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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

HIGHLIGHTS

- Total sales proceeds[1] were RMB9,157.5 million, representing a decrease of 14.9%, and same-store[2] sales proceeds from concessionaire sales were RMB7,583.0 million, representing a decrease of 5.1%.
- Total operating revenue was RMB4,115.5 million, representing a decrease of 6.5%.
- Earnings Before Interest, Tax, Depreciation and Amortization was RMB1,226.9 million, representing a decrease of 53.2%.

RESULTS OF THE GROUP

- Profit attributable to owners of the parent was RMB139.5 million, representing a decrease of 89.8%.
- Without taking into account the effect of non-operating gains and losses, profit attributable to owners of the parent was RMB184.7 million, representing a decrease of 62.2%.
- Basic earnings per share for the year were RMB2.7 cents.

RESULTS OF THE OPERATION OF DEPARTMENT STORES SEGMENT

- Profit attributable to owners of the parent from the operation of department stores segment was RMB427.6 million, representing a decrease of 71.8% compared with RMB1,516.5 million in the same period last year.

Notes:

1 Total sales proceeds refer to the sum of total sales proceeds from concessionaire sales and revenue from direct sales at our department stores.

2 Same-store refers to the stores which have opened or been consolidated into the Group's financial statements by acquisition at the beginning of the previous fiscal year.

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the "**Board**") of Maoye International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2015 with comparative figures for the year 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 DECEMBER 2015

	Notes	**2015** ***RMB'000***	2014 *RMB'000* (Restated)
REVENUE	4	**3,284,321**	3,550,111
Other income	5	**831,144**	850,349
Total operating revenue		**4,115,465**	4,400,460
Cost of sales	6	**(1,361,393)**	(1,365,726)
Employee expenses	7	**(381,820)**	(466,281)
Depreciation and amortisation		**(474,398)**	(363,458)
Operating lease rental expenses		**(208,701)**	(225,575)
Other operating expenses		**(848,403)**	(914,431)
Other gains and losses		**(74,194)**	1,257,995
Operating profit		**766,556**	2,322,984
Finance costs	8	**(346,004)**	(170,806)
Share of profits and losses of associates		**(14,079)**	(64,927)
PROFIT BEFORE TAX		**406,473**	2,087,251
Income tax expense	9	**(288,284)**	(637,318)
PROFIT FOR THE YEAR		**118,189**	1,449,933
Attributable to:			
Owners of the parent		**139,452**	1,365,189
Non-controlling interests		**(21,263)**	84,744
		118,189	1,449,933
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic			
- For profit for the year		**RMB2.7 cents**	RMB26.3 cents
Diluted			
- For profit for the year		**RMB2.7 cents**	RMB26.3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2015

	2015	2014
	RMB' 000	*RMB'000*
		(Restated)
PROFIT FOR THE YEAR	**118,189**	1,449,933
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale equity investments:		
Available-for-sale equity investment revaluation	**5,964**	—
Changes in fair value	**99,061**	311,208
Reclassification adjustments for gain included in the consolidated statement of profit or loss Gain on deemed disposal	**—**	(35,613)
Income tax effect	**(26,256)**	(68,899)
	78,769	206,696
Defined benefit retirement plans	**471**	(597)
Exchange differences on translation of foreign operations	**(64,438)**	(7,253)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**14,802**	198,846
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**132,991**	1,648,779
Attributable to:		
Owners of the parent	**153,367**	1,564,226
Non-controlling interests	**(20,376)**	84,553
	132,991	1,648,779

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
		(Restated)
NON-CURRENT ASSETS		
Property, plant and equipment	**7,143,817**	5,919,957
Investment properties	**942,607**	373,023
Land lease prepayments	**4,254,138**	3,673,654
Goodwill	**283,934**	352,104
Other intangible assets	**57,405**	2,672
Investments in associates	**2,337,550**	2,418,096
Available-for-sale equity investments	**1,526,180**	1,161,503
Prepayments	**1,121,792**	437,158
Deferred tax assets	**489,059**	320,157
Total non-current assets	**18,156,482**	14,658,324
CURRENT ASSETS		
Inventories	**195,689**	179,199
Completed properties held for sale	**1,294,965**	701,595
Properties under development	**7,165,604**	7,059,699
Equity investments at fair value through profit or loss	**250,535**	173
Trade receivables	**20,703**	13,418
Prepayments, deposits and other receivables	**1,562,835**	998,891
Due from related parties	**298,962**	132,880
Loans and receivables	**12,219**	—
Pledged deposits	**59,488**	54,949
Cash and cash equivalents	**1,248,868**	662,069
Total current assets	**12,109,868**	9,802,873

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
31 DECEMBER 2015

	Note	**31 December 2015** *RMB'000*	31 December 2014 *RMB'000* (Restated)
CURRENT LIABILITIES			
Trade and bills payables	12	**2,027,391**	2,174,127
Deposits received, accruals and other payables		**4,421,085**	3,284,511
Interest-bearing bank loans and other borrowings		**7,793,180**	1,825,220
Due to related parties		**766,087**	74,094
Income tax payable		**386,918**	146,841
Dividend payable		**433**	—
Total current liabilities		**15,395,094**	7,504,793
NET CURRENT ASSETS/ (LIABILITIES)		**(3,285,226)**	2,298,080
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,871,256**	16,956,404

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
31 DECEMBER 2015

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
		(Restated)
NON-CURRENT LIABILITIES		
Interest-bearing bank loans and other borrowings	**5,122,863**	7,648,656
Deferred tax liabilities	**1,223,440**	1,097,613
Other long-term liabilities	**1,893**	—
Provision for retirement benefits	**8,052**	9,135
Total non-current liabilities	**6,356,248**	8,755,404
Net assets	**8,515,008**	8,201,000
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**460,270**	465,206
Equity component of convertible bonds	**55,538**	55,538
Other reserves	**6,927,159**	6,621,245
	7,442,967	7,141,989
Non-controlling interests	**1,072,041**	1,059,011
Total equity	**8,515,008**	8,201,000

