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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Maoye International Holdings Limited you should at once pass this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF PROPERTY**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



KBC BANK N.V. HONG KONG BRANCH

A notice convening an extraordinary general meeting of Maoye International Holdings Limited to be held at Victoria IV, 2/F, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Wednesday, 9 December 2009 at 10:00 am is set out in page 33 of this circular. Whether or not you intend to attend and vote at the extraordinary general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting should you so wish.

23 November 2009

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition by Maoye Department Store China of all of the issued share capital in Zhongzhao;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Company”	Maoye International Holdings Limited;
“Completion”	completion of the Acquisition;
“Controlling Shareholder Group”	Mr. Huang and his associates;
“Directors”	the directors of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened at Victoria IV, 2/F, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Wednesday, 9 December 2009 at 10:00 am for the purpose of considering, and if thought fit, approving, among other things, the Equity Transfer Agreement, the Acquisition and the Financial Assistance, by the Independent Shareholders;
“Equity Transfer Agreement”	the equity transfer agreement entered into between Richon, Maoye China and Maoye Department Store dated 10 November 2009 in respect of the Acquisition (as novated pursuant to the Novation Deed);
“Financial Assistance”	the subsistence of the Loan in the amount of RMB583,163,213.65 as at the date of this circular payable by Shenzhen Maoye to Shenzhen Orient Times;
“Group”	the Company and its subsidiaries;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Independent Board Committee”	the board committee formed by the independent non-executive directors of the Company;
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Huang and his associates;
“KBC Bank”	KBC Bank N.V., acting through its Hong Kong Branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“Latest Practicable Date”	20 November 2009;
“Leases”	the leases entered into between Shenzhen Orient Times with the Group in connection with the leasing by the Group of the Target Property;

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan payable by Shenzhen Maoye to Shenzhen Orient Times, the outstanding amount of which, as at the date of this circular, is RMB583,163,213.65;
“Maoye China”	Mao Ye (China) Investment Limited (茂業(中國)投資有限公司), a company incorporated in Hong Kong and owned by Mr. Huang, the controlling shareholder of the Company;
“Maoye Department Store”	Maoye Department Store Holdings Limited (茂業百貨控股有限公司), a company incorporated in the British Virgin Islands and a subsidiary of the Company;
“Maoye Department Store China”	Maoye Department Stores (China) Limited (茂業百貨(中國)有限公司), a company incorporated in Hong Kong and a subsidiary of the Company;
“Mr. Huang”	Mr. Huang Mao Ru, chairman, executive director, and chief executive officer of the Company, as well as the controlling shareholder of the Company. Mr. Huang currently holds 4,250,000,000 shares in the Company, representing 82.68% of the issued share capital of the Company;
“Novation Deed”	the deed of novation dated 21 November 2009 entered into between Richon, Maoye China, Maoye Department Store and Maoye Department Store China;
“PRC”	The People’s Republic of China;
“Richon”	RICHON Holdings Ltd. (富安控股有限公司), a company incorporated in the British Virgin Islands and owned by Mr. Huang, the controlling shareholder of the Company;
“RMB”	Renminbi, the lawful currency in the PRC;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Shareholder(s)”	shareholder(s) of the Company;
“Shenzhen Maoye”	Shenzhen Maoye (Group) Company Limited (深圳茂業(集團)股份有限公司), a company established under the laws of PRC and owned by Mr. Huang, the controlling shareholder of the Company;
“Shenzhen Orient Times”	Shenzhen Orient Times Square Property Co., Limited (深圳市東方時代廣場實業有限公司), a company established under the laws of the PRC and is wholly-owned by Zhongzhao;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Target Property”	Orient Times Square at West of Huaqiang North Road, Futian District, Shenzhen, PRC (深圳市福田區華強北路西側東方時代廣場), has a total gross floor area of approximately 84,425 square meters, including 10 floors of retail space with an approximately total gross floor area of 63,820 square meters and 2 floors of underground car park and equipment rooms with an approximately total floor area of 20,605 square meters; and
“Zhongzhao”	Richon Group Holdings Limited (中華兆業(控股)有限公司), a company incorporated in Hong Kong with limited liability

In this circular, RMB has been translated to HK\$ at the rate of HK\$1 = RMB0.8815 for illustration purpose only.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Huang Mao Ru, Chairman
Mr. Wang Guisheng
Ms. Wang Fuqin

Non-executive Directors:

Mr. Zhong Pengyi
Mrs. Huang Jingzhang

Independent Non-executive Directors:

Mr. Chow Chan Lum
Mr. Pao Ping Wing
Mr. Leung Hon Chuen

Registered office:

Scotia Centre, 4th Floor, P.O. Box 2804,
George Town, Grand Cayman,
KY1-1112,
Cayman Islands

Head office:

38/F, World Finance Centre,
4003 Shennan East Road,
Shenzhen PRC

23 November 2009

To the shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION **ACQUISITION OF PROPERTY**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 10 November 2009 in relation to the proposed Acquisition. The purpose of this circular is to provide you with further information in relation to the Acquisition, the terms of the Equity Transfer Agreement and the Financial Assistance. This circular also contains the recommendation from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders and the recommendation of the independent board committee of the Company.

2. THE ACQUISITION

Date

10 November 2009

LETTER FROM THE BOARD

Parties

- Vendors: (1) Richon, a connected person;
- (2) Maoye China, a connected person
- Purchaser: Maoye Department Store, a subsidiary of the Company

Summary

The Company is proposing to acquire the Target Property through the acquisition of Zhongzhao. In that regard, Maoye Department Store, Richon and Maoye China have entered into the Equity Transfer Agreement. On 21 November 2009, the parties have entered into the Novation Deed pursuant to which all of the rights and obligations of Maoye Department Store under the Equity Transfer Agreement were novated to its wholly-owned subsidiary, Maoye Department Store China. As a result of the novation, Maoye Department Store China will act as the purchaser in the Acquisition. Pursuant to the Equity Transfer Agreement, Maoye Department Store China has agreed to purchase from Richon and Maoye China all of the issued share capital of Zhongzhao, which holds the Target Property through its wholly owned subsidiary, Shenzhen Orient Times. Richon holds 9,999 shares in Zhongzhao and Maoye China holds 1 share in Zhongzhao. The consideration payable to Richon and Maoye China is HK1,927,807,200 and HK\$192,800 respectively. The total consideration for the Acquisition is HK\$1,928,000,000.

The Target Property is located at Orient Times Square, West of Huaqiang North Road, Futian District, Shenzhen the PRC. The Target Property has a total gross floor area of approximately 84,425 square meters, including 10 floors of retail space with a total floor area of approximately 63,820 square meters and 2 floors of underground car park and equipment rooms with a total floor area of approximately 20,605 square meters. The Company currently operates a department store within the Target Property under two leases with Shenzhen Orient Times.

