demolition Company to pay damages of RMB2,000 per day from 6

- February 2008 to 24 June 2008 in accordance with the Agreement, totaling RMB278,000;
4. To order Zhuxin Demolition Company to pay the litigation costs of the proceedings.

Hearing of the case by the People's Intermediate Court of Chengdu City has not started. The Company will make announcement on any further development or changes that are, in the Company's view, material.

Definition

"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 135,643,158 shares in Chengshang 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;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	The People's Republic of China;
"RMB"	Renminbi, the lawful currency in the PRC;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Zhuxin Demolition Company"	Sichuan Province Zhuxin Housing Demolition and Relocation Services Limited Company, (四川省住信房屋拆迁服务有限公司), a limited company incorporated in the PRC.

By Order of the Board
Maoye International Holdings Limited

Mr. Huang Mao Ru

Chairman

28 December 2008, Hong Kong

As at the date of this announcement, the executive directors are Mr. HUANG Mao Ru, Mr. ZOU Minggui, 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. PAO Ping Wing, Mr. LEUNG Hon Chuen, and Mr. CHOW Chan Lum.