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Maoye International Holdings Limited was incorporated in the Cayman Islands on 8 August 2007 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised). The Company's registered office address is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands, and the head office and principal place of business of the Company is located at 38/F, World Finance Centre, 4003 Shennan East Road, Shenzhen, the People's Republic of China (the "**PRC**"). The Group is principally engaged in the operation and management of department stores and property development in the PRC.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company are Maoye Department Store Investment Limited and MOY International Holdings Limited, respectively, which were incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

The annual consolidated financial statements for the year ended 31 December 2015 have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

As at 31 December 2015, the Group had net current liabilities of approximately RMB3,285,226,000. Having taken into account the cash flows from the operations and the current available banking facilities, the directors consider that it is appropriate to prepare the financial statements on a going concern basis notwithstanding the net current liabilities position.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units which are managed separately based on the nature of their operations and the products and services provided and has three reportable operating segments as follows:

(a) the operation of department stores segment comprises concessionaire, direct sales of merchandise and leases of commercial properties to third parties for the operation of department stores;

(b) the property development segment principally engages in the development and sale of commercial and residential properties and leases of commercial properties to third parties for the operation of department stores; and

(c) the "others" segment comprises principally operations of hotels, provision of ancillary services and provision of advertising services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated according to the net profit of reportable segment attributable to the owners of the parent company.

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Total RMB'000
Year ended 31 December 2015					
Segment revenue:					
Sales to external customers	2,485,579	776,629	22,113	—	3,284,321
Intersegment revenue	—	1,437	—	(1,437)	—
Other income	790,568	32,506	8,070	—	831,144
Cost of sales	(829,241)	(531,651)	(501)	—	(1,361,393)
Employee expenses	(344,021)	(26,889)	(10,910)	—	(381,820)
Depreciation and amortisation	(395,034)	(67,643)	(11,721)	—	(474,398)
Operating lease rental expenses	(206,933)	(1,513)	(355)	100	(208,701)
Other operating expenses	(721,652)	(115,123)	(12,965)	1,337	(848,403)
Other gains/(loss)	29,623	(103,631)	(186)	—	(74,194)
Operating profit/(loss)	808,889	(35,878)	(6,455)	—	766,556
Finance costs	(125,216)	(220,788)	—	—	(346,004)
Share of profits and losses of associates	(14,079)	—	—	—	(14,079)
Segment profit/(loss) before tax	669,594	(256,666)	(6,455)	—	406,473
Income tax expense	(244,389)	(44,508)	613	—	(288,284)
Segment profit/(loss) for the year	425,205	(301,174)	(5,842)	—	118,189
Attributable to:					
Owners of the parent	427,569	(283,449)	(4,668)	—	139,452
Non-controlling interests	(2,364)	(17,725)	(1,174)	—	(21,263)
	425,205	(301,174)	(5,842)	—	118,189

	Operation of department stores	Property development	Others	Adjustments and eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other segment information:					
Impairment losses recognised in the statement of profit or loss	2,215	84,626	—	—	86,841
Impairment losses reversed in the statement of profit or loss	(57)	—	—	—	(57)
Investments in associates	2,337,550	—	—	—	2,337,550
Capital expenditure*	1,421,185	1,361,288	553	—	2,783,026

* Capital expenditure consists of additions to property, plant and equipment, land lease prepayments, investment properties, properties under development, other intangible assets and completed properties held for sale including assets from the acquisition of subsidiaries.

	Operation of department stores *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Adjustments and eliminations *RMB'000*	Total *RMB'000*
Year ended 31 December 2014					
Segment revenue:					
Sales to external customers	3,012,141	533,073	4,897	—	3,550,111
Intersegment revenue	—	6,891	—	(6,891)	—
Other income	807,143	35,688	7,518	—	850,349
Cost of sales	(1,059,572)	(305,602)	(552)	—	(1,365,726)
Employee expenses	(395,059)	(65,331)	(5,891)	—	(466,281)
Depreciation and amortisation	(307,574)	(54,067)	(3,757)	1,940	(363,458)
Operating lease rental expenses	(210,590)	(14,644)	(165)	(176)	(225,575)
Other operating expenses	(771,899)	(140,037)	(7,622)	5,127	(914,431)
Other gains/(loss)	1,245,679	(315)	12,631	—	1,257,995
Operating profit/(loss)	2,320,269	(4,344)	7,059	—	2,322,984
Finance costs	(37,213)	(133,370)	(223)	—	(170,806)
Share of profits and losses of associates	(64,927)	—	—	—	(64,927)
Segment profit/(loss) before tax	2,218,129	(137,714)	6,836	—	2,087,251
Income tax expense	(612,041)	(22,583)	(2,694)	—	(637,318)
Segment profit/(loss) for the year	1,606,088	(160,297)	4,142	—	1,449,933
Attributable to:					
Owners of the parent	1,516,548	(157,688)	6,329	—	1,365,189
Non-controlling interests	89,540	(2,609)	(2,187)	—	84,744
	1,606,088	(160,297)	4,142	—	1,449,933

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Total RMB'000
Other segment information					
Impairment losses recognised in the income statement	30,871	15,010	—	—	45,881
Investments in associates	2,418,096	—	—	—	2,418,096
Capital expenditure*	1,268,678	3,359,087	23	—	4,627,788

* Capital expenditure consists of additions to property, plant and equipment, land lease prepayments, investment properties, properties under development, other intangible assets and completed properties held for sale, including assets from the acquisition of subsidiaries.