The consideration was arrived at after arm's length negotiation between Richon, Maoye China and the Company and with reference to the book value, the estimated market value of the Target Property, as well as the market value of the properties in the surrounding area of the Target Property.

Conditions

Completion of the Acquisition is subject to the satisfaction of the following conditions precedent:

- a) Richon, Maoye China and Maoye Department Store China having obtained all necessary consents and approvals in relation to the Equity Transfer Agreement and the transactions contemplated thereunder;
- b) the warranties given by Richon and Maoye China under the Equity Transfer Agreement remaining true and accurate in all material respects as at Completion; and

LETTER FROM THE BOARD

- c) the Company having obtained the approval by the Independent Shareholders at the EGM for the resolutions in respect of the Equity Transfer Agreement, the Financial Assistance and the transactions contemplated thereunder.

If the conditions specified in the Equity Transfer Agreement have not been fulfilled within 90 days after signing of the Equity Transfer Agreement, the Equity Transfer Agreement will be terminated.

Payment of Consideration

The total consideration of HK\$1,928,000,000 for the Acquisition is to be satisfied in three instalments as follows:

- a) Maoye Department Store China shall pay 25% of the total consideration to Richon and Maoye China within seven days following the satisfaction of all the conditions under the Equity Transfer Agreement.
- b) Richon and Maoye China shall then proceed to submit to present to the Stamp Duty Office for the payment of stamp duty on the transfer documents in relation to transferring the shares of Zhongzhao to Maoye Department Store China, and Maoye Department Store China shall pay 40% of total consideration to Richon and Maoye China within seven days after these documents are duly accepted by the Stamp Duty Office for stamping.
- c) Within 2 years from the completion of transferring the shares of Zhongzhao by Richon to Maoye Department Store China (including the handing over all corporate seal, information, documents of Zhongzhao) (the “**Third Instalment Date**”), Maoye Department Store China shall pay the remainder of the consideration for the Acquisition under the Equity Transfer Agreement (HK\$674,800,000) to Richon and Maoye China (the “**Third Instalment**”). No interest will be charged by Richon and Maoye China on the deferred payment of the consideration.

The Acquisition will be principally funded by bank loans and partly by internal resources of the Company. The consideration for the Acquisition will be paid in full by cash within the period stipulated in the Equity Transfer Agreement.

Completion

The transfer of shares of Zhongzhao shall be completed within 60 days following satisfaction of all the conditions precedent under the Equity Transfer Agreement.

Basis of determination of the consideration

The consideration for the Acquisition was determined after arm’s length negotiations between the parties with reference to the net assets value of Zhongzhao, taking into account the book value, the estimated market value of the Target Property, as well as the market value of the properties in the surrounding area of the Target Property. As at 31 July 2009, the unaudited net asset value of

LETTER FROM THE BOARD

Zhongzhao (consolidating Shenzhen Orient Times' accounts) was HK\$53,034,142 and the book value of the Target Property was HK\$394,740,858.54. The Directors (including the independent non-executive Directors) consider the consideration to be fair and reasonable. A valuation report on the market value of the Target Property is included in Appendix 1 of this circular.

Although Shenzhen Orient Times has not obtained all the title documents for the entire Target Property, based on the legal opinion of King & Wood dated 9 November 2009, King & Wood was of the view that there should be no material legal obstacle for Shenzhen Orient Times to obtain the title documents in respect of the remaining parts of the Target Property after the government authorities having inspected and approved the Target Property's fire safety system.

3. FINANCIAL INFORMATION OF THE RELEVANT PARTIES

Zhongzhao was incorporated in Hong Kong in 2002 as a limited liability company with an issued share capital of HK\$10,000. The Target Property was constructed by Shenzhen Orient Times. Zhongzhao holds the Target Property through its wholly-owned subsidiary, Shenzhen Orient Times.

The accounts of Zhongzhao, which is prepared in accordance with HKFRS, shows that the audited net profit (before and after taxation and extraordinary items) of Zhongzhao for the two financial years ended 31 December 2007 and 2008 are as follows:

	For the year ended	
	31 December	31 December
	2007	2008
	<i>HK\$</i>	<i>HK\$</i>
Net profit before taxation and extraordinary items	654,295.08	1,470,341.56
Net profit after taxation and extraordinary items	654,295.08	1,470,341.56

Shenzhen Orient Times was established on 6 September 2001 with a registered share capital of RMB10,000,000. It was purchased by Mr. Huang in 2003 at a consideration of RMB10,000,000. The Target Property was subsequently constructed, developed and held by Shenzhen Orient Times. Shenzhen Orient Times became a wholly owned subsidiary of Zhongzhao on 20 March 2009 pursuant to an internal restructuring. Accordingly, Shenzhen Orient Times' accounts for the years 2007 and 2008 were not consolidated in Zhongzhao's accounts in those two financial periods. The audited net profit (before and after taxation and extraordinary items) of Shenzhen Orient Times for the two financial years ended 31 December 2007 and 2008 are as follows:

	For the year ended	
	31 December	31 December
	2007	2008
	<i>RMB</i>	<i>RMB</i>
Net profit before taxation and extraordinary items	170,430,857.56	4,690,937.47
Net profit after taxation and extraordinary items	151,817,046.43	3,846,568.73

LETTER FROM THE BOARD

4. REASONS FOR ENTERING INTO THE TRANSACTION

The Target Property is a prestigious commercial property located at the core commercial district of Shenzhen — the Huaqiang North Road Commercial Circle, which is the most prosperous commercial circle in Shenzhen.

The Directors believe that the Acquisition is in-line with the Company's growth and expansion strategy. The Company currently operates a department store within the Target Property under the Leases, and the Acquisition will result in the Target Property being indirectly owned by the Company through its subsidiary. The Acquisition will eliminate the risk of the Leases being terminated with the consequential need for the Company to locate a replacement property for the department store. The Acquisition will also enhance the operational advantage of Company by enabling the Company to control operational costs of the department store due to rental increases. Lastly, the Company will enjoy potential capital gain from the long-term ownership of the Target Property through the Company's subsidiaries and the potential increase in value of the Target Property. The Directors (including the independent non-executive Directors) believe that the Acquisition is conducted on normal commercial terms and the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

5. REQUIREMENTS OF THE LISTING RULES AND FINANCIAL ASSISTANCE

Mr. Huang is the ultimate and the 100% owner of Richon, Maoye China and Shenzhen Maoye. Mr. Huang is also a controlling shareholder of the Company, he and his associate collectively hold approximately 82.68% of the Company's issued share capital. Therefore, Richon, Maoye China and Shenzhen Maoye are connected persons of the Company.