4. REVENUE

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Commissions from concessionaire sales	**1,374,324**	1,626,820
Direct sales	**902,307**	1,173,992
Rental income from the leasing of shop premises	**204,552**	204,098
Management fee income from the operation of department stores	**4,396**	7,231
Rental income from investment properties	**46,252**	71,316
Sale of properties	**730,377**	461,757
Others	**22,113**	4,897
	3,284,321	3,550,111

The total sales proceeds and commissions from concessionaire sales are analysed as follows:

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Total sales proceeds from concessionaire sales	**8,255,225**	9,590,145
Commissions from concessionaire sales	**1,374,324**	1,626,820

5. OTHER INCOME

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Income from suppliers and concessionaires		
- Administration and management fee income	**419,148**	412,154
- Promotion income	**240,549**	242,256
- Credit card handling fees	**113,441**	126,798
Interest income	**17,430**	25,935
Others	**40,576**	43,206
	831,144	850,349

6. COST OF SALES

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Purchases of and changes in inventories	**829,241**	1,059,572
Cost of properties sold	**531,651**	305,602
Others	**501**	552
	1,361,393	1,365,726

7. EMPLOYEE EXPENSES

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Wages and salaries	**333,721**	408,440
Retirement benefits	**43,931**	46,557
Other employee benefits	**4,168**	11,284
	381,820	466,281

8. FINANCE COSTS

	For the year ended 31 December 2015 *RMB'000*	2014 *RMB'000* *(Restated)*
Interest on bank loans	**748,834**	550,598
Total interest expense on financial liabilities not at fair value through profit or loss	**748,834**	550,598
Less: Interest capitalised	**(402,830)**	(379,792)
	346,004	170,806

9. INCOME TAX EXPENSE

	For the year ended 31 December 2015 *RMB'000*	2014 *RMB'000* *(Restated)*
Current — Corporate income tax	**371,104**	347,049
Current — Land appreciation tax	**31,295**	20,416
Deferred	**(114,115)**	269,853
Total tax charge for the year	**288,284**	637,318

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year ended 31 December 2015 attributable to owners of the parent of RMB139,452,000 (2014: RMB1,365,189,000) and the weighted average number of ordinary shares of 5,160,924,290 (2014: 5,197,910,878) in issue during the year, as adjusted to reflect to the right issue during the year.

11. DIVIDEND

	2015 *RMB'000*	2014 *RMB'000*
Interim dividend — HK 2.2 cents (2014: HK 3.1 cents) per ordinary share	**93,303**	128,131
Proposed final dividend — Nil (2014: HK 1.1 cents per ordinary share)	**—**	45,171
	93,303	173,302

The Board recommended no payment of any final dividend for the year ended 31 December 2015.

12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Within 90 days	**1,641,140**	1,666,599
91 to 180 days	**54,841**	159,381
181 to 360 days	**75,932**	182,218
Over 360 days	**255,478**	165,929
	2,027,391	2,174,127

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

In 2015, the Chinese economy entered into a new era as a result of structural adjustment, development and transformation. The overall retail industry was confronted with multiple difficulties such as weak consumption desire of the residents, insufficient demand and intense competition. Despite the challenges, the traditional retail industry also ushered in unprecedented opportunities. The changes and developments of the retail industry have accelerated the structural adjustment, transformation and upgrading. The Group has been active in responding to the adverse situation in the industry in which it constantly optimized the capital structure and exerted efforts in transforming and upgrading the Group's business to provide high-end shopping experience. In addition, the Company increased the operation efficiency and decision-making through the use of information technology so that the group resources can be better allocated. The Group has also been controlling operational management risks, which effectively minimized the impact on the Group's business due to the economic downturn.

Total sales proceeds were RMB9,157.5 million, representing a decrease of 14.9% compared to the same period last year; same-store sales growth of the concessionaire sales decreased by 5.1%. Total operating revenue was RMB4,115.5 million, representing a decrease of 6.5% compared to the same period last year. The main reason for the decrease was due to the fact that the financial results of Maoye Communication Network Co., Ltd. (formerly known as Maoye Logistics Corporation Limited, a company listed on the Shenzhen Stock Exchange with stock code: 000889) ("**Maoye Communication**") was no longer consolidated into the financial results of the Group as Maoye Communication ceased to be a subsidiary of the Group since December 2014. Setting aside the effect caused by Maoye Communication, total sales proceeds decreased by 3.3%, while total operating revenue increased by 4.1% in this period, and the increase of operating revenue was mainly benefited from the increase of revenue recognition from the property sales in 2015.

Profit attributable to owners of the parent was RMB139.5 million, representing a decrease of 89.8% compared to the same period last year, or a decrease of 62.2% as compared to the same period last year without taking into account the non-operating items.

MAJOR OPERATING HIGHLIGHTS

Opening of new stores and expanding store network

In 2015, the Group opened a new Taizhou Maoye Complex shopping center (Taizhou Dongjin Store) which commenced operation on 1 February 2015. The store is located in the densely populated national 4A Fengcheng Scenic Zone with a broad and deep customer base and is currently the largest "department-store-transformed shopping center" in Taizhou, with a total gross floor area of 86,066 m^2. As at 31 December 2015, the area for food and beverage facilities accounted for about 48% of the total floor area of the store. Taizhou Maoye Complex forms the Constellation of Gemini (雙子星座) with Maoye's local famous department store, Taizhou Yibai, and has established the Group's leading position in the retail market of Taizhou through the marketing model of linked development.

Since the Group's projects under development are able to support the pace of development in the next 3 to 5 years, the Group will continue to uphold a prudent policy in acquisition of land. In 2015, the Group acquired a plot of land located at the prime area in the well-established business district in Baotou with a total site area of 25,000 m^2. The consideration for this acquisition was RMB270 million. The Group intends to build a city complex on the site. The construction of the city complex and the construction of another store of the Group in Baotou will have the advantage of economies of scale, which will be favorable for the Group's strategic geographic distribution throughout Baotou.

Deepening the strategy of transforming department stores into shopping centers

In 2015, the Company continued to push forward the strategy of transforming traditional department stores into shopping centers and continued to optimize the retail brand portfolio while increasing the proportion of ancillary facilities such as catering, recreational and entertainment facilities in order to establish an experiential-based diversified consumption platform.

Huaqiangbei Maoye, the Group's flagship store, officially transformed into "Maoye Complex" in the first quarter of 2015. The upgraded Huaqiangbei Maoye Complex has more than 600 brands, including first-tier domestic brands, first and second-tier international brands and major market brands. The representative international brands include: COACH, MICHAEL KORS, MCM, KATE SPADE, LOVE MOSCHINO, VIVIENNE WESTWOOD, JUICY COUTURE, etc. The Huaqiangbei Maoye Complex also has 42 shops under the recreational and catering categories, such as Bona Cinema and Starbucks. The subway construction for Huaqiangbei Business Street which caused the road closure nearby for more than three years is expected to complete in the fourth quarter of 2016. The number of metro lines passing through the Huaqiangbei Business District will increase from three to four, with an addition of the Xili Metro Line (metro line number seven). It is expected that in mid 2016, the Xili Line will connect seamlessly with the B1 level of Huaqiangbei Maoye Complex and thus will increase the shopping mall's capability to attract more customers. The Chongqing Jiangbei Maoye Complex, which is positioned as a high-end shopping center, has begun to implement a substantial adjustment and reconstruction of each of the floors since April 2013 and all reconstruction works were completed in April 2015. Following the renovation of transforming the department store into a shopping center, as well as the introduction of featured restaurants, the proportion of ancillary operations reached around 25% of the operating area. In addition, the Group's Zibo Maoye Building was reconstructed and expanded into Zibo Maoye Times Square which was officially opened in first half of 2015, with a gross floor area of 88,923 m^2, and has been positioned as a large shopping center.

The strong development of city outlets

The Group's outlet segment continued to exhibit unique advantages amidst the sluggish market condition. The Shenzhen Outlet Store, being the first city outlet in Shenzhen, continued to maintain a good growth against the market trend in 2015 and achieved same-store growth of 8.8% in 2015, as well as a compounded growth of 13.6% for its proceeds of concessionaire from 2012 to 2015. In addition, the Group's outlet store located in Baoding also achieved same-store growth of 18.9% in 2015.

Achieving progress in information management

Since becoming a strategic partner of System Applications and Products ("**SAP**") Corporation, in July 2013, through a selective systematic promotion strategy for more than two years, the Group achieved significant progress in information management. In 2015, the Group fully launched and implemented the enterprise resource planning ("**ERP**") information system, further facilitated the upgrading and transformation of the management model and strengthened the group management and control efforts. In particular, modular systems such as business intelligence analysis and membership management were successively launched, providing effective business management and decision-making data support to the Group. Through the aggregation, analysis and refinement of the specific financial and business information of the respective stores by the operating headquarters, group integration, standardization and resources sharing can be achieved in respect of purchasing management, inventory management, brand database, store value management, sales channels and sales promotion means.

Meanwhile, the Group has established a management and control team in respect of operational data information to monitor the data of key business indicators of product categories, key brands and the implementation of operational plans of the stores; conduct analysis of the usage of various costs of stores, the effect of operating activities, store operating space and the implementation of group-buying sales plans; and supervise and appraise business development plans.

Initiating data drive, carrying out precise marketing and promoting various operational efforts

In 2015, the Group fully initiated data drive work and actively promoted the marketing of brand culture and reinforced cultural service experience. Through the establishment of a comprehensive analytical model of customer information, while making use of cross-industry alliances and media platforms such as WeChat to carry out marketing so as to enhance customer experience, more customer groups were attracted to participate. The Group actively carries out "data management" and "customized services" by starting from stores in the South China region on a trial basis and gradually extends to other regions to fully leverage the data and analysis, and provides more distinctive services and experience that can better satisfy the needs of customers while promoting business operations.

Capital operation and major asset reorganization

In April 2015, the Group's associated company Maoye Communication acquired 100% equity interest in Guangdong Changshi Communication Technology Ltd., a communication network technology service enterprise, for a cash consideration of RMB1.2 billion. The transaction was completed on 9 June 2015. In order to completely resolve competition issues and fully promote the strategy of transforming and upgrading the operations of Maoye Communication, Maoye Communication transferred 100% of its equity interest in Qinhuangdao Maoye Holdings Co., Ltd. ("**Maoye Holdings**") through public auction on the Beijing Equity Exchange ("**BEE**") in August 2015. In September 2015, Zhongzhao Investment Management Co., Ltd. ("**Zhongzhao**"), a wholly-owned subsidiary of the Group, won the bid for 100% equity interest in Maoye Holdings through public auction. The equity transfer was completed on 13 November 2015. Following the transfer of the 100% equity interest in Maoye Holdings through auction, the principal business of Maoye Communication undergone comprehensive transformation from the traditional retail and real estate sectors to the communication service sector.

In June 2015, Chengshang Group Co., Ltd. (成商集團股份有限公司) (a company listed on the Shanghai Stock Exhange with stock code: 600828), ("**Chengshang Group**"), a subsidiary of the Group, underwent significant asset reorganization, in which it proposed to purchase 100% equity interest in 5 companies of Shenzhen Maoye Shangsha Co., Ltd. ("**Maoye Shangsha**"), Shenzhen Demao Investment Enterprises (Limited Partnership) ("**Demao**") and Shenzhen Hezhengmao Investment Enterprise (Limited Partnership) ("**Hezhengmao**") by issuance of shares, including 6 stores of the Group in the South China region, namely Huaqiangbei Store, Nanshan Store, Dongmen Store, Outlet Store, Shennan Store and Zhuhai Xiangzhou Store. Upon completion of the transaction, the above stores were consolidated into Chengshang Group, which is conducive to the consolidation and sharing of retail business resources of the Group in the South China region and Southwest region and reducing potential horizontal competition. The total consideration for the acquisition by Chengshang Group was RMB8,560,571,092 which was settled by allotting and issuing a total of 1,161,542,889 consideration shares by Chengshang Group to Maoye Shangsha, Demao and Hezhengmao at the issue price of RMB7.37 per share (the respective proportions were 1,093,203,558, 48,818,053 and 19,521,278 consideration shares of Chengshang Group). In February 2016, the Group announced that the significant reorganization of Chengshang Group and the acquisition of assets through the issuance of shares to Maoye Shangsha and others were completed. Chengshang Group's total issued share capital has increased from 570,439,657 shares to 1,731,982,546 shares, and the percentage of Chengshang Group's shares held by Maoye Shangsha has increased from 68.06% to 85.53%, and the shareholding percentage of the Group and its persons acting in concert in Chengshang Group has increased to 89.48%.