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 under Chapter 14 of the Listing Rules. The Acquisition also constitutes a connected transaction for the Company and is subject to Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As at the date of this circular, the Loan in the amount of RMB583,163,213.65 is owed by Shenzhen Maoye, a company within the Controlling Shareholder Group, to Shenzhen Orient Times. The Loan is unsecured and, prior to the date of the Equity Transfer Agreement, carried an interest rate which equals to the cost of funding incurred by Shenzhen Orient Times for financing such funds. The Loan shall be repaid on the Third Instalment Date at the same time when payment by Maoye Department Store China of the Third Instalment is made. In consideration of Richon and Maoye China, two companies within the Controlling Shareholder Group, agreeing to the deferred payment of the Third Instalment without interest, Maoye Department Store China agreed to procure Shenzhen Orient Times not to charge any interest on the Loan up to the Third Instalment Date.

Upon Completion, Zhongzhao and Shenzhen Orient Times will become indirectly wholly-owned subsidiaries of the Company, while Shenzhen Maoye is a connected person of the Company. The Loan will thus constitute financial assistance provided to a connected person of the Company under the Listing Rules and become a connected transaction of the Company, which is subject to the

LETTER FROM THE BOARD

requirements of reporting, announcement and Independent Shareholders' approval pursuant to Chapter 14A of the Listing Rules. As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan exceed 5% but are less than 25%, the subsistence of the Financial Assistance will also constitute a discloseable transaction under Chapter 14 of the Listing Rules.

As the Controlling Shareholder Group has agreed to defer the payment of the Third Instalment to the Third Instalment Date without interest, the Directors (including the independent non-executive Directors) consider the subsistence of the Financial Assistance to be fair and reasonable and on normal commercial terms.

The Company will seek the Independent Shareholders' approval at the EGM for the Acquisition, the Financial Assistance and the transactions contemplated under the Equity Transfer Agreement.

6. INDEPENDENT SHAREHOLDERS' APPROVAL

Mr. Huang and his associates collectively own approximately 82.68% of the issued share capital of the Company. Mr. Huang is therefore a connected person of the Company and the transactions between Mr. Huang and/or his associates and the Group constitute connected transactions of the Company for the purposes of the Listing Rules. In view of Mr. Huang's interests in the Company, Mr. Huang and his associates will abstain from voting in relation to the resolutions approving the Acquisition, the Financial Assistance and the transactions contemplated under the Equity Transfer Agreement.

7. EGM

A notice convening the EGM to be held at Victoria IV, 2/F, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Wednesday, 9 December 2009 at 10:00 am is set out on page 33 of this circular for the purpose of considering and, if thought fit, passing the resolution in relation to the Acquisition, the Financial Assistance and the transactions contemplated under the Equity Transfer Agreement.

You will find enclosed a form of proxy for use at the EGM. Whether or not you intend to attend such meeting, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

8. RECOMMENDATION

The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Acquisition, the Financial Assistance and the transactions contemplated under the Equity Transfer Agreement. KBC Bank has been appointed to advise the Independent Board Committee in this respect. The Independent Board Committee, having taken into account the advice of KBC Bank, is of opinion that the terms of the Acquisition and Financial Assistance are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the

LETTER FROM THE BOARD

Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders vote in favour of the resolution regarding the approval of the Acquisition, the Financial Assistance and the Equity Transfer Agreement set out in the notice of EGM at the end of this circular.

The letter from KBC Bank containing its advice and recommendation to the Independent Board Committee is set out on pages 13 to 20. The letter from the Independent Board Committee to the Independent Shareholders containing their recommendation is set out on page 12.

9. GENERAL INFORMATION

The Company

The Company is a leading department store chain in the affluent regions of southern and south-western China, operating 22 stores (including 12 Maoye-branded stores and 10 Chengshang-branded stores) across 11 cities and targeting the medium to high-end segment of the retail market.

Richon

Richon is an investment holding company. It is wholly-owned by Mr. Huang, the controlling shareholder of the Company.

Maoye China

Maoye China is an investment holding company. It is a wholly-owned subsidiary of Richon and ultimately owned by Mr. Huang, the controlling shareholder of the Company.

Maoye Department Store and Maoye Department Store China

Maoye Department Store and Maoye Department Store China are investment holding companies. They are wholly-owned subsidiaries of the Company.

Shenzhen Maoye

Shenzhen Maoye is a joint stock limited company registered in the PRC. It is ultimately 100% owned by Mr. Huang, the controlling shareholder of the Company.

Zhongzhao

Zhongzhao is an investment holding company. It has an issued share capital of HK\$10,000 at HK\$1.00 per share, Richon owns 9,999 shares of it and the remaining 1 share is owned by Maoye China.

LETTER FROM THE BOARD

Shenzhen Orient Times

Shenzhen Orient Times is property development company incorporated in the PRC. It is a wholly-owned subsidiary of Zhongzhao.

10. OTHER INFORMATION

Your attention is drawn to the property valuation report and the information set out in the appendices to this circular.

By order of the Board
Maoye International Holdings Limited
Huang Mao Ru
Chairman

LETTER FROM THE INDEPENDENT BOARD



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)

23 November 2009

To the Independent Shareholders

Dear Sir or Madam,

We have been appointed as the Independent Board Committee to advise you in connection with the Acquisition and the Financial Assistance, details of which are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 23 November 2009 (the “Circular”), of which this letter forms part. We wish to draw your attention to the letter from KBC Bank as set out on pages 13 to 20 of the Circular. Terms defined in the Circular shall have the same meanings when used herein, unless the context otherwise requires.

Having considered the information set out in the letter from the Board, the terms of the Acquisition and the Finance Assistance and the advice of KBC Bank in relation thereto as set out on pages 4 to 11 of the Circular, we are of the view that the Acquisition, the Financial Assistance and the transactions under the Equity Transfer Agreement are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to **vote in favour** of the ordinary resolution to be proposed at the EGM to approve the Acquisition, the Financial Assistance and the transactions under the Equity Transfer Agreement.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Pao Ping Wing
*Independent Non-executive
Director*

Mr. Chow Chan Lum
*Chairman of the
Independent Board Committee,
Independent Non-executive
Director*

Mr. Leung Hon Chuen
*Independent Non-executive
Director*

LETTER FROM KBC BANK

The following is the text of a letter of advice from KBC Bank to the Independent Board Committee in relation to the terms of the Equity Transfer Agreement and the transactions (including the Financial Assistance) contemplated thereunder which has been prepared for the purpose of inclusion in this circular.



39th Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

23 November 2009

To the Independent Board Committee

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Equity Transfer Agreement and the transactions (including the Financial Assistance) contemplated thereunder. Details of which, amongst other things, are set out in the section headed “Letter from the Board” of the circular dated 23 November 2009 (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context requires otherwise.