In October 2015, Chengshang Group, a subsidiary of the Group, underwent significant asset reorganization, in which it proposed to purchase 100% equity interest in Chengdu Renhe Chuntian Department Store Ltd. ("**Rendong Department Store**") held by Chengdu Renhe Industrial (Group) Limited and 100% equity interest in Chengdu Qingyang District Renhe Chuntian Department Store Ltd. ("**Guanghua Department Store**") held by Grand Collection Limited by cash through Chengshang Group Holding Co., Ltd.("**Chengshang Holding**"), a wholly-owned subsidiary of Chengshang Group. The total cash consideration for this significant reorganization was RMB2,474,417,400 of which the consideration for Rendong Department Store was RMB742,325,100 and the consideration for Guanghua Department Store was RMB1,732,092,300. In March 2016, the Group announced the completion of the equity transfer of Rendong Department Store and Guanghua Department Store, thus these two stores became the wholly-owned subsidiaries of Chengshang Holding. This transaction was conducive to the business expansion of Chengshang Group in the Southwest region, which significantly increased its market share in the medium-to-high-end markets in the region and was beneficial to further enhance the profit sustainability and the ability to resist risks of Chengshang Group.

In November 2015, Shenyang Commercial City Co. Ltd. (a company listed on the Shanghai Stock Exchange with stock code 600306)("**Commercial City**"), an associated company of the Group, proposed to acquire 100% equity interest in U-car (Shenzhen) Internet of Vehicles Technology Co., Ltd. (宜租(深圳)車聯網技術有限公司) ("**U-Car Internet of Vehicles**") held by Yicheng Auto Industry Investment (Shenzhen) Co., Ltd. (易乘汽車產業投資(深圳)有限公司) at the price of RMB13.28 per share by way of the non-public offering of A shares to selected investors and intended to raise a total fund of not more than RMB1.4 billion proposed to be used for purchasing new vehicles for expanding the Internet car platform business, the establishment of the Internet of Vehicles information system platform and replenishing corporate working capital. The consideration for 100% equity interests in U-Car Internet of Vehicles is RMB1.46 billion. Without considering the funds to be raised, the number of shares to be issued by Commercial City as consideration in this transaction is 109,939,759 shares. Upon completion of the transaction, Zhongzhao will hold 14.98% of the total share capital of Commercial City after the issuance of shares. If the funds to be raised are taken into account, the additional number of shares to be issued by Commercial City in respect of the funds to be raised are 105,421,683 shares. In such case, Zhongzhao will hold 10.96% of the total share capital of Commercial City after the issuance of shares upon completion of the transaction. The ultimate number of shares to be issued will be based on the approval of the China Securities Regulatory Commission ("**CSRC**"). The transaction is subject to review and approval by the Merger and Reorganization Review Committee of CSRC as well as the approval of CSRC. Upon completion of this transaction, the principal business of Commercial City will change to retail business and internet car rental business, rendering services covering vehicle procurement to vehicle disposal. U-Car Internet of Vehicles prosesses advanced technical systems such as professional driver behavior analysis system, fleet instant positioning, monitoring and scheduling management system and relies on the internet to provide services in connection with comprehensive travel management solutions to customers, with its operations covering all key cities in the PRC. The profitability of Commercial City will be effectively increased upon completion of the transaction. This reorganization will help improving the asset quality and sustainability of Commercial City. In March 2016, Commercial City received a "Notice of application for the administrative permit" for this transaction from CSRC.

Actively broadening financing channels and optimizing the debt structure

The Group has been actively developing financing channels. In January, March, April, June and September 2015, the Group's wholly-owned subsidiary, Maoye Shangsha, issued RMB800 million one-year short-term notes in the interbank market of China with an annual interest rate at 5.23%, and issued two 270-day super short-term financing notes for total amount of RMB1.4 billion and one 270-day super short-term financing notes for RMB600 million with an annual interest rate at 5.34%, 5.45% and 4.44% respectively, and issued two one-year short-term notes for total amount of RMB900 million with an annual interest rate at 3.84%.

In January 2016, the Group's wholly-owned subsidiary, Maoye Shangsha, issued in the PRC corporate bonds with an aggregate principal amount of RMB2.8 billion, among which the first tranche of the RMB1.1 billion three-year corporate bonds was issued with an annual interest rate at 4%, and the second tranche of the RMB1.7 billion five-year corporate bonds was issued with an annual interest rate at 4.5%. The corporate bonds were publicly listed and traded on the Shanghai Stock Exchange on 2 February 2016.

The above financing activities provided stable funds for the development of the Group. Meanwhile, the corporate bonds with an aggregate amount of RMB2.8 billion issued in January 2016 further optimized the debt structure of the Company.

Reducing shares of Commercial City

In June 2015, the Group has disposed of an aggregate 8,906,803 shares of Commercial City through on-market transactions on the Shanghai Stock Exchange, representing 5% of the issued share capital of Commercial City. Through the disposal, the Group recovered cash of approximately RMB225 million, which were used to replenish working capital.

PERFORMANCE OF MAJOR SAME STORES[1]

	Store Name	Proceeds of Concessionaire Sales *(RMB'000)*	Same Store Sales Growth *%*	Operation Period[2] *(Years)*	Gross Floor Area *(m^2)*
1	Shenzhen Huaqiangbei	1,421,939	-9.0%	12.2	63,243
2	Shenzhen Dongmen	878,870	-6.6%	18.8	47,436
3	Taizhou Yibai	644,725	-2.9%	6.3	40,358
4	Chengdu Yanshikou	543,020	-12.7%	10.6	97,946
5	Chongqing Jiangbei	445,664	-5.0%	11.2	52,281
6	Shenzhen Nanshan	662,754	0.2%	6.3	44,871
7	Taiyuan Liuxiang	477,102	-0.7%	7.2	31,448
8	Nanchong Wuxing	284,869	-7.0%	10.6	25,195
9	Mianyang Xingda	255,500	0.2%	7.3	27,535
10	Zhuhai Xiangzhou	318,734	-5.3%	14.2	36,343
11	Shenzhen Outlet	307,630	8.8%	16.3	23,048

Notes:

1 Major same stores are stores with sales proceeds per annum of over RMB200 million.

2 Operation period was calculated till 31 December 2015.

Property development

As at 31 December 2015, the Group operated and managed 41 stores across 17 cities in China, including Shenzhen and Zhuhai in Guangdong Province; Chengdu, Nanchong and Mianyang in Sichuan Province; Chongqing; Wuxi, Taizhou, Yangzhou and Changzhou in Jiangsu Province; Zibo, Heze and Linyi in Shandong Province; Qinhuangdao and Baoding in Hebei Province; Shenyang in Liaoning Province and Taiyuan in Shanxi Province. The total gross floor area was approximately 1.71 million m^2, of which self-owned areas accounted for 81% (excluding the gross floor area of managed stores), areas leased from related parties accounted for 14% and areas leased from independent third parties accounted for 5%. In addition, the Group also has projects under development in Taiyuan of Shanxi Province; Jinzhou of Liaoning Province; Weifang and Laiwu of Shandong Province; Nanjing, Huaian, Wuxi and Taizhou of Jiangsu Province; and Baotou of Inner Mongolia Autonomous Region.

Outlook

In 2016, the Group will continue to maintain the strategy of steady development, enhance and upgrade the operational structure, and more proactive and effective measures will be taken:

Firstly, the Group will learn from its own successful experience of transforming prime stores into shopping centers and gradually implement the transformation of other stores while maintaining stable operations. The Group will enhance the operating capacity of marketplaces through effective means such as optimizing the business invitation system, achieving differentiation in commodities and increasing shopping center experiential elements so as to further improve the gross profit margin.

Secondly, with regard to operation and management, the Group will make effective use of the information system platform to increase the capability of analyzing and using megadata, consolidate and integrate stores and enhance the effectiveness of the management to supervise the quality of services of all stores.

Thirdly, with regard to innovative marketing, the Group will stay close with the internet to monitor the needs of the customers more thoroughly and exert more efforts in providing quality services and experience to the customers, while conducting purchase behavior analyses using our data system, and carry out precise marketing and innovative marketing.

Fourthly, with regard to the disposal of non-core assets, the Group will use various new marketing methods and improve service quality in order to weaken price marketing, and exert efforts in realizing non-core assets.

Fifthly, the Group will further optimize its governance structure, enhance the execution and examination of its internal control system, facilitate standardized operation, strictly implement the Company’s control system and drive the sustainable and healthy development of the enterprise, thereby creating greater values for its shareholders.

FINANCIAL REVIEW

Total Sales Proceeds and Revenue

For the year ended 31 December 2015, total sales proceeds of the Group were RMB9,157.5 million, representing a decrease of 14.9% as compared to the same period in 2014.

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Total sales proceeds from concessionaire sales	**8,255,225**	9,590,145
Revenue from direct sales	**902,307**	1,173,992
Total sales proceeds	**9,157,532**	10,764,137

Among the total sales proceeds of the Group in the year of 2015, total sales proceeds derived from concessionaire sales accounted for 90.1% and those derived from direct sales accounted for 9.9%.

The total sales proceeds and same-store sales growth of sales proceeds derived from concessionaire sales of the Group in the four regions are set out as follows:

	Total sales proceeds	**Contribution to the total sales proceeds of the Group**	**Same-store sales growth of sales proceeds derived from concessionaire sales**
	RMB million	*%*	*%*
Southern China	3,899.7	42.6	-6.1
South-western China	2,049.1	22.4	-5.2
Eastern China	2,012.4	22.0	-6.6
Northern China	1,196.3	13.0	4.8
Total	9,157.5	100	-5.1

For the year ended 31 December 2015, the same-store sales proceeds from concessionaire sales of the Group decreased to RMB7,583.0 million, representing a decrease of 5.1% compared to the same period of 2014. The commission rate from concessionaire sales was 16.6%, representing a reduction of 0.4% compared with 17.0% for the same period of 2014. In 2015, the Group continued to introduce innovative marketing strategies and stabilized the commission rate effectively.

Total sales proceeds in the year of 2015 comprised sales of apparel 47.8% (2014: 48.3%), cosmetics and jewelry 23.4% (2014: 22.0%), shoes and leather goods 11.9% (2014: 12.9%) and others such as children's wear and toys, household and electronic appliances, etc. 16.9% (2014: 16.8%). The change in the percentage attributable to each product category to total sales proceeds was primarily due to the influence of the price fluctuation of gold and the increased in sales of sports brands and ladies fashion.

For the year ended 31 December 2015, the revenue of the Group amounted to RMB3,284.3 million, representing a decrease of 7.5% as compared with RMB3,550.1 million for the same period of 2014. The commissions derived from concessionaire sales decreased by RMB252.5 million and the revenue derived from direct sales decreased by RMB271.7 million. The decrease in revenue was mainly due to the decrease in operating revenue of the department stores segment of the Group, which was due to Maoye Communication being no longer accounted for and consolidated as a subsidiary of the Group since December 2014.

Other Income

For the year ended 31 December 2015, other income of the Group amounted to RMB831.1 million, representing a decrease of 2.3% as compared with RMB850.3 million for the same period of 2014. This was primarily due to the decline of credit card handling fees income and interest income.

Cost of Sales

For the year ended 31 December 2015, cost of sales of the Group amounted to RMB1,361.4 million, representing a decrease of 0.3% as compared with RMB1,365.7 million for the same period of 2014. The decrease in cost of sales was primarily due to the decrease of direct sales in some stores.