On 10 November 2009, the Group entered into the Equity Transfer Agreement with Richon and Maoye China to acquire, at the consideration (the “Consideration”) of HK\$1,928,000,000, the entire issued share capital of Zhongzhao, the principal asset of which is its indirect 100% ownership of the Target Property. As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules. By virtue of Richon and Maoye China being wholly-owned by Mr. Huang, the controlling Shareholder, the Acquisition also constitutes a connected transaction for the Company and is subject to the Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Chow Chan Lum, Mr. Pao Ping Wing and Mr. Leung Hon Chuen, has been formed to advise the Independent Shareholders in respect of the terms of the Equity Transfer Agreement and the transactions contemplated thereunder. We, KBC Bank N.V. Hong Kong Branch, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Equity Transfer Agreement and the transactions contemplated

LETTER FROM KBC BANK

thereunder as to whether (i) the Acquisition (including the Financial Assistance) is in the Group's ordinary and usual course of business and on normal commercial terms; and (ii) the entering into of the Equity Transfer Agreement is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

In formulating our recommendation, we have relied on the information and facts supplied to us by the Company. We have reviewed, among other things, (i) the Circular; (ii) the Equity Transfer Agreement; (iii) the valuation report on the Target Property (the "Valuation Report") prepared by DTZ Debenham Tie Leung Limited (the "Valuer"); (iv) the annual report (the "Annual Report") and the interim report (the "Interim Report") of the Company for the year ended 31 December 2008 and the six months ended 30 June 2009, respectively and (v) the prospectus (the "Prospectus") dated 21 April 2008 for the Company's initial public offering on the Stock Exchange in May 2008. We have assumed that all information, opinions and representations contained or referred to in the Circular are true, complete and accurate in all material respects and we have relied on the same. Also, we have relied on the representations made by the Directors and the management of the Company that having made all reasonable enquiries and careful decisions, and to the best of their information, knowledge and belief, there is no other fact or representation or the omission of which would make any statement contained in the Circular, including this letter, misleading. We have also assumed that all information, statements and representations made or referred to in the Circular, which have been provided to us by the Company, and for which it is wholly responsible, are true, complete and accurate in all material respects at the time they were made and continue to be so at the date of despatch of the Circular.

We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide us with a reasonable basis for our recommendation. We have no reason to suspect that any material facts have been omitted or withheld, nor are we aware of any facts or circumstances, which would render the information and the representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Company; nor have we conducted any independent in-depth investigation into the business and affairs of the Company and their respective associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders on the Acquisition (including the terms of the Equity Transfer Agreement), we have taken into account the following principal factors:

1. Principal business activities of the Group

The Group 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 Group 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 Group 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.

LETTER FROM KBC BANK

The Group's revenue and profit contributions have been predominantly derived from its department store operations which accounted for approximately 80% of the Group's total revenue for each of the three years ended 31 December 2008.

	For the year ended 31 December						For the six months ended 30	
	2006		2007		2008		June	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(Audited)</i>		<i>(Audited)</i>		<i>(Audited)</i>		<i>(Unaudited)</i>	
Revenue								
Operation of department stores	1,071,406	79.2	1,246,121	79.5	1,230,076	82.4	647,095	79.9
Sale of automobiles	280,537	20.7	311,548	19.9	255,731	17.1	159,095	19.6
Others	657	0.1	9,632	0.6	6,788	0.5	3,553	0.5
<i>Total</i>	<u>1,352,600</u>	<u>100.0</u>	<u>1,567,301</u>	<u>100.0</u>	<u>1,492,595</u>	<u>100.0</u>	<u>809,743</u>	<u>100.0</u>
Segment Results								
Operation of department stores	384,197		603,863		709,872		343,526	
Sale of automobiles	5,280		8,623		(2,954)		3,985	
Others	4,442		3,929		4,513		(1,454)	
<i>Total</i>	<u>393,919</u>		<u>616,415</u>		<u>711,431</u>		<u>346,057</u>	
Net Profit attributable to Shareholders	<u>217,059</u>		<u>416,999</u>		<u>520,969</u>		<u>243,577</u>	

Source: The Prospectus, the Annual Report and the Interim Report

For each of the two years ended 31 December 2008, operating lease was one of the major operating expenses incurred by the Group and accounted for approximately 25.36% and 21.94% of the Group's total operating expenses (excluding depreciation and amortisation) respectively.

2. Reasons for and benefit of the Acquisition

As described in the Circular, the Target Property, having a total gross floor area of approximately 84,425 sq.m., of which 10 floors of retail space with a total gross floor area of 63,820 sq.m. and 2 floors of underground car park and equipment rooms with a total gross floor area of approximately 20,605 sq.m.. The Target Property is a prestigious commercial property located at the Huaqiang North Road Commercial Circle in Shenzhen. The Group has commenced operation of a "Maoye" branded

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department store in the Target Property (the “Maoye Huaqiangbei Store”) since 2003 and it entered into the Leases with Shenzhen Orient Times in 2007 for a term of 12 years from January 2007 to December 2018 at an aggregate annual rent of approximately RMB57.40 million. Under the Leases, the rent payable by the Group may be adjusted every three years with reference to the prevailing market price with payment terms no less favourable than those offered to the Group by other third parties. However, in the event that there are disputes between Shenzhen Orient Times and the Group as to the rent, an independent valuer would be appointed to determine the rent payable under the Leases and its appraised rent will be binding on the two parties.

As disclosed in the section headed “Letter from the Board” of the Circular, King & Wood, the Company’s legal advisers as to the PRC laws, have stated in its legal opinion issued on 9 November 2009 that although Shenzhen Orient Times has not obtained all the title documents for the entire Target Property, there is no material legal obstacle for Shenzhen Orient Times to obtain the title documents in respect of the remaining parts of the Target Property after the inspection and approval of the Target Property’s fire safety system by the relevant government authorities.

(i) *Opportunity to secure control over the operating area of the Group’s flagship store*

As disclosed in the Annual Report, it is the Group’s development strategy to extend geographical presence and increase market share through acquisitions and self-developed properties in affluent cities. After its listing in May 2008, the Group has completed a number of transactions including acquisition of projects jointly with or from the Controlling Shareholder Group or third parties to expand its network of department store chain, including (i) acquisition of department store premises in Taiyuan, Shanxi Province in June 2008 and Qin Huang Dao, Hebei Province in August 2008; (ii) acquisition of a department store premise in Mianyang, Sichuan in September 2008; (iii) acquisition of land parcels in Taiyuan, Shanxi Province in October 2008 and Chengdu, Sichuan Province in August 2009 for development into department stores; (iv) the acquisition of a land parcel in Tiexi, Shenyang, Liaoning Province from the Controlling Shareholder Group for development into a department store in May 2009; (v) the acquisition of a land parcel in southern Chengdu, Sichuan Province from the Controlling Shareholder Group for development into a department store in August 2009; and (vi) the acquisition of a department store in Taizhou City, Jiangsu Province in October 2009. Accordingly, we concur with the management of the Company that the Acquisition is part of the overall development strategy of the Group.