Employee Expenses

For the year ended 31 December 2015, the employee expenses of the Group amounted to RMB381.8 million, representing a decrease of 18.1% as compared to the employee expenses of RMB466.3 million for the same period of 2014. Employee expenses as a percentage of total sales proceeds in 2015 decreased to 4.2% as compared with 4.3% for the year of 2014. The decrease of employee expenses was primarily due to Maoye Communication being no longer accounted for and consolidated as a subsidiary of the Group since December 2014.

Depreciation and Amortisation

For the year ended 31 December 2015, depreciation and amortisation of the Group amounted to RMB474.4 million, representing an increase of 30.5% as compared with RMB363.5 million for the same period of 2014, which was primarily due to the opening of new stores, rebuilding and upgrading of certain self-owned stores in 2015. The depreciation and amortisation as a percentage of total sales proceeds in 2015 was 5.2%, representing an increase as compared with 3.4% for the year of 2014.

Operating Lease Rental Expenses

For the year ended 31 December 2015, operating lease rental expenses of the Group amounted to RMB208.7 million, representing a decrease of 7.5% as compared with RMB225.6 million for the same period of 2014. This was primarily due to the transformation of Maoye Communication into an associated company in November 2014, and there is no more need to recognize its lease rental expenses in 2015. In 2015, irrespective of the effect of Maoye Communication, lease rental expenses increased by RMB17.9 million, primarily due to the increase in lease rental of stores in Southern China. The operating lease rental expenses as a percentage of total sales proceeds in the year of 2015 increased to 2.3% from 2.1% for the year of 2014.

Other Operating Expenses

For the year ended 31 December 2015, other operating expenses of the Group amounted to RMB848.4 million, representing a decrease of 7.2% as compared with RMB914.4 million for the same period of 2014. Other operating expenses as a percentage of total sales proceeds in 2015 increased to 9.3% from 8.5% in 2014.

Other Gains and Losses

For the year ended 31 December 2015, other gains of the Group were recorded as a loss of RMB74.2 million, representing a decrease of RMB1,332.2 million as compared to a gain of RMB1,258.0 million for the same period of 2014. This was primarily due to the deemed disposal of Maoye Communication in 2014 by transformation of the cost method to the equity method, resulting in the recognition of an investment income of RMB1,055.1 million.

Operating Profit

For the year ended 31 December 2015, the operating profit of the Group amounted to RMB766.6 million, representing a decrease of 67.0% as compared to RMB2,323.0 million for the same period of 2014. This was primarily due to the operating profit in 2014 included RMB1,055.1 million investment income of the other gains which was resulted from the deemed disposal of Maoye Communication by the equity method instead of the cost method.

Finance Costs

For the year ended 31 December 2015, finance costs of the Group amounted to RMB346.0 million, representing an increase of 102.6% as compared to RMB170.8 million for the same period of last year. This was primarily due to the increase in domestic and overseas loans as compared with the same period of 2014.

Income Tax

For the year ended 31 December 2015, the income tax expense of the Group was RMB288.3 million, representing a decrease of 54.8% as compared to RMB637.3 million for the same period of last year. The decrease in income tax was primarily due to the income tax of the deemed disposal of Maoye Communication in 2014 by the transformation of the cost method to the equity method, resulting in the recognition of an investment income of RMB1,055.1 million.

For the year ended 31 December 2015, the effective tax rate applicable to the Group was 70.9% (for the year ended 31 December 2014: 30.5%). The increase in effective tax rate was primarily due to that foreign exchange loss and finance costs incurred overseas cannot defer domestic income tax.

Profit Attributable to Owners of the Parent

As a result of the foregoing, for the year ended 31 December 2015:

— Profit attributable to owners of the parent decreased by 89.8% to RMB139.5 million;

— Without taking into account the effect of non-operating gains and losses*, profit attributable to owners of the parent decreased by 62.2% to RMB184.7 million.

Among them, the results of the department stores segment are as follows: Profit attributable to owners of the parent decreased by 71.8% to RMB427.6 million as compared with RMB1,516.5 million for the same period of last year.

* *Non-operating gains and losses represent the gains and losses in respect of equity investments at fair value through profit or loss, available-for-sale equity investments, investments in subsidiaries and associates, the disposal of property, plant and equipment items, investment properties and land lease prepayments.*

Liquidity and Financial Resources

As at 31 December 2015, the Group's cash and cash equivalents amounted to RMB1,248.9 million, which increased by RMB586.8 million as compared to the balance of RMB662.1 million as at 31 December 2014. The main cash inflow and cash outflow are set out as follows:

(1) net cash inflow of RMB240.5 million arising from operating activities;

(2) net cash outflow arising from investing activities amounted to RMB1,984.8 million, mainly including payments for properties and equipment amounting to RMB460.2 million, prepayment and purchase of land lease amounting to RMB50.5 million, and purchase of available-for-sale equity investments amounting to RMB254.7 million; and

(3) net cash inflow arising from financing activities amounted to RMB2,406.6 million, mainly including (1) cash inflow resulting from bank loans and other borrowing of RMB8,990.4 million; (2) cash outflow resulting from repayment of bank loans, interest payment, payment of final dividends for the year of 2014 and payment of interim dividend for the six months ended 30 June 2015 of approximately RMB5,648.6 million, RMB746.6 million, RMB45.2 million and RMB93.3 million, respectively.

Interest-bearing Loans

Total bank loans, short-term financing bonds, medium-term notes and convertible bonds of the Group as at 31 December 2015 amounted to approximately RMB12,916.0 million, and the gearing ratio[1] and net gearing ratio[2] were 42.7% and 137.0%, respectively (as of 31 December 2014: 38.7% and 107.4%, respectively).

[1] *Gearing ratio = total debt / total assets = (bank loans + short-term financing notes + medium-term notes + convertible bonds) / total assets*

[2] Net gearing ratio = net debt / equity = (bank loans + short-term financing ntoes + medium-term notes + convertible bonds - cash and equivalents) / equity

Investment in Listed Shares

The Group currently owns minority interests in companies listed in the PRC. The Directors believe these investments will bring long-term benefits to the Group. The following table sets out the Group's interests in three companies listed in the PRC as at 31 December 2015, and relevant summary information relating to these companies.

Investment	**The Group's Shareholding**	**Principal Business**	**Geographical Location**
Silver Plaza Group Co., Ltd. (銀座集團股份有限公司)	10.00%	Owns a number of department stores in Northern China	Jinan City, Shandong Province
Dashang Co., Ltd. (大商股份有限公司)	5.00%	Owns a number of department stores in Northern China	Dalian City, Liaoning Province
Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司)	0.04%	Provides multiple insurance and financial services and products in the PRC	Shenzhen City, Guangdong Province

The total costs of the investments of the Group in the above companies were RMB1,287.1 million, which was financed by the Group's cash generated from operations. As at 31 December 2015, the total market value of the shares held by the Group in the three above-mentioned A share listed companies amounted to approximately RMB1,583.4 million, representing an increase of 23.02% compared with the total cost of investments.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at the date of this announcement.

Pledge of Assets

As at 31 December 2015, the Group's interest-bearing bank loans amounting to RMB3,653.6 million were secured by the Group's land and buildings, investment properties, land lease prepayments, properties held for sale, properties under development with net carrying amounts of approximately RMB1,167.7 million, RMB3.7 million, RMB1,037.3 million, RMB318 million, RMB1,932.8 million and certain stock of Chengshang Group with a fair value of RMB3,701.5 million, respectively.

Foreign Currency Risk

The Group's certain cash and bank balances and investments are denominated in Hong Kong dollars, so the Group is exposed to foreign currency risk. During the year under review, the Group recorded a net loss from foreign currency of approximately RMB109.2 million.

For the year ended 31 December 2015, the Group had not entered into any arrangements to hedge its foreign currency risk. The Group's operating cash flow is not exposed to any foreign exchange fluctuation risks.

PROPOSED FINAL DIVIDEND

The Board recommended no payment of any final dividend for the year ended 31 December 2015 (2014: 1.1 HK cents).

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

The Company repurchased a total of 55,997,000 shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 December 2015. Such shares were cancelled upon repurchase and accordingly the issued capital of the Company was reduced by the nominal value of these shares.

Details of the repurchase are summarized as follows:

Month of repurchase	Total number of shares repurchased	Repurchase price per share		Aggregate consideration
		Highest	Lowest	
		HK$	*HK$*	*HK$*
March 2015	24,334,000	1.23	1.11	29,151,030
April 2015	4,570,000	1.27	1.22	5,715,200
June 2015	27,093,000	1.89	1.73	49,450,520
Total	55,997,000	1.89	1.11	84,316,750

Except as disclosed above, neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2015.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from Tuesday, 24 May 2016 to Wednesday, 25 May 2016 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting of the Company to be held on Wednesday, 25 May 2016, unregistered holders of shares of the Company should ensure all share transfer forms accompanied by the relevant share certificates be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 May 2016.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interests of its shareholders and enhancing corporate value. Detailed corporate governance practices will be stated in the Company's annual report for the year ended 31 December 2015. The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules during the year ended 31 December 2015, except for the following deviation.

Code Provision A.2.1

Currently, Mr. Huang Mao Ru is both the Chairman and Chief Executive Officer of the Company. As Mr. Huang is the founder of the Group and has extensive experience in the department store industry and commercial real estate industry, the Board believes that it is in the best interest of the Group to have Mr. Huang taking up both roles for the continuous effective management and business development of the Group.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2016, Maoye Shangsha completed the issue of the first tranche of the corporate bonds with a principal amount of RMB1,100 million and with an interest rate of 4% per annum for a term of 3 years; and the second tranche of the corporate bonds with a principal amount of RMB1,700 million and with an interest rate of 4.5% per annum for a term of 5 years, both in the PRC. Such corporate bonds were listed and traded on the Shanghai Stock Exchange with effect from 2 February 2016.

Assets reorganization in relation to the following transactions has been completed on 26 February 2016: Chengshang Group acquired, by issuing shares to Maoye Shangsha, 100% equity interests in Heping Maoye, 77% equity interests in Huaqiangbei Maoye, 100% equity interests in Shennan Maoye, 100% equity interests in Oriental Times Maoye and 100% equity interests in Zhuhai Maoye; acquired 16.43% equity interests in Huaqiangbei Maoye by issuing shares to Demao; acquired 6.57% equity interests in Huaqiangbei Maoye by issuing shares to Hezhengmao. Upon completion of these transactions, the total number of issued shares of Chengshang Group has increased to 1,731,982,546, whereas Maoye Shangsha, Demao and Hezhengmao have constituted concerted parties, together holding 1,549,769,652 shares of Chengshang Group, representing 89.48% of Chengshang Group's total share capital.

Regarding the major assets acquisitions in relation to the purchases of 100% equity interests in Rendong Department Store held by Chengdu Renhe Industrial Group Limited, and of 100% equity interests in Guanghua Department Store held by Grand Collection Limited, respectively for cash consideration by Chengshang Holding, a wholly-owned subsidiary of Chengshang Group, Rendong Department Store and Guanghua Department Store have completed the equity transfer registration on 29 February 2016 respectively, and have become wholly-owned subsidiaries of Chengshang Holding.

AUDIT COMMITTEE

The Audit Committee, comprising all the independent non-executive directors of the Company, has reviewed the results of the Group for the year ended 31 December 2015 and has discussed with the management the accounting principles and practices adopted by the Group, and its internal controls and financial reporting matters.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement was published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.maoye.cn). The annual report for the year ended 31 December 2015 containing information required by Appendix 16 of the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere appreciation to the shareholders, customers, suppliers and staff for their continued support to the Group.

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

Hong Kong, 14 March 2016

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.