Due to the advantageous geographical location of the Target Property and the people traffic associated with it, the Maoye Huaqiangbei Store has become the flagship store of the Group and generated the largest revenue amongst the department stores within the Group (amounting to approximately RMB465.39 million and RMB446.43 million for each of the two years ended 31 December 2008, and RMB214.81 million for the six months ended 30 June 2009, representing approximately 30%, 30% and 27% of the Group’s total revenue during the two years ended 31 December 2008 and the six months ended 30 June 2009, respectively). Maoye Huaqianbei Store was recently rated by the Ministry of Commerce in Shenzhen as a “Jingding Department Store” based on its operating scale, financial benchmark, merchandize portfolio, operating environment and service quality, etc. Although the Company has maintained a close business relationship (as detailed below) with Mr. Huang, the controlling Shareholder, there is no guarantee that the Group

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will be able to continuously lease the Target Property at a rent favourable to the Group for its operation of Maoye Huaqiangbei Store. In addition, there is also no guarantee as to whether Mr. Huang will dispose of his interest in the Target Property to other third parties, who may, among others, not renew the Leases with the Group on expiry and/or raise the rent to a level which may significantly increase the Group's operating expenses. Given the strategic location of the Target Property and the substantial contribution of Maoye Huaqiangbei Store to the overall business/financial performance of the Group's department store business, it would be highly undesirable if Maoye Huaqiangbei Store has to forgo the people traffic it has attracted over the years and has to be relocated to other premises which may be less desirable for department store operation (not to mention the difficulties in identifying a replacement premise in Shenzhen suitable for the current operating size of Maoye Huaqiangbei Store and the additional relocation cost (in terms of both monetary and management resources) to be incurred). Based on the above, we concur with the management of the Company that the Acquisition represents an opportunity for the Company to acquire a property at the prime area of Shenzhen for its continuous operation of the Maoye Huaqiangbei Store, thereby eliminating the risk of (i) the Leases being terminated upon expiry; and (ii) the rent being increased to a level which may significantly increase the Group's operating expenses. In addition, the Acquisition will also allow the Group to substantially reduce its operating lease expenses (the Leases have accounted for more than 40% of the Group's total operating lease expenses for each of the two years ended 31 December 2008 respectively) and enable the Group to have full control over the operating cost of the Maoye Huaqiangbei Store by sheltering it from any potential unfavourable adjustment on the annual rent under the Leases.

(ii) *Proven successful business model with the Controlling Shareholder Group*

The Controlling Shareholder Group is mainly engaged in commercial real estate development in the PRC. As disclosed in the Prospectus, the management of the Company considered having a close business relationship with the Controlling Shareholder Group is one of the Group's competitive strengths such that the Group can leverage on the Controlling Shareholder Group's expertise in property development (i.e. real estate development, property management, real estate leasing and hotel management) for the development of its department stores, particularly during the early development stage of the Group's department stores. In order to mitigate the pressure on the Group's working capital and capital expenditure due to the construction of department stores and the potential risk that self-constructed department stores, when completed, may not be suitable to Group's department store operations due to change in market or environment circumstances, the Controlling Shareholder Group has, from time to time during the course of the Group's business development, acquired land parcels jointly selected with the Group and constructed the structures and fixtures specifically for establishment of the Group's department stores and developed complementary facilities such as hotels, office buildings, specialty stores and restaurants within the structure. Real estate complexes which contain office buildings and hotels have proven to be beneficial to bring in new customer flow to department stores. Once the relevant construction has been completed by the Controlling Shareholder Group, part of the premises may either be sold or leased to the Group under long term leases. The management of the Company considered that such close business relationship with the Controlling Shareholder Group has enabled the construction, structure, designs and facilities of the relevant stores to be carried out at the Group's instruction and tailored to the

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specific needs of the Group's department stores and to take into consideration the surroundings and competitive situation at the particular locations. We understand from the management of the Company that most of the Group's self-run "Maoye" branded department stores are developed under such business model and the Group is currently leasing such properties for five department stores (including the Target Property). As such, we are of the view that the Acquisition is merely a natural extension of the continuous business cooperation between the Group and the Controlling Shareholder Group.

Having considered the above, we consider that the Acquisition is in the ordinary and usual course of the Group's business and is in the interest of the Company and the Shareholders as a whole.

3. The Consideration and the Payment Terms

The Consideration

The management of the Company has confirmed that the Consideration of approximately HK\$1,928 million was determined after arm's length negotiations between Richon, Maoye China and the Group with reference to the aggregate net asset value of Zhongzhao and Shenzhen Orient Times, the book value of the Target Property of approximately HK\$394.74 million as at 31 July 2009 and the valuation (the "Valuation") of the Target Property of RMB3,003 million (equivalent to approximately HK\$3,406.69 million) as at 31 October 2009 as stated in the Valuation Report. The Valuer had adopted the investment approach and valued the Target Property by capitalising the estimated market rental derived from the Target Property based on prevailing market prices of Shenzhen. We have reviewed and discussed with the Valuer regarding the methodology of, and the bases and assumptions adopted for the Valuation. We consider that the said methodology is a reasonable approach in establishing the valuation of the market value for the Target Property.

The Company's attributable interest in Zhongzhao, the principal asset of which is its 100% beneficial ownership of the Target Property, as adjusted by the Valuation and the net asset value of Zhongzhao of HK\$53.03 million (including the book value of the Target Property of approximately HK\$394.74 million) based on its unaudited consolidated financial statement as at 31 July 2009, amounted to approximately HK\$3,064.98 million. Given the substantial discount of approximately 43.4% to the Valuation and approximately 37.1% to the Company's adjusted attributable interest in Zhongzhao, we are of the view that the Consideration is fair and reasonable.

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Payment terms

As disclosed in the Circular, Shenzhen Orient Times has an unsecured loan in the amount of approximately RMB583.16 million (equivalent to approximately HK\$661.55 million) due from Shenzhen Maoye (namely the Loan). Since Shenzhen Orient Times will become an indirect wholly-owned subsidiary of the Company upon Completion, the Loan will represent a financial assistance provided by the Group to Mr. Huang and hence a connected transaction of the Company under the Listing Rules. In this regard, the Equity Transfer Agreement provides that the Loan shall be repaid on the same date when the Third Installment is made by the Group. As the Loan is an integral part of the Acquisition and the aforesaid finance assistance is primarily resulted from the payment structure of the Consideration and the repayment of the Loan is fully secured by the above-mentioned payment structure, we are of the view that the terms of the Equity Transfer Agreement (including the payment structure and hence the above-mentioned financial assistance) are fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

4. Financial impacts of the Acquisition

(i) Earnings and net asset value

Upon Completion, Zhongzhao will become an indirect wholly-owned subsidiary of the Company and its results, assets and liabilities will be consolidated into the consolidated financial statements of the Company. The Target Property will be recorded as buildings in the Company's consolidated financial statement and subject to depreciation policy (whereby no annual revaluation will be required under the Company's current accounting policy). Accordingly, the consolidated results of the Group will be increased by the operating lease previously payable to Zhongzhao though such improvement in the Group's results will be partly offset by the increase in the depreciation charges and the interest expenses as a result of the Acquisition. Furthermore, since no revaluation will be performed on the Target Property after Completion, the excess of the Consideration over the unaudited consolidated net asset value of Zhongzhao in the amount of approximately HK\$1.87 billion (based on Zhongzhao's unaudited consolidated financial statements as at 31 July 2009) will be recorded as a reduction in the Group's reserves.

(ii) Gearing and working capital

As at 30 June 2009, the Group had net debt of approximately RMB125.03 million (equivalent to approximately HK\$141.84 million) (being the Group's cash and bank balances of approximately RMB972.5 million (equivalent to approximately HK\$1,103.23 million) less its bank borrowings of approximately RMB1,097.53 million (equivalent to approximately HK\$1,245.07 million)). Given that the Consideration will be principally financed by bank borrowings and the final installment of the Consideration (HK\$674.80 million or 35% of the Consideration) is structured to offset the Loan, the Group's gearing ratio may increase from approximately 4% (express as a percentage of the Group's net debt over the shareholders' equity of approximately RMB3,104.13 million as at 30 June 2009) to a maximum level of approximately 86% (assuming the entire Consideration is financed by bank borrowings). However, since (i) the Group has been able to generate substantial cash inflow from its operating activities in the past;

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and (ii) the Group's total undrawn loan facilities amounted to approximately RMB970 million as at 30 June 2009 as disclosed in the Interim Report, we concur with the management of the Company that the payment of the Consideration is not expected to have any material adverse impact on the working capital and the gearing of the Group.

CONCLUSION AND ANALYSIS

Shenzhen is one of the most prosperous cities in the PRC with the gross domestic product having been increased to RMB780.65 billion in 2008 and the total consumer retail spending having been increased by 145.96% to RMB225.18 billion from 2004 to 2008. Despite the global financial turmoil taken place in the second half of 2008, the retail industry of Shenzhen has recorded a positive growth rate of 12.80% during the first half of 2009 from the same period last year. More importantly, premises with high customer flow is the key to the success of any department stores but, in many cases, they are very difficult to secure and the rent and/or selling price may be charged or sold at a substantial premium to the market. The Acquisition also represents an opportunity for the Group to acquire the Target Property at substantial discount to the Valuation. In addition, the Acquisition will enable the Group to achieve a cost savings synergy and the payment terms of the Consideration are structured to mitigate the Group's financial pressure as a result of the Acquisition. Given the above, we are of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Based on the above principal factors and reasons, we consider that the Acquisition is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole, and the terms of the Equity Transfer Agreement are on normal commercial terms and are fair and reasonable in so far as the Independent Shareholders are concerned. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution in relation to the Equity Transfer Agreement at the EGM.

Yours faithfully,
For and on behalf of
KBC Bank N.V. Hong Kong Branch

Kenneth Chan
Head of Corporate Finance, Greater China

Gaston Lam
Corporate Finance

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market value of the property in the PRC as at 31 October 2009.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

23 November 2009

The Directors
Maoye International Holdings Limited
38th Floor, Block A
World Finance Centre
4003 Shennan Dong Road
Shenzhen
Guangdong Province
The People's Republic of China

Dear Sirs,

Re : Retail space on Levels 1-9 and basement Level 1 (portion), car park and equipment rooms on basement Levels 1 (portion), 2-3, Phases 1 and 2, Orient Times Square, West of Huaqiang North Road, Futian District, Shenzhen, Guangdong Province, the People's Republic of China (the "PRC")

Instructions, Purpose and Date of Valuation

In accordance with the instructions of Maoye International Holdings Limited (the "Company") for us to value the captioned property situated in the PRC, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the property as at 31 October 2009.

Definition of Market Value

Our valuation of the property represents our opinion of its Market Value which in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors is defined to mean the "estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Valuation Basis and Assumption

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company and its subsidiaries (hereinafter together referred to as the “Group”) and the advice provided by the Group’s PRC legal adviser, King & Wood PRC Lawyers, are set out in the notes in the valuation certificate.

As advised by the Group, the Group has the intention to acquire the equity interest of Shenzhen Orient Times Square Property Co., Ltd., a member of the Controlling Shareholder Group which is the existing owner of the property. After completion of the acquisition, Shenzhen Orient Times Square Property Co., Ltd. is to become a wholly owned subsidiary of the Group and thus, in the course of our valuation, the current lease terms have not been taken into account.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (First Edition 2005) issued by the Hong Kong Institute of Surveyors.

Method of Valuation

In valuing the property, we have adopted the investment approach by capitalising of estimated market rental which can be derived from the property for its remaining land use term.

Source of information

In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as statutory notices, easements, tenure, identification of property, completion date of building, floor areas, particulars of occupancy and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificate attached are based on information contained in the documents provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. Except otherwise stated, we were also advised by the Group that no material facts have been omitted from the information provided.

Title Investigation

We have been provided with extracts of documents relating to the title to the property. However, we have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us.

Site Inspection

We have inspected the exterior and, wherever possible, the interior of the property. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the documents handed to us are correct.

Currency

Unless otherwise stated, all money amounts indicated herein our valuation are in Renminbi (RMB), the lawful currency of the PRC.

We enclose herewith our valuation certificate.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited
Andrew K. F. Chan
Registered Professional Surveyor
(General Practice Division)
China Real Estate Appraiser
MSc., M.H.K.I.S., M.R.I.C.S
Director

Note: Mr. Andrew K.F. Chan is a Registered Professional Surveyor who has over 22 years' of experience in the valuation of properties in Hong Kong, Macau and the PRC.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value as at 31 October 2009
Retail space on Levels 1-9 and basement Level 1 (portion), car park and equipment rooms on basement Levels 1 (portion), 2-3, Phases 1&2, Orient Times Square, West of Huaqiang North Road, Futian District, Shenzhen, Guangdong Province, the PRC	<p>Orient Times Square is a retail and residential complex upon a plot of land with total site area of approximately 11,099.89 sq.m.</p> <p>The property has a total gross floor area of approximately 84,425.47 sq.m., including 10 floors of retail space with a total gross floor area of 63,820.47 sq.m. and 2 floors of underground car park and equipment rooms with a total gross floor area of approximately 20,605 sq.m. completed in 2004.</p> <p>The land use rights of the property have been granted for a term of 40 years due to expire on 28 April 2041 for commercial use.</p>	<p>The property is currently leased to the Group to operate as department store for a term of 12 years due to expire on 31 December 2018. The monthly rent is approximately RMB80/sq.m. for the first three years and is to be reviewed every three years. (note (1))</p>	RMB3,003,000,000

Note:

- (1) As advised by the Group, the Group has the intention to acquire the equity interest of Shenzhen Orient Times Square Property Co., Ltd., a member of the Controlling Shareholder Group which is the existing owner of the property. After completion of the acquisition, Shenzhen Orient Times Square Property Co., Ltd. is to become a wholly owned subsidiary of the Group and thus, in the course of our valuation, the current lease terms have not been taken into account.
- (2) According to Grant Contract of Land Use Rights No. (2001) 0010 and its supplemental contacts I-V, Shenzhen Municipal Bureau of Land Resources and Housing Management has granted the land use rights of Orient Times Square with a total site area of 11,099.89 sq.m. to Shenzhen Orient Times Square Property Co., Ltd. for terms of 40 years and 70 years for commercial and residential uses respectively. The total gross floor area has been increased to 83,409.6 sq.m., including gross floor areas of 63,820.47 sq.m. for commercial use and 19,589.13 sq.m. for residential use.
- (3) According to nine Real Estate Title Certificates dated 26 July 2004, the land use rights and building ownership of Orient Times Square, Phase 1, comprising a total gross floor area of 29,715.6 sq.m., have been granted to Shenzhen Orient Times Square Property Co., Ltd. (深圳市東方時代廣場實業有限公司) for a term of 40 years for commercial use commencing on 29 April 2001.

According to Shenzhen Construction Works Survey Report (深圳市房屋建築面積測匯報告) dated 9 April 2009, Orient Times Square, Phase 1, comprises a total gross floor area of 67,098.95 sq.m., including residential area of 19,589.13sq.m., retail area of 29,715.6 sq.m. and basement area of 16,143.16 sq.m.

As advised by the Group, a portion of basement level 1 with a total gross floor area of 3,455.46 has been converted for commercial use.

According to Shenzhen Construction Works Survey Report (深圳市房屋建築面積測匯報告) dated 18 February 2009, basement level 1 of Orient Times Square, Phase 1, comprises a total gross floor area of 5,526.12 sq.m., including a total gross floor area of 3,455.46 sq.m. for commercial use.

- (4) According to Construction Works Planning Examination Certificate (建設工程規劃驗收合格證) No. ZS-2008-0079, the construction works of Orient Times Square. Phase 2, comprises retail space of a total gross floor area of 30,649.41 sq.m., including aboveground area of 26,849.74 sq.m. and basement area of 3,799.67 sq.m., plus basement area of 7,917.13 sq.m. which is not counted into plot ratio, are in compliance with the urban planning requirements.
- (5) We have been provided with a legal opinion of the property prepared by the Group's legal adviser, King & Wood PRC Lawyers, which contains, inter alias, for the following information:-
- (i) Shenzhen Orient Times Square Property Co., Ltd. has obtained the land use rights of the property and fully settled the land premium.
 - (ii) Shenzhen Orient Times Square Property Co., Ltd. has obtained the building ownership of a portion of the property having a total gross floor area of 29,715.6 sq.m. and is entitled to occupy, use, transfer, lease and mortgage this portion.
 - (iii) There should be no material legal obstacle to complete the building ownership registration of the remaining part of the property after the examination of fire prevention system is approved by the authority.
- (6) According to the documents provided by Shenzhen Orient Times Square Property Co., Ltd, the major approvals and license are as the following:
- | | |
|---|------------|
| Grant Contract of Land Use Rights | Yes |
| Real Estate Title Certificate | Yes (part) |
| Construction Works Completion Certificate | Yes (part) |

1. RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken on were deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (together, "Discloseable Interests") were as follows:

(2.1) Long position in the Shares

Name of Director	Capacity	Number of Shares interested	Percentage of the Company's issued share capital
Mr. Huang	Interest of controlled corporations (<i>Note A</i>)	4,250,000,000	82.68%
Mrs. Huang Jingzhang	Interest of spouse (<i>Note B</i>)	4,250,000,000	82.68%

Notes:

- (A) These Shares were held by Maoye Department Store Investment Limited, a wholly-owned subsidiary of MOY International Holdings Limited, which in turn was wholly-owned by Mr. Huang.
- (B) Mrs. Huang Jingzhang was deemed to be interested in these Shares through the interest of her spouse, Mr. Huang.

(2.2) Long position in the shares of associated corporations

- (i)
- Maoye Department Store Investment Limited, the immediate holding company of the Company*

Name of Director	Capacity	Number of shares interested	Percentage of the issued share capital in such associated corporation
Mr. Huang	Interest of a controlled corporation (<i>Note A</i>)	2	100%
Mrs. Huang Jingzhang	Interest of spouse (<i>Note B</i>)	2	100%

Notes:

(A) These shares were held by MOY International Holdings Limited, which was wholly owned by Mr. Huang.

(B) Mrs. Huang Jingzhang was deemed to be interested in these shares through the interest of her spouse, Mr. Huang.

- (ii)
- MOY International Holdings Limited, the ultimate holding company of the Company*

Name of Director	Capacity	Number of shares interested	Percentage of the issued share capital in such associated corporation
Mr. Huang	Beneficial owner	100	100%
Mrs. Huang Jingzhang	Interest of spouse (<i>Note</i>)	100	100%

Note: Mrs. Huang Jingzhang was deemed to be interested in these shares through the interest of her spouse, Mr. Huang.

Save as disclosed above, none of the Directors had any Discloseable Interests as at the Latest Practicable Date.

3. SUBSTANTIAL SHAREHOLDER

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the persons, other than a Director or chief executive of the Company, who had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long position in the Shares

Name of substantial shareholder	Capacity	Number of Shares interested	Percentage of the Company's issued share capital
MOY International Holdings Limited	Interest of a controlled corporation (<i>Note</i>)	4,250,000,000	82.68%
Maoye Department Store Investment Limited	Beneficial owner (<i>Note</i>)	4,250,000,000	82.68%

Note: MOY International Holdings Limited directly held the entire interest in Maoye Department Store Investment Limited and was accordingly deemed to have an interest in the 4,250,000,000 Shares interested by Maoye Department Store Investment Limited. Such interests were also disclosed as the interests of Mr. Huang and Mrs. Huang Jingzhang in the above paragraph headed "Directors' interests in securities".

Save as disclosed above, the Directors were not aware of any person (not being a Director or chief executive of the Company) who as at the Latest Practicable Date had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which is not determinable within one year without payment of compensation (other than statutory compensation).
- (b) Mr. Zhong Pengyi, a non-executive Director, currently holds a 40% equity interest in Shenzhen Friendship Trading Centre Company Limited (深圳市友誼貿易中心有限公司), which in turn holds a 90% equity interest in Shenzhen Friendship Department Store Company Limited (深圳市友誼城百貨有限公司). Mr. Zhong is also the chairman of Shenzhen Friendship Department Store Company Limited. The Shenzhen Friendship Department Store Company Limited is engaged in the department store and retail business. Other than Mr. Zhong Pengyi's interest in the above mentioned competing business, no Director has any interest, and as far as each Director is aware none of his associates have any interests, in any business which competes or is likely to compete, either directly or indirectly, with the existing business of the Group.

- (c) No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant to the business of the Group taken as a whole.
- (d) Since 31 December 2008, being the date of the latest published audited consolidated accounts of the Company, our Chairman, Mr. Huang Mao Ru, had interest in the following transactions with the Group:
- (i) on 5 May 2009, Zhongzhao Investment Management Co., Ltd. (“**Zhongzhao Investment**”), a subsidiary of the Company, entered into a Share Transfer Agreement with Shenzhen Maoye, a company ultimately controlled by Mr. Huang. Pursuant to the Share Transfer Agreement, Zhongzhao Investment agreed to purchase from Shenzhen Maoye all of the issued shares of Shenyang Maoye Times Property Company Limited (“**Maoye Times**”) and the shareholder’s loan payable to Shenzhen Maoye for an aggregate cash consideration of RMB72,000,000. Maoye Times owns a parcel of land at 79 Shenliao East Road, Tiexi District, Shenyang Municipal;
 - (ii) on 31 July 2009, Zhongzhao Investment, a subsidiary of the Company, entered into an Equity Transfer Agreement with Shenzhen Municipal Jiajia Guohuo Company Limited (“**Jiajia**”), a company ultimately controlled by Mr. Huang. Pursuant to the Equity Transfer Agreement, Zhongzhao Investment agreed to purchase the entire equity interest in Shenzhen Municipal Maoye Advertisement Co., Ltd (“**Maoye Advertisement**”) from Jiajia at a consideration of RMB2,810,000. Maoye Advertisement is an advertisement company; and
 - (iii) on 3 August 2009, Chengshang Group Co., Ltd (“**Chengshang**”), a subsidiary of the Company, entered into a Joint Development Agreement with Chengdu Chongde Investment Company Limited (“**Chengdu Chongde**”), a company ultimately controlled by Mr. Huang. Pursuant to the Joint Development Agreement, Chengshang agreed to purchase a parcel of land situated at Second Central Office Area, Southern Chengdu, PRC, from Chengdu Chongde for a consideration of RMB79,630,000,

save as disclosed above, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

5. NO MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2008, being the date to which the latest published audited accounts of the Group were made up. However, in light of the turmoil in global financial markets and the impact this will have on PRC’s retail market, the Group’s revenue and profit might be adversely affected, similar to that experience by other operators in the retail industry.

6. GENERAL

- (a) The Secretary of the Company is Ms. Soon Yuk Tai who is a Chartered Secretary and an Associate of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries.
- (b) The qualified accountant of the Company is Mr. Wang Guisheng who is qualified as Certified Public Accountant with the Chinese Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants of England.
- (c) The registered office is situated at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, KY1-1112, Cayman Islands. The head office is situated at 38/F, World Finance Centre, 4003 Shennan East Road, Shenzhen PRC. The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, which is situated at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) As at the date of this circular, the executive directors of the Company are Mr. Huang Mao Ru, Mr. Wang Guisheng and Ms. Wang Fuqin. The non-executive directors of the Company are Mr. Zhong Pengyi and Mrs. Huang Jingzhang. The independent non-executive directors of the Company are Mr. Chow Chan Lum, Mr. Pao Ping Wing and Mr. Leung Hon Chuen.
- (e) The English language text of this document shall prevail over the Chinese language text.

7. EXPERTS AND CONSENTS

The followings are the qualifications of the experts who have given opinion and advice, which is contained in this Circular:

Name	Qualification
KBC Bank N.V. Hong Kong Branch	KBC Bank N.V., acting through its Hong Kong Branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
King & Wood PRC lawyers	PRC counsel
DTZ Debenham Tie Leung Limited	Independent professional valuer

DTZ Debenham Tie Leung Limited, King & Wood PRC lawyers and KBC Bank have given and have not withdrawn their written consent to the issue of this Circular with the inclusions of their respective letter and references to their names in the form and context in which they appear.

8. EXPERT'S INTEREST IN ASSETS

As at the Latest Practicable Date, KBC Bank, DTZ Debenham Tie Leung Limited and King & Wood PRC lawyers:

- (a) were not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2008, being the date to which the latest published audited accounts of the Company were made up;
- (b) did not have any shareholding interest in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (c) the letter from KBC Bank is given on 23 November 2009 for incorporation herein; and
- (d) the valuation report of DTZ Debenham Tie Leung Limited is given on 23 November 2009 for incorporation herein.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the place of business of the Company in Hong Kong at Room 1810, 18/F, Hutchison House, 10 Harcourt House, Central, Hong Kong during normal business hours on any weekday other than public holidays, up to and including 7 December 2009:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Equity Transfer Agreement dated 10 November 2009 and the Novation Deed dated 21 November 2009;
- (c) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 12 of this circular;
- (d) the letter issued by KBC Bank, the text of which is set out on page 13 to page 20 of this circular;
- (e) the written consent of KBC Bank referred to in paragraph 7 of this appendix;
- (f) the valuation report from DTZ Debenham Tie Leung Limited on the Land, the text of which is set out in Appendix I to this Circular;

- (g) the written consents referred to in paragraph headed “Experts and Consents” of this Appendix; and
- (h) the legal opinion in relation to the title of the Target Property provided by King & Wood PRC lawyers.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Maoye International Holdings Limited (the “Company”) will be held at Victoria IV, 2/F, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Wednesday, 9 December 2009 at 10:00 am for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an Ordinary Resolution (Terms defined in the Company’s Circular dated 23 November 2009 shall have the same meaning when used herein):

ORDINARY RESOLUTION

“**THAT** the Acquisition, the Financial Assistance, the Equity Transfer Agreement (a copy of which, marked “A”, has been initialled by the Chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved.”

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

Hong Kong, 23 November 2009

Registered Office:
Scotia Centre, 4th Floor, P.O. Box 2804,
George Town, Grand Cayman,
KY1-1112,
Cayman Islands

Notes:

- (a) Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

NOTICE OF EGM

- (b) To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.

This Circular, in both English and Chinese versions, is available on the Company's website at www.maoye.cn.

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of the corporate communications of the Company (the "Corporate Communications").

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Branch Share Registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

Shareholders who have chosen to receive the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this Circular since both languages are bound together into one booklet.